

# Annual Report

## 2022–23

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Helping people live  
healthy, productive  
and fulfilled lives.





## Acknowledgement of Traditional Owners

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

ABN: 96 237 388 063  
ISSN: 2208-5211



## Contents

- 04** From the Board Chair and the CEO
- 06** Renowned for quality and compassionate care
- 09** Setting a new direction
- 10** A decade of dedication
- 12** Our care at a glance
- 14** Timely access to high quality care
- 22** Culturally safe services for Aboriginal and/or Torres Strait Islander Peoples
- 25** Listen to what our patients and community say
- 28** A great place to learn, work and grow
- 33** Technology and infrastructure support patient care
- 36** Research activities that improve patient outcomes
- 40** Thank you to our community of supporters
- 44** Thank you to our generous major donors and supporters
- 47** Austin Health Board Directors
- 52** Corporate information
- 64** 2022–23 Statement of Priorities
- 77** Financial summary
- 78** Disclosure index
- 81** Financials



## About this report

This report outlines the operational and financial performance for the period 1 July 2022 to 30 June 2023. There were four relevant ministers for the reporting period:

- **The Hon. Mary-Anne Thomas**, Minister for Health (1 July 2022 – 30 June 2023) and Minister for Ambulance Services (1 July 2022 – 5 December 2022)
- **The Hon. Gabrielle Williams**, Minister for Ambulance Services (5 December 2022 – 30 June 2023) and Minister for Mental Health (1 July 2022 – 30 June 2023)
- **The Hon. Colin Brooks**, Minister for Disability, Ageing and Carers (1 July 2022 – 5 December 2022)
- **The Hon. Lizzie Blandthorn**, Minister for Disability, Ageing and Carers (5 December 2022 – 30 June 2023).

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

## About the artworks

Artworks featured in this Annual Report are from the Secure Extended Care Unit (SECU) and the Aphasia group programs.

Sessions as part of these two groups look to boost feelings of calm, accomplishment, joy, confidence and satisfaction, as well as validate emotions, thoughts and experiences while formulating new goals.

The broad spectrum of Art Therapy gives voice and assists to process unspoken trauma, loss and grief, through to re-engaging personal strength, resilience and joyful moments. Art Therapy isn't driven by the finished piece as the overall 'process' of the creative engagement, the safe space and the relationship with the Art Therapist are primary aspects.



# From the Board Chair and the CEO

It has been another big year and we thank our staff for their efforts and commitment to providing great care. We treated more than 87,000 people from our community in the Emergency Department, looked after almost 120,000 inpatients across our sites and performed over 27,000 surgeries.

Our COVID-19 recovery was ever-present this year despite the pandemic declaration ending. We continued to work through new outbreaks while keeping patients, their families and our staff safe.

## Our new direction

In early 2023 we launched our new strategy across Austin Health, which sets our direction until 2027. We consulted with hundreds of patients, staff, community members and volunteers, and listened to what they want to see from Austin Health in the next five years. We have developed key priority areas including our patients receiving the right care in the right place, supporting our staff and being leaders in the delivery of specialist services and environmentally sustainable healthcare. We are dedicated to implementing actions to ensure we deliver on our commitments over the next five years.

## Thanking our staff

A highlight this year was having the opportunity to thank many of our staff members in person during our first Thank You Day. Executive and senior leaders visited more than 170 wards and departments across the organisation, handing out goodies and thanking staff for their ongoing commitment. After the events of the past three years, being able to thank teams and individuals in person was one small way we could show our genuine appreciation.

## Welcoming back our volunteers

This year saw the return of our much-loved volunteers. More than 23,000 patients and visitors were greeted with a friendly face in the second half of the 2022-23 year alone, with countless hours dedicated to providing directions and companionship. We are pleased to have them back on-site, along with other returning roles, including our Pet Therapy teams who provide a valuable and positive impact to our patients and community.

## Increasing access to transplantation

This year we added to our expertise in liver perfusion and launched an Australian first with our Kidney Machine Perfusion Program. This is a national milestone that sees two machines used to protect, restore and preserve donated kidneys prior to transplantation.

The availability of the two Machine Perfusion Programs adds to our expertise in this space and once the program is up and running, it's hoped it will greatly assist in supporting organ donation across the state. We thank the Victorian Government for their assistance in funding this program, further solidifying our expertise in this space and bringing together our two programs.

We also established the Australian Centre for Transplant Excellence and Research (ACTER). ACTER will support and strengthen the clinical and research expertise that Austin Health holds in the area of transplantation and provide expertise to advise on policy and clinical developments to deliver improved outcomes for the community.



## Oncology milestones

Ten years ago the Olivia Newton-John Cancer Wellness & Research Centre (ONJ Centre) opened, commencing with Radiation Oncology, Day Oncology, the Wellness Centre and Multidisciplinary Cancer Clinics. Since then, the ONJ Centre and the important work we do for our patients and community has continued to grow.

This year we passed the significant milestone of 4,000 cancer treatments through our Day Oncology at Home (DOAH) Program, as well as 1,000 treatments on our state-of-the-art MR-Linac, a specialised radiation machine with personalised treatment capabilities.

A commitment to innovation saw us take part in our first CAR-T cell therapy trial, a form of immunotherapy treatment where a patient's immune cells are genetically re-engineered to fight cancer.

## Culture at the bedside

We are proud to be one of the first hospitals in Victoria to implement two specialised policies - Smoking Ceremonies and Sorry Business/Sad News - to support our Aboriginal and/or Torres Strait Islander patients during grieving. Our commitment to reconciliation continues as we mark our first year of our second Reconciliation Action Plan. Promisingly, we are seeing an increase in Aboriginal and Torres Strait Islander patients seeking healthcare through our service.

Our Ngarra Jarra Aboriginal Health Unit continues to ensure culturally appropriate care is provided while also increasing staff awareness and education through cultural competence seminars.

## Elective surgery

We continued to proactively manage the elective surgery waitlist to ensure patients receive surgery within appropriate timeframes. This year our Orthopaedic Surgery department implemented two innovative models to grow the number of joint surgeries completed. A whole week in January 2023 was dedicated to bone and joint surgeries and saw more than 100 staff across multidisciplinary teams come together to accelerate the treatment of 63 patients.

We also established an Elective Surgery Reform Unit to work towards decreasing waitlist times across all areas of the hospital.

## Leadership changes

This year we welcomed back Charlie McArthur in February 2023 as Executive Director Strategy, Performance and Improvement, and Executive Director North East Metro Health Services Partnership, following a period of leave. We also farewelled Rachel Meehan, who joined the Executive team in the interim appointment while Charlie was away. We thank Rachel for her work over the past year and her strong leadership throughout the development of our latest Strategic Plan.

Board Director Mary Draper finished her term on 30 June 2023. We thank Mary for her guidance and leadership over the past nine years.

Thank you again to our staff, our patients and community for their support as we close off another milestone year and we look forward to continuing to provide great care.

In accordance with the *Financial Management Act 1994 (Vic)*, we are pleased to present the following Report of Operations for the year ended 30 June 2023.



**Ross Cooke OAM**  
Board Chair



**Adam Horsburgh**  
Chief Executive Officer



# Renowned for quality and compassionate care

## The right care in the right places

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

## An array of specialist care services

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

## Internationally recognised clinical teaching and training

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

## An extraordinary record of research successes

Our centre of excellence for hospital-based research brings together more than 1,000 world-leading researchers and leading research institutes. Austin-Mercy Precinct Research Collaborative Committee 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 (SRI)
- Mercy Hospital for Women
- Austin Medical Research Foundation (AMRF).

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

## Responding to the care needs of all Victorians

We provide statewide services to residents across Victoria. These include:

- Acquired Brain Injury (ABI) Rehabilitation Unit
- Austin Toxicology Service
- Victorian Liver Transplant Unit (VLTU)
- Victorian Poisons Information Centre (VPIC)
- Victorian Respiratory Support Service (VRSS)
- Victorian Spinal Cord Service (VSCS).



## Centres of care

### Austin Hospital

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

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

The hospital also has 11 operating theatres that 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.

### Olivia Newton-John Cancer Wellness & Research Centre

A part of Austin Hospital, the Olivia Newton-John Cancer Wellness & Research Centre (ONJ Centre) provides world-leading treatment, evidence-based wellness programs and supportive care that nurture the physical, psychological and emotional wellbeing of patients, carers and families.

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

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

### Heidelberg Repatriation Hospital

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

- **Surgery** – the hospital has eight operating theatres, specialists at the hospital can 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
- **Rehabilitation** – Our Health and Rehabilitation Centre provides rehabilitation services, programs and clinics, including the Kokoda Gym, hydrotherapy pool and consulting rooms.

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

### 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 trauma and disorders.

The centre provides leading multidisciplinary rehabilitation services for patients following amputation, stroke, spinal injury, surgery and other illnesses and injuries.

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

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



## Partnerships

### North East Metro Health Service Partnership

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

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

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

In 2022-23 the NEMHSP continued to demonstrate a culture of collaboration across its health service partners, as it progressed statewide priorities for elective surgery recovery, increasing home-based care and mental health reform. The NEMHSP also focused on local priorities applicable to our region, including an uplift to Residential in Reach services which reduced unnecessary ED presentations for elderly patients.

The NEMHSP uses the expertise of the tertiary, primary and community sectors to find opportunities for collaboration on common health sector problems.

### Taking radiation oncology services to regional residents

In partnership with two regional health services, Austin Health operates the Ballarat Austin Radiation Oncology Centre and the Stawell Austin Radiation Oncology Service.

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 and ensures patients are closer to home to start post-treatment recovery sooner.

### North Eastern Public Health Unit

During 2022-23, Austin Health, in partnership with Eastern Health and Northern Health, has led the North Eastern Public Health Unit (NEPHU) through a period of significant growth and change. This year our protection activity expanded beyond COVID-19 to include 42 conditions, with 2,365 cases of these managed by the NEPHU team.

Our health promotion and prevention role also expanded, as we developed and delivered a population health catchment plan in consultation with stakeholders from over 40 government, primary and community care organisations from across our catchment.

We supported the more than 700 residential facilities in our catchment by providing online forums, information and communications, as well as site visits and support from our Infection Prevention and Control team. Our digital Outbreak Management System enabled more streamlined support of 495 outbreaks (respiratory and gastro) across 173 aged care facilities, reducing the time spent on this activity by 60-70 per cent.

We successfully controlled the outbreak of mpox (monkeypox) by collaborating with local health organisations and representatives of the LGBTQIA+ community to deliver innovative and impactful services, including education for GPs and EDs, vaccination services, community information and attendance at events.

Our Engagement and Communications teams continued to collaborate with community partners to co-design, develop and implement information and activities. Together they worked to increase awareness and knowledge of COVID-19 and other conditions, promote protective factors, amplify urgent messaging, and empower self-management for the whole population, with specific attention to vulnerable and multicultural populations.

NEPHU serves 1.81 million people (28 per cent of the Victorian population), one of the most diverse populations in Australia. We look forward to continuing to work with this community to deliver strong place-based and community-focused public health action.

#### Our purpose

Helping people live healthy, productive and fulfilled lives.

#### Our vision

Shaping the future through exceptional care, discovery and learning.

#### Our values



Our actions show we care



We bring our best



Together we achieve



We shape the future





# Setting a new direction

In April 2023, we launched our new Strategic Plan 2023–27. This bold new plan is ambitious and provides a transformative direction for our future.

We engaged more than 135 patients and community members and over 1,270 volunteers, staff, Board members and community partners through a range of interviews, forums, focus groups and surveys to inform our strategy.

Subject matter experts deepened our understanding of emerging themes including global best practice in patient care, innovative service models and our role in contributing to a brighter future.

We listened to what they had to say, and over the coming years, we will focus on achieving five Strategic Outcomes.

- Our patients receive the right care in the most appropriate place.
- Our people are well supported and encouraged to reach their full potential.
- We are national leaders in specialist care.
- Our partnerships enable a comprehensive system of care.
- We are leaders in environmentally sustainable healthcare.

Each of these focus areas will be tested against our six Guiding Principles, an important new feature of this plan. They represent what we stand for and are the foundation for all we do, providing universal and enduring guidance to our day-to-day behaviours and decision-making. We test all our ideas and decisions against these principles to ensure we stay true to what is important to us, our patients, community, people and the broader service system.

Our Guiding Principles underpin each section of this year's Annual Report.

## Our Strategic Outcomes

We are leaders in environmentally sustainable healthcare

Our partnerships enable a comprehensive system of care



Our patients receive the right care in the most appropriate place

Our people are well supported and encouraged to reach their full potential

We are national leaders in specialist care

# A decade of dedication

## Dame Olivia Newton-John AC DBE

We were deeply saddened about the passing of Dame Olivia Newton-John AC DBE in August 2022.

We had a special connection with Dame Olivia for many years and offer our sincere appreciation for everything she offered Austin Health, our patients and our staff, many of whom had the privilege of forming personal connections with Dame Olivia.

Our determination and commitment to continuing the work Dame Olivia was so passionate about remains unwavering.

In 2012, we saw the opening of the Olivia Newton-John Cancer Wellness and Research Centre (ONJ Centre).

The ONJ Centre was established with the vision of becoming a world leader in providing comprehensive care, advanced research, and wellness and support services to cancer patients and their families.

Fast forward 10 years, and in 2022 we marked a momentous milestone as we celebrated a decade of hope, healing, and advancements in wellness, research and exceptional treatment at this remarkable centre.

Over the past 10 years, a multidisciplinary approach has fostered collaboration among experts from various clinical fields. This synergy of knowledge and expertise has allowed for a comprehensive approach to cancer treatment, ensuring that patients receive the best possible care throughout their journey with best possible outcomes.

Anniversary celebrations included our 2022 Walk for Wellness along with various other events to honour the contributions of patients, their families, the staff and the community that have supported the Centre's mission over the years. Inspirational stories serve as a testament to the dedication to providing hope and support in the face of adversity.

The anniversary also provided an opportunity to reflect on the numerous milestones achieved. From increasing the ONJ Centre's capacity and programs, to pioneering new therapies and research, the journey has been filled with moments of both joy and challenge. The dedication and resilience of the Centre's staff and volunteers have been fundamental to overcoming obstacles and achieving success.

Looking forward, the ONJ Centre continues to aspire to even greater heights. With advancements in technology, a deeper understanding of cancer genetics and a growing commitment to global collaboration, the Centre is poised to continue making a profound impact on cancer care in the years to come.





Chris Neumann Zahn  
Dental & Implant Center

# Our care at a glance

**87,986**

Emergency Department presentations



**119,420**

Inpatients



**149,314**

Specialist Clinic appointments



**27,607**

Operations performed



**1**

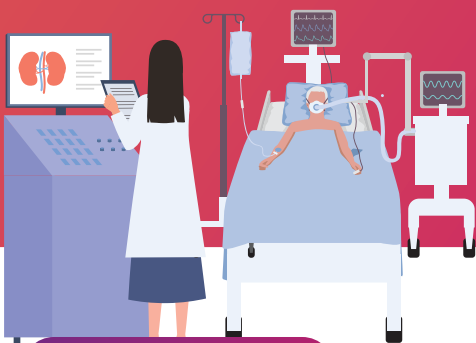
Intestinal transplant

**63**

Kidney transplants

**78**

Liver transplants





**24,040**

**Telehealth appointments**

**9,343**

**Chemotherapy sessions**



**277**

**Victorian Artificial Limb Program appointments**

**4,529**

**Hospital in The Home visits**



**28,797**

**Radiation sessions**



# Timely access to high quality care

## Continuing to lead the way in transplantation

### Expanding our Machine Perfusion Programs

In an Australian-first, we introduced two game-changing machine perfusion technologies that improve access to, and outcomes from, kidney transplantation in Victoria and Tasmania.

The comprehensive Kidney Machine Perfusion Program uses machine perfusion devices to protect, restore and assess donated organs between the donor and the recipient.

This will result in transplantation of better-preserved kidneys, and the use of more kidneys that were previously thought to be non-viable, transforming the lives of people who could otherwise be waiting years for a second chance at life.

Kidney perfusion joins our established Liver Machine Perfusion Program, and the availability of both programs concurrently is another national milestone. Since 2019, the Liver Perfusion Program has perfused an additional 43 livers from organs thought to be non-viable.

The Machine Perfusion Programs for kidney and liver transplantation are part of our work in establishing the Australian Centre for Transplant Excellence and Research (ACTER). ACTER brings together strong research capabilities with leadership and clinical excellence in transplantation.

### Kidney Transplant Service

Sixty-four adult kidney transplants were performed at Austin Health this year, and eight paediatric kidney transplants were supported by our surgical team at The Royal Children's Hospital (RCH). Additionally, 23 living kidney donations were performed.

Kidney transplant activity in Victoria and Tasmania remained suppressed due to residual effects from the COVID-19 pandemic. The result is that Victorians are waiting longer on life-altering dialysis for kidney transplantation.

The Kidney Transplant Service continues to contribute to national and international clinical trials, and innovative translational genomics research in transplant diagnostics.



Associate Professor John Whitlam, Medical Director of the Kidney Transplant Service, and Associate Professor Bulang He, Director of Renal Surgery and Transplant, stand beside our new kidney perfusion machines.

### Victorian Liver Transplant Unit

This year, the Victorian Liver Transplant Unit (VLTU) performed 78 liver transplants including 12 paediatric liver transplants at the RCH.

We partnered with Alfred Health and Monash Health to perform a bilateral lung, liver and pancreas transplant in mid-2023, that saw more than 20 specialists come together for a surgery that lasted for more than 12 hours.

The Unit also performed its 13th intestinal and multivisceral transplant since the service was established in July 2010. Austin Health is the only place in Australia and New Zealand where multivisceral transplants can currently take place and is one of only 40 worldwide.

The VLTU provides adult liver transplant services for all of Victoria and Tasmania and parts of southern New South Wales, and is currently the sole provider of intestinal transplant services in Australia.

The VLTU provides the surgical team for all paediatric liver transplants performed at the RCH. The paediatric service is a Nationally Funded Centre, so patients are referred from a wider geographic region.



## My miracle kidney

Michelle Pursell has had issues with her kidneys ever since she was born, but it wasn't until her adult years that they almost took her life.

Having had her left kidney removed as a teenager, Michelle steadily became sick in the last decade and ended up with kidney failure. Her only choice was to be put on the transplant waiting list and begin dialysis.

For five hours, three days a week, Michelle sat while the dialysis machine kept her alive.

As a result of previous complications during surgeries, she required extensive blood transfusions and developed antibodies in response, meaning she was no longer compatible for a transplant with 99 per cent of the population. Finding a kidney to match was a challenge her doctors were willing to take on.

Michelle waited eight years for a second chance at life, and just as she was about to give up hope, she received a call to let her know that chance had come.

She received her new kidney in 2023 and can't thank the entire team enough for their tireless work.

“They would have to be the best team in the country. The outcome has been above what any of us expected and I believe it's because they did everything right. They have been all over it.

I'm lost for words. I truly believe I wouldn't be here if it wasn't for them. I call it my miracle kidney.”



## Talking Transplant

In February 2023 we launched Talking Transplant, our inaugural podcast all about organ and tissue donation.

We worked collaboratively with the transplant leads across the organisation and our patients to hear their experiences first-hand. The podcast delves into how families grapple with the loss of a loved one and make the decision to save another, and also explores the very real challenges our staff at Austin Health face to improve outcomes for transplant patients around the world.

Season One contains five episodes and has been listened to more than 700 times since launch. Season Two is in planning stages with a launch before the end of 2023.



## COVID-19 care continues

Despite the pandemic declaration ending on 13 October 2022, we have continued to see some further significant surges in COVID-19 infections in the community, translating to increased presentations to our health service.

Our model of care introduced in early 2022, COVID in place, has ensured that we are constantly ready to react and provide high quality care to patients with COVID-19, while ensuring they receive the right care, in the right place, at the right time.

With the support of the Exposure Team, we continue to provide exposure and outbreak management across the organisation with timely responses to ensure limited transmission and outbreaks occurring. This includes admission testing for all patients to ensure they are admitted safely into the health service.

Throughout the last 12 months, significant work has occurred to slowly reduce the COVID-19 specific services by integrating where possible into our existing services and returning to a safe level of business as usual.

Supporting staff to receive the recommended booster doses through pop-up clinics continues to be available and we have been able to provide around 3,000 doses to staff who wished to receive their fourth or fifth booster dose.

Visitor requirements and restrictions have continued throughout the last 12 months, however significant relaxation to the requirements and restrictions has meant that patients and their families are able to spend more time together while they are in hospital. These restrictions are continuously reviewed and adapted to keep staff and patients safe and respond to the needs of the community.

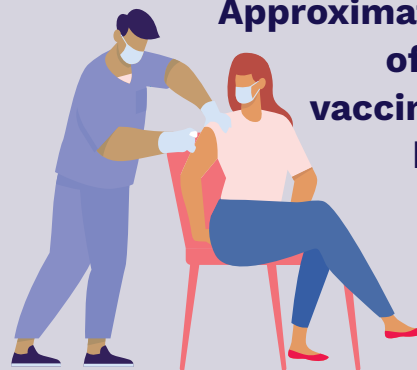
# 2,244

The number of COVID-19 positive patients we have cared for



# 3,000

Approximate number of COVID-19 vaccinations we have given





## Mental health

The Mental Health Division is two years into fulfilling the 65 recommendations that shape the Royal Commission into Victoria's Mental Health System's ambitious 10-year reform plan, designed to improve access and care for consumers and carers in our community.

Staff have been engaged in working groups focusing on key priority areas, including:

- embedding lived experience in the leadership, design and delivery of mental health services
- establishing two Area Mental Health Service Streams (Infant, Child and Youth Mental Health Services 0-25 years; and Adult and Older Adult Mental Health Services 26+ years)
- delivering more clinical activity outside of standard business hours
- integrating treatment for mental health, alcohol and other drugs
- providing support for people with mental illness and substance use or addiction issues. The Mental Health Division can celebrate many successes in the past year including leading the design of a Statewide Child and Family Centre, a 12-bed facility servicing 0-11-year-olds and their families in a residential setting. Opening later in 2023, it will be the first of its kind in Victoria.

Austin Health has partnered with Goulburn Valley Health to become a Partner Provider with Turning Point and has launched the Hamilton Centre, a new Alcohol & Other Drug statewide service. The Mental Health Division has taken on a significant Graduate Allied Health Program to grow the mental health allied health workforce, and has undertaken a UK recruitment strategy for the past year to increase the mental health nursing pipeline. The Division has also become a partner in the new Statewide Trauma Service.

The Eating Disorder Program has been expanded with a new Eating Disorder Service Plan ensuring quality eating disorder care governed under the Mental Health Division for consumers and their carers. The Division has embedded the new HOPE team which focuses on suicide prevention, has expanded Consultation Liaison Psychiatry Services and has secured a new community mental health clinic into which the youth and adult teams can expand, increasing service delivery to the community.

The Mental Health Division continues to work with the Department of Health's Mental Health and Wellbeing Division to advocate for new opportunities to ensure that the visions of the Royal Commission are embedded in service delivery and quality care.

## Care closer to home

With the huge success of creating several new services to better deliver more healthcare within patients' homes, work continued this year to both expand and consolidate these services.

These streams continue to support the delivery of more acute, rehabilitation and geriatric services, as well as the evaluation and management of Health Independence Programs and Specialist Clinic services including:

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

These services continue to receive strong positive patient feedback and focus on areas such as Subacute Programs, management of chronic conditions and machine learning analytics for proactive intervention. This year saw the expansion of two of these streams to support their growth and availability for patients.

### Subacute stream expansion

Our subacute services expanded its capability by increasing its bed capacity from 15 to 25 beds, with up to five beds available for our new '5 and 5 program' – five beds for five days' stay.

The service extension supports patients within the elective surgery space, enabling those not meeting existing Early Recovery Program criteria to utilise the subacute stream for a short home-based program to reduce their hospital stay.

The stream has admitted a total of 542 patients this year, resulting in 4,894 saved bed days. In June alone, 64 patients were admitted.

The team has established good engagement with care co-ordinators and inpatient wards and are actively working on strengthening direct care pathways.



## Day Oncology at Home Program

The Day Oncology at Home (DOAH) service provides the safe delivery of systemic cancer therapies to oncology and clinical haematology patients in their home. DOAH is an extension of, and alternative to, the Day Oncology setting, addressing increasing demand and improving the capacity for timely cancer care.

Following meticulous planning, the DOAH service commenced in August 2021 with three cars delivering care. By April this year, DOAH passed a significant milestone of 4,000 cancer treatments in-home.

A patient feedback survey in November 2022 demonstrated the service has been extremely well accepted by patients, with 94 per cent of patients and carers very satisfied overall. Patients have shared how DOAH has reduced stress about coming into hospital and reduced financial and carer burden. Patients report having one-to-one access to a specialised cancer nurse in their home has improved their cancer care experience. The DOAH service is undergoing expansion to a fourth car providing additional supportive care to patients in their homes.

“I think it is a wonderful service for the nurses to visit the home to give treatment to the patients. If one of the nurses felt there was a problem they would immediately contact the Day Oncology, often Claire, who was so helpful.”

**Maureen, patient**

## Hospital in the Home

The Virtual Care and Hospital in the Home (HITH) expansion program commenced in September 2021. We continue to see more consumers receiving their care remotely in the comfort of their own home. The program has grown with further virtual supported pathways inclusive of cardiac surgery, cardiology, haematology, elective surgery and emergency medicine. The addition of remote monitoring using wireless technology allows the clinical teams to enable safe reliable care daily to approximately 70 consumers through our HITH programs. Cutting-edge technology and innovation is being used to expand our health-service capacity to meet our growing consumer demand.

## Priority care in the community

The State Government, in partnership with the Eastern Melbourne Primary Health Network and Interconnect Healthcare, opened the Heidelberg Priority Primary Care Centre (PPCC) in December 2022.

Austin Health has been working in collaboration with the Heidelberg PPCC to provide an alternative to the ED for our patients who require urgent care but not an emergency response. The centre helps to address pressures in the ED by assisting our community to get the treatment they need quicker and in the after-hours period.

In collaboration with the GP-led provider Interconnect Healthcare, we have developed bilateral referral pathways between services and established a viable alternative to the ED for our local community for conditions such as mild infections, bone fractures and burns.

The Heidelberg PPCC has provided more than 7,000 episodes of care since opening, including 1,260 patients who have been referred directly from the Austin ED. As a result, we have experienced a drop in lower acuity presentations in the ED. The service is open 8am to midnight, seven days a week.





## Secondary Stroke Prevention Program

More than 450 people are admitted to Austin Health each year after experiencing a stroke. Up to 80 per cent of strokes can be prevented by addressing modifiable risk factors, such as high blood pressure, high cholesterol, and exercise and lifestyle factors. While the factors involving medical management are routinely addressed, few people were receiving any guidance around the exercise and lifestyle factors post their admission.

The Secondary Stroke Prevention Program was implemented to address this gap in education and more than 60 patients have completed the program so far. It was designed with the patient in mind to provide people who have been discharged from Austin Health with evidence-based guidance and support to exercise safely and make lifestyle changes that reduce their risk of suffering further strokes.

The program is delivered over 12 weeks by staff working in the Health Independence Program from a variety of health professions.

*Program participants Mario, Florida and Helen during an exercise session facilitated by health professionals.*

“I came away from this program with a sense of gratitude that a supportive program of this duration and quality was available to me. I found it to be particularly beneficial during my period of recovery.”

**Mario, program participant**



## A thousand personalised treatments for MR-Linac

Early January 2023 saw the 1,000th treatment delivered by our state-of-the-art MR-Linac.

The only one of its kind in Victoria, the MR-Linac has enabled tailored radiotherapy by providing personalised images of both the tumour and surrounding healthy tissue. This allows the multidisciplinary team to precisely sculpt the radiation dose at each treatment, with the potential for improved treatment outcomes and fewer side effects.

The MR-Linac can distinguish soft tissue and the program has recently commenced treating cancers of the prostate, pancreas, liver, lymph nodes, oesophagus and kidneys. These are in addition to brain, head and neck and breast cancers, each implemented as part of the initial clinical rollout and the first of their kind to be treated on a MR-Linac in Australia.



Austin Health patient Marita uses the MR-Linac as part of her treatment plan.

## Clinical trials

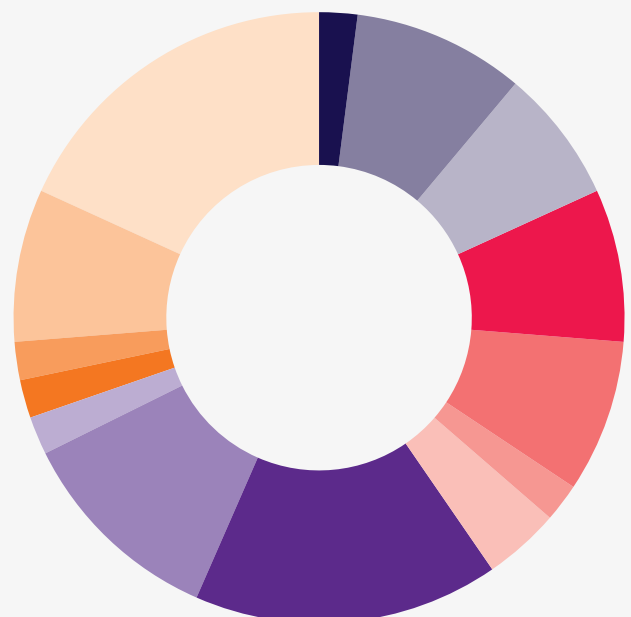
All treatment of cancer begins with clinical trials. Our Cancer Clinical Trials Centre (CCTC) has one of Victoria's largest pharmacological trials programs. The CCTC has conducted more than 250 national and international therapeutic trials across a diverse range of solid oncology and haematological streams, providing opportunities for cancer patients to access some of the newest, most innovative cancer therapies in development.

Over the past year, 43 new trials were approved and opened, providing treatment options for cancer patients. More than 220 new patients were enrolled in trials over the past year alone and we are actively caring for over 500 patients at any one time.

In 2022, Austin took a significant step in participating in the organisation's first CAR-T cell therapy via a clinical trial program. CAR T-cell therapy is a type of immunotherapy treatment in which a patient's T-cells (a type of immune cell) are genetically re-engineered to fight cancer.

### Tumour groups

● Brain	2	● Lung	16
● Breast	9	● Lymphoma	11
● Colorectal	7	● Melanoma	2
● Gastrointestinal	8	● Myeloma	2
● Genitourinary	8	● Other	2
● Head & neck	2	● Other haem	8
● Leukemia/MDS	4	● Solid tumour	18



## Elective Surgery Reform Unit

Improving and decreasing our elective surgery waiting list has continued to be a priority for us this year. To improve elective surgery access, reduce long waitlists and improve patient communication and outcomes, we have established the Elective Surgery Reform Unit.

The Unit is led by nursing, administration, medical, allied health and patient representatives, and is part of a collaboration with the North East Metro Health Service Partnership. Together, a community of knowledge has been created.

Since implementation, we have developed a day-case pathway for a range of conditions including laparoscopic cholecystectomies and complex hernias. We have already seen a five per cent increase in same-day rates compared with last year.

The next 12 months are bursting with digital innovations to enhance the booking process for patients, including a patient portal and a digital surgical journey application.

Several new allied health initiatives are supporting elective surgery reform. These include establishing an Osteoarthritis Navigator and dietetics interventions to support evidence-based recommendations for diet and exercise, and the development of non-surgical pathways for patients with chronic hand conditions. The aim is that these interventions will improve patient wait times and reduce surgical demand.

## Taking care of our oldest patients

This year, we commenced a new program in our ED to support some of its most vulnerable patients. The Geriatric Emergency Department Innovation, affectionally known as GEDI, aims to provide specialist geriatric medical support for patients aged over 65 who would benefit from early review. GEDI sees geriatricians working alongside ED clinicians to assess patients at the front doorstep of the hospital or provide timely advice to improve their care.

January 2023 saw the implementation of GEDI as a seven-day-a-week service at Austin Health, following a positive pilot project in 2021-22. A team of enthusiastic geriatricians have been filling an unmet need among our patient cohort, by ensuring our community has access to the right specialists at the right time at point of care. GEDI has swiftly established itself within the ED as an essential service.

## Strengthening surgical models

The Orthopaedic Surgery department undertook two innovative, reproducible models of care to combat elective surgery waitlists and improve patient access, outcomes and experience.

### Enhanced Recovery Program

The Enhanced Recovery Program (ERP) was piloted from March to December 2022 and demonstrated a fast-track pathway for patients having a hip or knee replacement with an intended next-day discharge home. Prior to ERP, the average length of stay following a hip or knee replacement was 4.4 days.

An expert multidisciplinary team and consumers developed the ERP using a quality improvement framework, best-practice and evidence-based Enhanced Recovery After Surgery (ERAS) guidelines.

Forty-seven patients were treated, with 11 surgeons and 26 anaesthetists participating. The results showed 87 per cent of patients achieved next-day discharges home, a 96 per cent compliance with ERAS, early mobilisation (within 12 hours of surgery) on 87 per cent of occasions, and all patients reported a positive experience. Embedding ERP as a business-as-usual model of care is now underway.

### Bone and Joint Surgery Week

Following the COVID-19 pandemic, elective surgery waiting lists had increased as non-urgent, category 3 procedures such as hip and knee replacements were put on hold. In response to this, Bone and Joint Surgery Week was developed, where one week of surgical activity was dedicated to treating as many patients as possible on the elective orthopaedic surgery waitlist.

In early January 2023, 16 orthopaedic surgeons, two Stryker MAKO robots, and more than 100 staff across numerous teams worked with high energy. The week was hugely successful and saw 63 patients treated, including 41 joint replacements (17 of which were part of the ERP) and 22 other procedures. Patient experience was measured and completed by 42 patients, with 95 per cent stating that their individual needs were met.

*Patient Jacquelyn participating in the Enhanced Recovery Program.*



# Culturally safe services for Aboriginal and/or Torres Strait Islander Peoples

## Continuing our commitment to reconciliation

Austin Health's vision for reconciliation is one where all Aboriginal and Torres Strait Islander Peoples have access to just, equitable and culturally safe healthcare. We are one year into our Innovate Reconciliation Action Plan which outlines our continued commitment to reconciliation, and articulates the steps we will take to achieve this vision.

### Since launching, we have:

- promoted vision for reconciliation and enhanced education via the induction program for new employees and in the staff mandatory 'living the values' training module
- created a dedicated space on the Austin Health website containing reconciliation resources
- displayed the vision in prominent areas across the organisation
- registered as a supporter of Australian Human Rights Commission's campaign 'Racism. It Stops With Me'
- developed and launched the Social Procurement Strategy 2023-2025
- increased Aboriginal and Torres Strait Islander supplier diversity to support improved economic and social outcomes.

The number of Aboriginal and/or Torres Strait Islander patients accessing our services has risen across all areas. There were 1,596 presentations of Aboriginal and/or Torres Strait Islander patients to the ED (an increase from 1,458 the previous year) and 1,922 inpatient admissions (up from 1,750).



This year we surveyed our Indigenous patients to find out what matters to them and how their experience could be improved. Eighty-one per cent of respondents responded with “feeling culturally safe”. Some patients requested that information about our Ngarra Jarra Aboriginal Health Unit be more visible and based on this feedback, posters and information were developed and are now displayed throughout the hospital.

## Embedding culture at the bedside

Recognising the importance of holistic healthcare that considers physical, emotional, social and spiritual wellbeing is important. We look to find ways to incorporate Aboriginal and Torres Strait Islander healing practices, alongside western medical approaches, to provide comprehensive care to ensure our Aboriginal and Torres Strait Islander patients feel supported and heard.

“I was in during COVID and Ngarra Jarra and the Kitchen delivered me mandarins – that made my week, it was all I felt like eating.”

### Patient feedback

### Sorry business and sad news

The term “sorry business” is commonly used in Aboriginal cultures to refer to mourning and funeral practices and the term “sad news” is commonly used in Torres Strait Islander communities. It encompasses a range of customs and protocols surrounding death, grieving and respect for the deceased and their families.

In recognition of the importance of cultural sensitivity and respect for Indigenous traditions during times of loss, a specific Sorry Business/Sad News Policy was developed for staff education. It acknowledges and supports the cultural significance of these practices and seeks to ensure that Aboriginal and Torres Strait Islander communities have the space and resources to carry them out.

By recognising and respecting the significance of Sorry Business/Sad News, the policy promotes understanding and helps to build stronger relationships between Indigenous and non-Indigenous Australians.

### Smoking ceremonies

Ngarra Jarra has performed multiple smoking ceremonies over the past year, both for sorry business/sad news, and for cleansing and revitalising.

We developed and released a comprehensive Smoking Ceremony policy this financial year, bringing these ancient practices into everyday healthcare as well as education for staff within the hospital.

Austin Health is proud to be one of the first hospitals in the state to develop these two policies, strengthening our commitment to culturally safe services.



Staff members were invited to participate in smoking ceremonies as part of NAIDOC Week.





Education sessions are regularly held for staff to increase their cultural knowledge.

### Cultural competence

It's vital our staff receive cultural education to better understand and respect the beliefs, values and traditions of Aboriginal and Torres Strait Islander communities while they are in our care. This includes knowledge of local customs and protocols, what to do and what not to say to Aboriginal and/or Torres Strait Islander Peoples.

The Ngarrarra Jarra team has started to conduct formal education sessions with staff across all areas of our health service to ensure cultural competency. To date, more than 15 education sessions have been conducted with more scheduled for the remainder of the year.

“By having Aboriginal Health Liaison Officers, you have mob that’s helping mob within the community and providing support in a culturally safe way. It brings a place of knowing and home for staff and families and having a safe place at the hospital.”

**Ceara Larkins, AHLO**

### Celebrating culture

This year we continued to celebrate National Reconciliation Week and NAIDOC Week across Austin Health with a ‘You can’t ask that’ webinar and social media video and NAIDOC week Grand Round. We also provided resources and materials to staff to build awareness, understanding and participation, including engagement of staff at a number of external events.

### Expanding our team and reach

We are proud to have expanded our Ngarrarra Jarra Aboriginal Health Unit this year, by adding two more full-time Aboriginal Health Liaison Officers (AHLOs).

AHLOs are an integral part of Ngarrarra Jarra and the work that we do with our patients as they enhance cultural understanding and provide culturally appropriate care.

Representation can help build trust and rapport with the community. Our AHLOs connect with patients on a different level than that of our non-indigenous workers. We plan around all important Aboriginal and Torres Strait Islander days, and celebrate them.



Ngarrarra Jarra staff members Ceara, Danella and Jhiah.





# Listen to what our patients and community say

## We listen. We learn. We improve.

Hearing 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 our sites. Feedback can also be provided by phone, email, and via our website. All complaints are followed up by the most appropriate senior staff members and are used for quality improvements.

This year we received 1,291 complaints (194 less than 2021-22) and 817 compliments (215 more than 2021-22).

Austin Health uses the 'You Said We Did' methodology when implementing improvements, as a result of patient and consumer feedback.

In response to feedback provided around difficulty locating and knowing how to contact Ward 9, staff developed a welcome SMS sent to carers. Important information including phone numbers, location of the ward, suggested clothing and items to be brought in to help patients during their stay was included. Positive feedback has been provided since this SMS was introduced.

## Ensuring a great healthcare experience

Austin Health is always interested in receiving feedback from our patients and consumers about their experience. Our Patient Experience Survey is delivered via SMS to patients and consumers who have been discharged home, following an admission to hospital. This year our Patient Experience Survey received more than 27,000 responses and was a valuable tool for collecting patient experience data, which is used to drive quality improvement within the organisation. Highlights from the Patient Experience Survey include an overall satisfaction score of above 90 per cent for the following areas and services:

- the Cardiac Catheterisation Laboratory
- Hospital in the Home
- Ward 7 South (Haematology, Endocrinology and Rheumatology)
- the Surgery Centre.

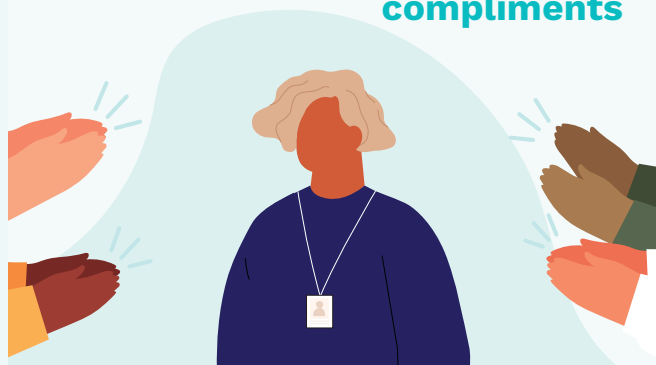
# 1,291

complaints



# 817

compliments



## Disability Action Plan

Austin Health's Disability Action Plan (DAP) 2023-2026 was officially launched at the start of December 2022, coinciding with the celebration of International Day of People with Disability.

To ensure increased accessibility, we have made the DAP available in a range of alternative formats including audio, Easy Read and E-Text. Our DAP lays a foundation for our organisational approach to all disability-related improvement work.

Since the DAP's launch, the Disability Inclusion Committee and the Disability Liaison Officer (DLO) Program have been working on improvements across the organisation within the three priority areas: inclusiveness, accessibility and effectiveness.

### Key achievements include:

- launch of a disability identifier question set as part of the patient admission form
- launch of patient care preference questions to help communicate individual needs and assist in the provision of reasonable adjustments
- web-page updates to improve the use of inclusive language and development of additional resources including Social Stories
- ethics approval obtained to gain a baseline understanding of disability awareness across the organisation
- installation of 20 continence disposal units across male toilets at Austin Health, addressing patient feedback to help our community manage their condition in a safe, hygienic and dignified way
- investigation into remuneration options for consumers with disability to facilitate meaningful participation across Austin Health committees and working groups.

This year, the DLO Program has supported more than 1,000 people with disability to use hospital services and access the care and treatment they need.



Disability Liaison Officer, Sam Lieberman, holding our Easy Read Disability Action Plan.

## Safewards

We are committed to ensuring our people are well supported through embedding safe practices to protect and empower our people.

Safewards is a model of engagement and preventative strategy tool designed to reduce conflict and use of restrictive practices, in order to create safe and therapeutic environments.

Safewards was introduced to the Mental Health Division in 2017 and following a formal refresh of the model in July 2021, we saw a reduction of restrictive practices in our most acute units by more than 50 per cent over a six-month period. The Mental Health Division will routinely conduct six-month refreshers every two years, with the second refresh commencing in July 2023.

Acknowledging the success Safewards has had, Austin Health embarked on embedding the principles of Safewards in the ED in December 2022.

The key focuses this year have been to educate staff on the model and embed two of the Safewards interventions. We aim to improve staff experiences and feelings of support and empowerment to manage challenging situations. Austin Health also aims to achieve a decrease in Occupational Violence and Aggression and improved experiences of our consumers.

“I wanted to take a moment to express my deepest gratitude for the incredible care that you provided me during my stay at your hospital. Words cannot express how thankful I am for the selfless dedication and tireless efforts that you put into my recovery.

You took the time to listen to my concerns, answer my questions, and reassure me when I was frightened. You provided me with the best possible care, and I am incredibly grateful for your tireless efforts.”

### Patient feedback





## Bringing patients together

This year we launched our Togetherness Therapeutic Environment Project, a patient-centred project that aimed to have patient artwork be the focus of the Royal Talbot Rehabilitation Centre (RTRC) - artwork for patients, by patients.

Patients were involved in the design and production of artwork, as well as advising on how to make the art-making process accessible.

The art-making process was made accessible to all rehabilitation patients, using techniques and adaptive supports to involve people in their beds and wheelchairs. Guided by patients, techniques included hanging paint tins with holes punched in the bottom, wheelchair mark-marking, and brushes taped to the end of broomsticks.

Patients, staff and other stakeholders were also involved in a steering committee, overseeing the project development and implementation.

A working party of staff and patients selected art created to be used to develop murals that now grace the front entrance and main corridor of the RTRC. Original works also make up an Art Trail on Level 1 of the facility.

A two-part evaluation of the project in partnership with the School of Psychology and Public Health, La Trobe University found that there were significant improvements in consumer happiness, calmness, pain levels, emotional health and physical health as a direct result of participation in the program.



# A great place to learn, work and grow

## Thank you

Our staff are at the heart of what we do, and often it's easy to get caught up in the daily workings of a hospital.

We wanted to remind staff how valued they are and say thank you.

On Wednesday 24 August, we held our first Thank You Day for staff across Austin Health.

Our 10 Executive Team members visited more than 170 wards and departments, across our three main sites – Austin Hospital, Heidelberg Repatriation Hospital and Royal Talbot Rehabilitation Centre. .

Staff were given 'thank you' cookies and coffee vouchers as a token of our appreciation as well as a letter acknowledging the hard work they had done over the past year and continue to do.

We received excellent feedback from staff on this event, with staff saying they appreciated the effort and personal connection with senior leaders. We look forward to establishing this as an ongoing initiative.



Cookies handed out to staff as part of our inaugural Thank You Day.



Staff in our ED enjoying their sweet treats as part of Thank You Day.

## Our workforce

### New allied health

A priority for the allied health workforce this year has been staff wellbeing, recruitment and retention. This has been supported by the 'Employee Referral' campaign designed to attract staff to join the allied health team at Austin Health. Wellbeing Workshops and Team Reflect sessions have also been provided to staff and invite them to take some time out from their clinical workload to focus on their own wellbeing. We continue to provide our Allied Health New Graduate Program with a focus on interprofessional relationship building, and supporting staff through this significant period of transition.

Evaluation of these programs has gained positive feedback from participants highlighting their appreciation for the opportunity to connect with others away from the clinical environment.

### New doctors

Austin Health welcomed 65 new interns in 2023, continuing our role as a major provider of medical training to junior doctors in Victoria. Our interns came from all four universities in Victoria that provide medical training, with a large cohort from the Austin Clinical School choosing Austin Health to complete their internship.

In 2023, 76 per cent of our 2022 interns have returned to continue their prevocational training at Austin Health in the surgical stream, the general stream or the basic physician training stream. All streams are very popular and offer multi-year contracts of either two or three years, depending on the stream. The vast majority of returning staff selected a multi-year contract, indicating their intention to continue their training with Austin Health. This is a good reflection on both pre-vocational training and the pathways provided to vocational training for our junior doctors.

Recruitment for 2024 interns has been finalised with Austin Health fully recruited.



## New nurses

This year we have continued to broaden the support we provide to early career nurses through linking registered nurses with two years' or less experience into aspects of the Graduate Nurse Program. In 2023, we welcomed 325 early career nurses across our general, combined and mental health programs – the largest number ever recruited. Across the life of this program, we have continued to maintain a retention rate above 90 per cent.

Working with 11 university partners, the Nursing Education and Mental Health Nursing Education and Training teams have supported 27,184 nursing student placement days, 114 nurses to engage in postgraduate education in 11 areas of speciality practice, and offered more than 98 nurses a place in six Transition to Speciality Practice (TSP) programs.

Austin Health's Chief Nursing Informatics Officer (CNIO) role was established in 2022 to support a successful electronic medical record go live. Through collaboration and knowledge sharing with nursing education and the Electronic Medical Records (EMR) team, the CNIO is engaging with point-of-care nurses to inform nursing informatics at Austin Health.

Austin Health continues to remain an employer of choice for nursing in 2023 and we are proud of the strong reputation of our training programs.

## Non-clinical staff

Our administrative staff have continued to demonstrate their commitment to Austin Health and patients in improving and enhancing processes to allow us to continue in leading the way on a number of projects, including a comprehensive recruitment strategy.

This year has been a reminder of our highly skilled workforce that remains steadfast in providing support and rapidly responding to all manner of requests as we work through the pandemic recovery.



## The heart of the community

Volunteers are at the heart of Austin Health, and we engage an incredible volunteer workforce. Their passion for growing the support we provide only gets stronger with time.

This year, as we relaunched our volunteer programs, we were proud to have retained hundreds of volunteers willing to contribute time, commitment and energy in making a positive impact within our health service.

More than 23,000 patients and visitors were greeted with a friendly face in the second half of the 2022-23 year alone, with over 1,100 hours dedicated to providing directions and companionship.

Yvonne Dunt from our Diamond Creek Opportunity Shop, and Beverly Briese, one of our donors and Friends of Austin Health volunteers, both reached 50 years of volunteer service. This incredible feat underscores the passion our volunteers have for Austin Health. Yvonne was also awarded an Inspirational Woman of Austin Health award – the first volunteer to be awarded this title.

Notably, the Diamond Creek Opportunity Shop raised and donated \$250,000 to Austin Health – a phenomenal amount that has gone directly to improved patient care.

We also welcomed five new Pet Therapy teams, matched to Austin Health by our partner organisation, Lort Smith.

This year we implemented a new look for our volunteers with them now very clearly identified by their purple volunteer vests which patients and staff have welcomed – they know exactly who they can call on for help.

As the volunteer engagement team continues to refine and evolve volunteer programs, we have moved to a categorised approach. Our volunteer roles encompass support across the organisation via companionship, guide services, retail and fundraising support, patient activities and support, and administration and organisation support.

With volunteers back across all sites, and welcoming 17 new volunteers since January, we are increasing volunteer support with the first targeted volunteer recruitment since COVID-19.

We look forward to offering more opportunities for volunteer impact, increasing our inclusivity practices, highlighting the diversity within our workforce, and engaging our highly skilled folk in ways that interest them, sharing their skills and experience within our organisation.

Our volunteers are spread widely throughout our community, and we are so much richer for their experience and their contributions. They are the heart of our community.



## Continuing our focus on diversity and inclusion

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

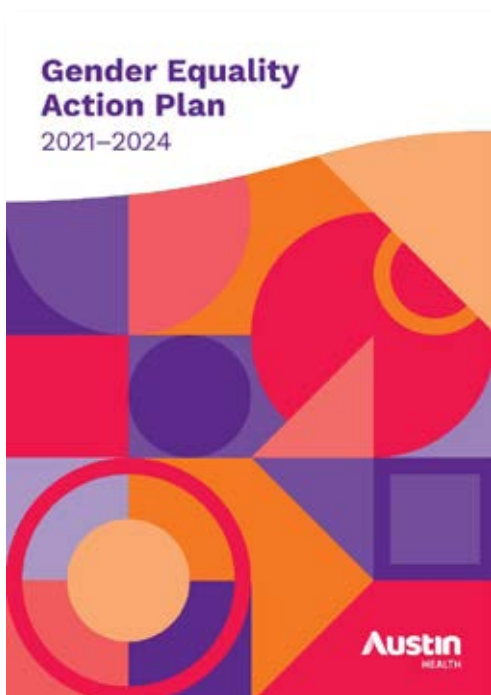
### Standing up for gender equality

Our first Gender Equality Action Plan was published in July 2022. The plan provides a clear set of strategies and actions that will guide our priorities over the next four years.

The Gender Equality Act 2020 (Vic) promotes gender equality by requiring public sector organisations to improve gender equality in the workplace and in the policies, programs and services it provides to the public. We recognise the value that gender equality brings to our people, our organisation and our community. As an organisation we are committed to applying the requirements of the Act and making a positive contribution to gender equality.

Implementation of the strategies and actions outlined in the plan has commenced, supported by a Gender Equality Action Plan Working Group including key contributors from across the organisation.

Austin Health has also conducted several Gender Impact Assessments (GIAs) during 2022-23 and working is underway to embed GIAs into business-as-usual operations.



Staff this year participated in a Pride Month dress up competition.

### Standing with the LGBTQIA+ community

Pride Month celebrates the diversity of the LGBTQIA+ community. It is a time to reflect on how far civil rights have progressed, as well as an opportunity to continue to raise awareness and continue educating the community.

The Austin Health workforce's Diversity and Inclusion Plan 2020-23 commits to recognising that our people are our greatest strength. We want them to thrive, be their best selves, and feel engaged, safe and empowered. To achieve this, diversity and inclusion is essential to our culture and our values.

This year, for the first time, a Pride Month 'best dressed/ward/department/team' competition was identified by staff as one of the ways in which Austin Health could get involved in celebrating Pride Month. Teams were invited to submit photos from their celebrations to go into the running to win an entertaining morning/afternoon tea with the fabulous Frock Hudson.

Alongside Pride Month, Austin Health continues to hold a presence at a number of key events including attending the Midsumma Pride March and celebrated Wear It Purple Day.

## Celebrating International Women's Day

We again celebrated International Women's Day by holding a special online event for all our staff and volunteers. This year we received a record-breaking number of nominations for our Inspirational Women awards. We welcomed back television and media personality Libbi Gorr to host the event, along with guest panellist the Hon. Nicola Roxon, who was a member of the Australian Parliament for 15 years and was Australia's first female Attorney-General.

## Austin Health Inspirational Women award recipients

### Dr Danielle Ko

#### Palliative Care Consultant and Clinical Ethics Lead

for her unique ability to not only bring people to the table but elevate their voices and ensure they are heard once there, particularly women. She does not hesitate to promote, validate and encourage the women of Austin Health to reach their full potential and actively works with them to help them do so, both clinically and personally.

### Nicola Cowling

#### Clinical Nurse Consultant Acute Psychiatric Unit

for her kind, humorous and thoughtful nature, while also demonstrating excellent clinical judgment and unfailing commitment to patient-centred approach to care.

### Lisa Origenes

#### Food Services Assistant

for her meticulous, precise and 'can do' attitude. Lisa has always maintained perspective and gratitude, and continues to fight all challenges in her personal and professional life.

### Nicole Hosking

#### Operations Director, Radiology and Molecular Imaging & Therapy

for her tireless work to make the hospital a better place for both employees and patients. She challenges, investigates and goes out of her way to escalate and involve the right people to enact change.

### Associate Professor Natalie Yang Director Radiology and Chair of the Senior Medical Staff Association

for her passion for teaching and support for research. It brings out the best from the trainees and staff. She has fostered a caring and collegial workplace environment which make the department a great place to work in.

### Ivana Guastella

#### Ward Clerk 7 North

for her passion about the patient experience, and how what we do or don't do has an impact on our patient group.

### Yvonne Dunt

#### Volunteer at the Friends of Austin and Diamond Creek Opportunity Shop

for her dedication to Austin Health, having volunteered for 50 years, and being a continuous joy to customers and a friendly face to many.

### Dr Joanne Wrench

#### Clinical Manager, Psychology

for her unwavering faith in her team and her genuine care for their success. She recognises that the success of her team is tied to the success of the hospital and she takes pride in supporting her team members to reach their full potential.



Six of our 2023 Inspirational Women award recipients with Chief Operating Officer/Deputy CEO Cameron Goodyear. (Absent: Yvonne Dunt and A/Prof Natalie Yang) (L-R) Nicole Cowling, Nicole Hosking, Dr Danielle Ko, Cameron Goodyear, Dr Joanne Wrench, Ivana Guastella and Lisa Origenes.

## Supporting our staff to be their best

### Staff wellness

A key focus this year has been nurturing the emotional and psychological wellbeing of our staff and consulting with them to inform the evolution of the multifaceted staff wellbeing program.

Over the past 12 months, staff accessed a variety of wellbeing activities under four key domains:



Psychological



Physical



Financial



Leadership

The wellbeing of our workforce remains a strategic priority at Austin Health, and we will continue to expand on this well-established program.

Our initiatives and interventions included massages, skin and health checks, financial literacy webinars, rest and recovery sessions, horticulture therapy sessions and more. A Psychological First Aid training program was rolled out to people leaders to enhance managers, skills, and a 'Defusing' program expanded in our Mental Health Division to create a network of peers for support following traumatic events.

### Additional offerings included:

- **Employee Assistance Program (EAP)** – professional and confidential counselling and coaching for staff and immediate family on all aspects of life, including personal and work-related issues, and financial, legal and lifestyle assistance
- **Fitness Passport** – a corporate fitness program offering affordable fitness and aquatic centre access to 160+ venues Victoria-wide
- **Kokoda Gym** – onsite gym accessible to all staff
- **Discounts and special offers** – benefits for private health insurance, local health and fitness centres, Nike and Adidas and local businesses (e.g. cafes, select car dealerships)
- **Transition to Retirement program** – for staff wishing to undertake a graduated retirement process
- **Caring for Doctors Program** – including Peer Support and Mentoring
- **Wellbeing webinars** – topics such as 'Managing Stress', 'Effective Parenting' and 'Burnout'
- **Mindfulness sessions** – mindfulness sessions and rest and recovery webinars
- **Free Coffee Day** – vouchers provided to staff to utilise at on-site cafes
- **Rest and Recovery Spaces** – new and rejuvenated staff break areas across Austin Health's three main campuses.



## Growing our green spaces

Garden spaces are valuable areas for respite, relaxation and reducing stress. In hospital settings this is particularly important for patients, visitors and staff. At Austin Health we have been developing and providing garden spaces across our sites for many years.

In the past two years we have added many more outdoor garden spaces across our main sites thanks to specific funding from the Department of Health's *BeWell.BeSafe* grant to further support the health and wellbeing of our staff during the pandemic period. Our Capital Works and Gardens and Grounds departments have implemented new outdoor seating areas with additional shade shelters, outdoor furniture and garden spaces.

Staff have responded well to these and often share the enjoyment they get from spending time on their breaks using these new areas.

The Secret Garden at our Heidelberg Repatriation Hospital is an example of such an area. A delightful mural now provides a beautiful backdrop to the enclosed space filled with new outdoor furniture and plants. It's a wonderful space that helps support the health and wellbeing of our staff.

“Every staff member who works at Austin Health is passionate about providing care for their patients and supporting each other. What's kept me at Austin health is the people I get to work with, and the people I can just walk down the corridor to ask questions to.”

**Tom Rollinson, Senior ICU Physiotherapist**





# Technology and infrastructure support patient care

## New digital journey

### Patient Portal

Sharing complex information between patients and their care teams at the right time has been a key priority for Austin Health.

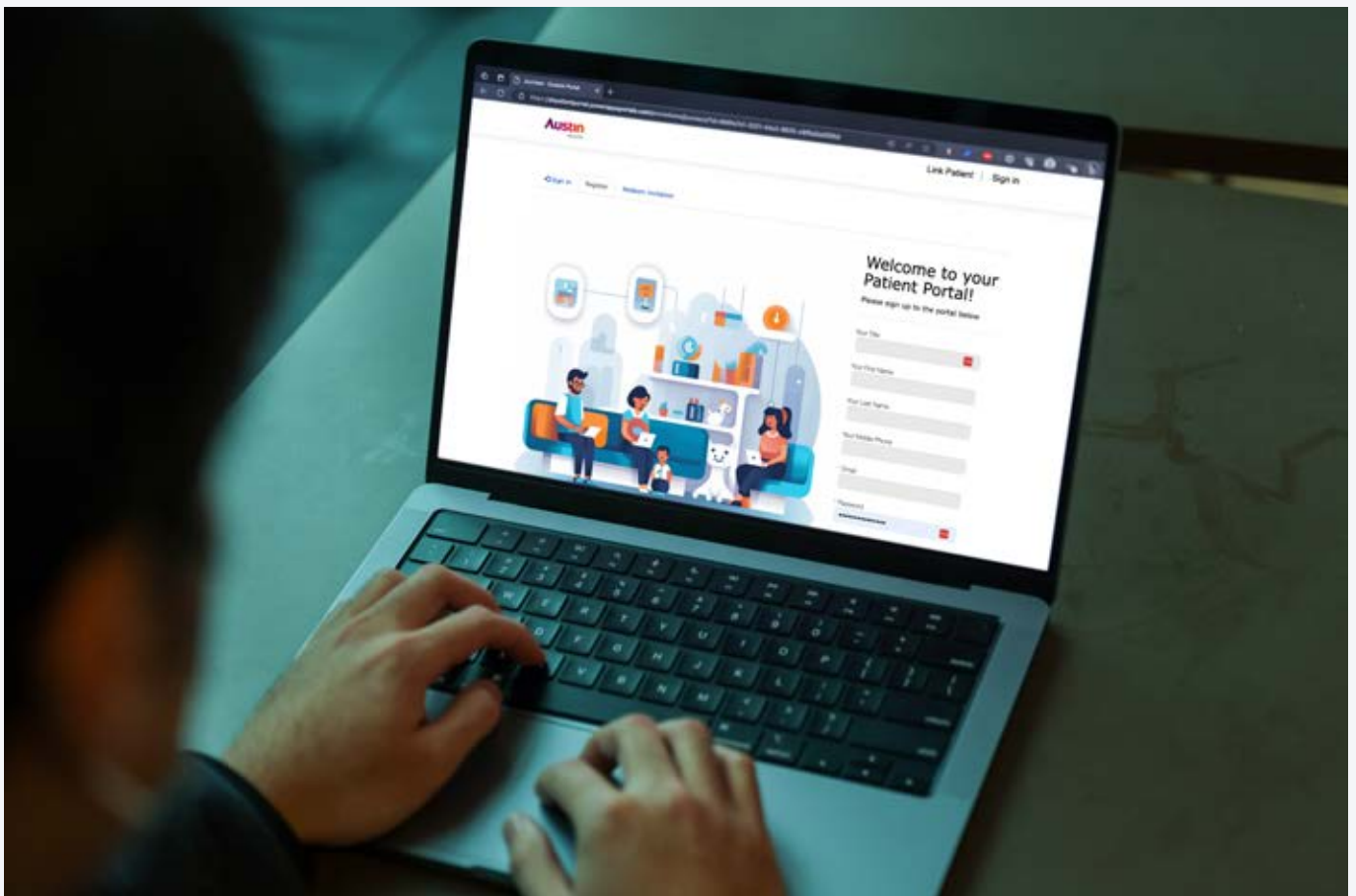
In February 2023, Austin Health launched its Patient Portal, a new innovative tool that enables greater collaboration with our patients and provides the ability to access important health information from the comfort of their home.

The Cardiac Surgery team has been the first to be onboarded and allows the team to digitally share vital documents with patients to help them prepare for surgery, including fasting advice and what to do on the day of their appointment. The team can also give reminders about investigations or tests needed.

Asking questions through secure chat and uploading results are also possible for patients, providing a direct line of communication with their care team.

Patients who have a portal account can also see other outpatient or surgical waiting lists that they are on, along with any upcoming outpatient bookings.

The Patient Portal will continue to be rolled out to departments over the next 12 months as well as a platform expansion to include several new features including appointment booking confirmations, wayfinding, online health questionnaires and follow-up surveys.



## Enhancing the referral process

Starting in 2021, the Endoscopy team has been working to transform the department's patient journey. The goals were to collect more comprehensive information at the time of referral, to standardise and centralise the management of patients through a consistent patient journey, and to digitise as much of the process as possible, removing reliance on paper and manual processes. Underpinning this work was the implementation of a Customer Relationship Management (CRM) platform, which was launched in November 2022.

A patient's endoscopy journey now starts with a digital referral within the CRM which provides clear and comprehensive information to enable efficient triage by teams. The patient follows a standardised digital journey that includes triage, waitlisting, booking and post-scope review.

This CRM solution provides enhanced visibility of the patient's status, as well as aiding communication between staffing groups. It's also accessible by all endoscopy staff and has eliminated the need for paper referrals, reducing our environmental footprint and room for error that comes with any paper-based forms.

Nearly 4,000 patients have been referred through this process since the CRM rollout so far.



## Clinical communications transformation

This year, we developed and implemented a transformative role-based clinical communication technology, the Baret Role-based Communicator (RBC) application.

The RBC application has been specifically designed to rapidly enable identifying roles within a care team and replace multiple outdated, non-secure and inefficient communication methods.

The ability to identify and communicate with a specific clinical role, in a standardised and efficient manner, 24/7, has been a longstanding clinical communication challenge across the healthcare industry.

RBC has completely revolutionised our role-based clinical communication framework, delivering improved consistency, accuracy, efficiency and visibility.

### Since the rollout, we have seen:

- more than 6,000 staff join
- more than 300 pagers retired from clinical practice
- more than 240,000 'clocked on' shifts performed
- more than 300,000 messages sent.



*Project lead Nicole Hosking with jars of pagers no longer in use thanks to the RBT application.*

“With communication as the cornerstone of safe and efficient patient care, RBC has provided a vital link between health staff allowing us to communicate in a more timely and detailed manner than before — avoiding miscommunications or delays to patient care as we are able to message or call back and forth to discuss cases.”

**Dr Grace Spratt, Medical Intern**

## Moving online

Two key projects took place in March this year that meant dozens of paper forms transitioned to a digital format, moving us closer to achieving a completely electronic Medical Administration Record.

The clinical documentation project saw 80 paper documents across all disciplines moved online, a new enhanced medical discharge summary that meets national on-screen guidelines, and the introduction of patient comprehensive pages (a single-view page to review and document a patient’s health information).

The Cerner Infusions project went live during the same time and saw the transition of ordering and administration of all infusions into Cerner. This resulted in a further 15 paper forms being removed from use across the hospital.

Electronic documentation has a range of benefits including improved accessibility, patient safety, information sharing, efficiency, data accuracy, research capabilities, regulatory compliance, and disaster resilience, all contributing to better healthcare delivery and outcomes.

**80**  
**paper documents**  
**across all disciplines**  
**moved online**

## Sustainability

Sustainability remains a significant driver during the development of new projects and we are consistently finding new initiatives to take part in.

In 2022, we established an Environmental Steering Committee (ESC) with multidisciplinary team members across clinical and non-clinical roles. The ESC has worked to establish priorities to focus on which include education, procurement, waste management, pharmaceuticals, transport and advocacy for all-electric infrastructure.

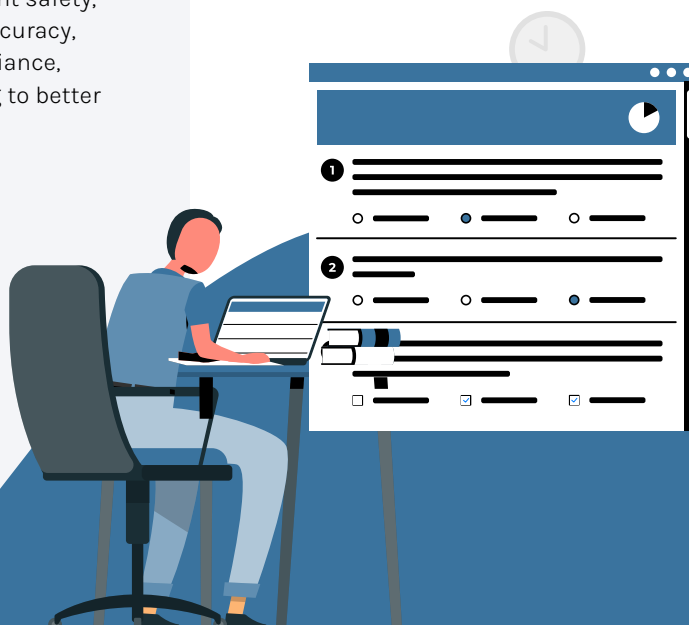
The 2023-2027 Strategic Plan announced a net zero emissions commitment by 2040 and the ESC is now working to establish interim targets towards achieving that goal.

## EPIC

In 2022, Austin Health joined the Engagement in Plastic-free Innovation for Change (EPIC) Program which provides a chance to analyse and reduce our single-use plastic consumption with the support of Plastic Oceans Australasia.

Through this program, we developed a re-usable coffee cup program, supported the collaboration between various hospital departments who came together to engage in the project, and learnt about the importance and expansion of the Soft Plastic Recycling Stream.

Following this, we have seen a 38 per cent increase in soft plastic recycling this year alone.



# Research activities that improve patient outcomes

## Our strategy

Launching in 2023, the inaugural Austin Health Research Strategic Plan identifies the benefits for our patients and healthcare workers of being a research-intensive healthcare service, from access and novel therapeutic options, to enhancing collaborative care and teamwork.

The Research Strategic Plan promotes developing flagship research programs with 'team research' multidisciplinary approaches, where patients and families are engaged in all aspects of the research process.

Austin Health hosts a complex matrix of research activity with:

- two academic partners
- five medical research institutes
- more than 100 supervised PhD students.

We support our early career and emerging researchers by providing a well-structured mentorship program that recognises research.

## Our emerging researchers

We are fortunate to have outstanding emerging researchers. Here are the ways they are making an impact.

“Austin Health is one of the few places where we combine clinical practice and research in an amazing way to improve the way we treat patients. At the Austin, we’ve been a leader in infectious diseases, COVID-19 and other antimicrobial research.

The way we build upon that experience of the last two years is a way we are going to treat infections in the next 10.”

**Professor Jason Trubiano,  
Director Infectious Diseases**



### Dr Marnie Graco

Dr Marnie Graco is embedding implementation science into our research and clinical practice. Her research team is working with clinicians and trialists to understand and improve the delivery of evidence-based healthcare using implementation science methodologies. Dr Graco's postdoctoral research program, funded by Motor Neurone Disease Research Australia (MNDRA), aims to improve the uptake of evidence-based respiratory treatments for people living with MND. She is also investigating alternative models for managing sleep apnoea in spinal cord injury that lower the barriers to accessing care. She has partnered with a rehabilitation centre in Sydney to adapt, implement and evaluate a rehabilitation-led care model – the first of its kind in Australia. This research has been funded by grants from the Australasian Sleep Association and the Australian and New Zealand Spinal Cord Society.





### Associate Professor Yet Khor

Associate Professor Yet Khor is a National Health and Medical Research Council (NHMRC) Emerging Leadership Fellow. She is making her mark by being listed in the top 0.14 per cent of researchers globally in a pool of more than 96,000 interstitial lung disease researchers. Boasting 28 publications this year (16 in top 10 respiratory journals), Professor Khor is a chief investigator in two 2022 Medical Research Future Fund (MRFF) grants and the co-chair for the 2023 American Thoracic Society working party on home monitoring in chronic lung disease.



### Associate Professor Paul Yates

Associate Professor Paul Yates has led a global study for treating Alzheimer's disease, the CLARITY Study. This study is the first ever clinical trial of a disease-modifying Alzheimer's treatment to achieve the slowing of cognitive decline by 27 per cent compared to patients who didn't receive the treatment. This meant that patients could remain independent in their daily activities for longer.



### Dr Tracy Leong

Dr Tracy Leong has received \$4 million in MRFF funding and has been appointed to Editorial Board of *Journal of Thoracic Oncology* (Impact Factor 20.121). Dr Leong is also an editor for the special edition 'Overcoming drug relapse and therapy resistance in NSCLC' for *Frontiers in Oncology*, and is an invited speaker at the Australian Lung Cancer Conference 2023, Thoracic Oncology Group of Australasia (TOGA) ASM 2023.



## Our impact

Research is embedded into how we practise medicine at Austin Health. We pride ourselves on having a strong research culture, and strive to build on our strengths each year. Our researchers are providing evidence for the best forms of clinical care that have impacts on:



**A global scale**



**A national scale**



**Our individual patients, particularly from Aboriginal and Torres Strait Islander communities**

## Global impact

### Infectious diseases and antibiotic allergies

The Centre for Antibiotic Allergy and Research (CAAR) at Austin Health, in collaboration with The University of Melbourne, has led three multi-centre randomised control trials in drug allergy. The PALACE Study is the world's first international multi-centre antibiotic allergy randomised control trial that showed that penicillin allergy can be removed safely by a simple test dose procedure, rather than traditional skin 'scratch' tests.

The results of this study will change practice globally and potentially benefit the estimated two million Australians who are diagnosed with a penicillin allergy. The CAAR group over the last five years has been the leading drug and antibiotic allergy research group in Australia, cemented by their output this financial year with more than 30 publications, including in some of the leading international journals.

In 2022, Elise Mitri, Drug Allergy Pharmacist at Austin Health, supported by the National Allergy Centre for Excellence, launched the National Antibiotic Allergy Network (NAAN). It's the first prospective global collaborative study in low-risk penicillin allergy, engaging 40 participating hospitals across the globe. The NAAN is the first digital registry of inpatient oral penicillin allergy and will inform the ways hospitals undertake assessment, testing and treatment of penicillin allergies.

Professor Jason Trubiano, Director of Infectious Diseases, and team continue to lead Australia's only national platform in severe drug reactions: Australasian Registry of Severe Cutaneous Adverse Reactions (AUS-SCAR). AUS-SCAR now has 13 sites around Australia contributing data and biological specimens. We are using this registry to help clinicians identify people most at risk of a severe drug reaction before the drug is administered.

### Healthcare worker health and wellbeing

Associate Professor Mark Howard, Australia's top epidemiologist for 2023, was Chief Investigator for the Co-operative Research Centre for Alertness, Safety and Productivity research program into the impact of shift work on health, safety and patient outcomes, and intervention trials in the healthcare sector.

A recently published trial, conducted at Austin Health, showed that individual shift work intervention strategies for healthcare workers improved staff mental health, reduced sick leave and has led to development of a shift work management application that has been trialled in nurses and submitted for patent.

Austin Health looks forward to our workforce directly benefiting from Associate Professor Howard's exceptional research.

### Intensive Care research

Our Intensive Care Unit (ICU) is a global leader in both Hospital Rapid Support Team expertise and ICU expertise.

The Unit, through its research team led by Associate Professor Glenn Eastwood (RN, PhD) and Research Director Professor Rinaldo Bellomo, continues to demonstrate why research is the best form of clinical care.

## National impact

Through our Victorian Respiratory Support Service (VRSS), Austin Health has piloted the NIV@Home (non-invasive ventilation) initiative. By taking an innovative approach to research, we brought the hospital to our patients by empowering them to run their own treatment in the comfort of their own home, while still supported and monitored by their treating clinicians. Patients greatly preferred being treated in their own home because they didn't have to travel, sometimes long distances, to Austin Health.



Building on the success of the pilot project, the Synchronise NIV@Home research project uses digital monitoring to personalise each patient's ventilation settings. As a result, the research team can find the optimal setting for each patient without them having to leave the comfort of their own home.

NIV@Home has also proven to be an effective treatment for patients with rare and terminal neurological conditions like Motor Neurone Disease (MND) requiring respiratory support. Professor David Berlowitz (MRFF grant recipient) and his team have found that the effective use of NIV improved patient survival by 13 months.

### Impact on Indigenous communities

The Australian Centre for Accelerating Diabetes Innovations (ACADI) is hosted at Austin Health and was set up to specifically address equity in diabetes healthcare by targeting initiatives to ensure all Australians, regardless of geographic location or cultural background, have equal access to innovative products and clinical trials. Consumer participation in study design, recruitment and implementation of outcomes is embedded in the ACADI process.

The Flash Glucose Monitor (Flash GM) project takes healthcare to the outback to improve diabetes management in Indigenous Australians. Flash GM devices are small wearable sensors that measure sugar levels throughout the day and night, helping people living in remote communities make decisions that keep their sugar levels in a healthy range.

## Beverley Briese Scholarship

Beverley Briese has been a supporter of Austin Health for nearly 50 years and offers this scholarship to raise the profile of the nursing profession nationally and internationally. This is one of the most generous scholarships offered to nurses in Australia and provides a unique development opportunity to two outstanding Austin Health nurses.

In 2023, two outstanding nurses, Nonie Rickard (Director of Nursing for the Heidelberg Repatriation Campus and Divisional Manager of Aged Care Services) and Elizabeth Walkley (Clinical Research Nurse in Orthopaedic Surgery) have been awarded the scholarship.

Elizabeth is looking into the way Austin Health delivers patient-centred, quality healthcare by integrating the patient perspective and voice into the clinical care we provide. At Austin Health, we are currently collecting Patient Reported Outcome Measures (PROMs) on every orthopaedic hip and knee arthroplasty patient, supported by research. As the clinical research nurse co-ordinating this project, Elizabeth has put together the research ethics approval to ensure any PROMs collected from these patients are ethically retained for ongoing research in the newly formed Orthopaedic Research Centre at Austin (ORCA) clinical quality data registry. Since commencement in August 2022, she has recruited almost 400 patients, with 66 per cent providing written consent for collection of PROMs and use of their data for research and quality improvement.

Elizabeth will be using the scholarship to travel to Adelaide to observe and engage with South Australia Health and the Commission on Excellence and Innovation in Health (CEIH) as they rollout their statewide digital collection of PROMs in their pilot sites. She will then be attending the International Society for Quality-of-Life Research (ISOQOL) 30th Annual Conference in Calgary, Canada. She has submitted an abstract to present the work of Austin Health Orthopaedic Unit clinical use of PROMs using a digital dashboard.

Nonie is to undertake an immersion in falls prevention and learn from an internationally renowned falls researcher, along with the healthcare teams who have undertaken the research. Additional exploration of the organisational culture and leadership will be undertaken in the context of the impact on patient safety and experience.

This scholarship will start locally with attendance at the Australian and New Zealand Falls Prevention Society and World Falls Congress conference to learn about the current falls research being conducted within Australia and beyond in November 2023. This will be followed by an experience at a centre of excellence, Malcom Randall Veterans Affairs Medical Center in Florida, where an abundance of falls research has been undertaken by Professor Ronald Shorr. Professor Shorr is a geriatrician and the Director of the Geriatric Research Education and Clinical Center (GRECC), and has conducted falls prevention research spanning three decades.



# Thank you to our community of supporters

This year, the spirit of giving in support of Austin Health remained strong. Our valued community of supporters helped raise more than \$10 million, which will fund wellness programs, world-class research and cutting-edge medical equipment. We are humbled by the generosity of both supporters and volunteers, who continue to help us deliver outstanding care.

## Raising funds for our wellness programs

“We rely on the support of the community to help ensure the Wellness Centre services are available to as many people as possible.”

**Adam Horsburgh, Chief Executive Officer at Austin Health**

## Continuing Olivia's legacy

In October 2022, the ONJ Centre hosted Olivia's Walk for Wellness live in Melbourne and virtually online. This was the first year the event was held since the passing of Dame Olivia Newton-John AC DBE. The Walk united more than 4,000 participants from across the world, supporting people experiencing cancer to access wellness programs and helping to keep Dame Olivia's legacy alive.

The event raised more than \$2.6 million to fund evidence-based wellness therapies at the ONJ Centre, which have been proven to reduce the side effects of cancer treatment and support people during their cancer journey.

“This was one of Olivia's favourite events because she loved seeing everyone come together to show their support for people with cancer. We could feel her love and presence with us all day.”

**Tottie Goldsmith OAM, ONJ Centre's Goodwill Ambassador**

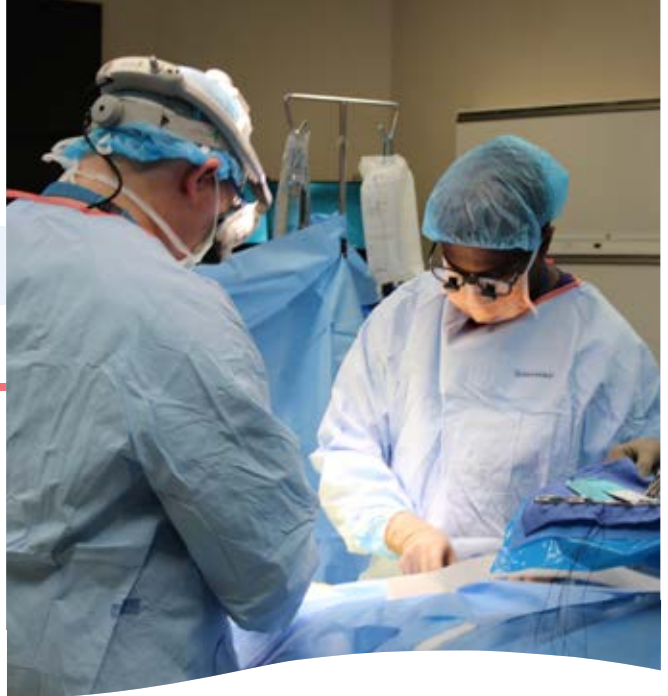
## Christmas Appeal for wellness

In December 2022, our Christmas Appeal to the community raised \$205,000 for the ONJ Centre's wellness programs, which are reliant on donor funding. Patients describe our wellness programs as a vital part of their treatment, helping them to manage their pain and maintain a positive mindset.



ONJ Centre Goodwill Ambassador Tottie Goldsmith opened Olivia's Walk for Wellness.





## Supporting our healthcare heroes

For the third year, Austin Health ran the 1,000 Minute Challenge. The challenge asked participants to complete 1,000 minutes of exercise over the month of March to improve their health and wellbeing, while raising funds to support healthcare workers at Austin Health.

More than 514,000 minutes of activity were logged and \$112,526 raised to fund vital equipment across Austin Health. We are grateful for the outstanding efforts of all of the participants, more than half of whom were staff members.

“Sport and activity have always been important to me and I enjoy being able to share that joy with others as a Physiotherapist.”

**Clare O'Donnell, Physiotherapist**



Staff participating in the 1,000 Minute Challenge.

## Life-changing technology for cardiac patients

This year the H.T. Pamphilon Fund awarded a \$100,000 equipment grant to the Cardiology Department to purchase a high-definition four-dimensional echocardiographic system to better diagnose and treat valve-related conditions. Donors who supported Austin Health's highest priorities with an unrestricted donation helped to fund the remaining \$158,000 required to purchase this life-changing equipment.

The machine provides real-time images of the heart's structure and function, ensuring greater safety and success of complex valve procedures. These procedures have revolutionised cardiology; patients can avoid major cardiac surgery and are usually safely discharged within 48 hours.

## Improving care for liver transplant patients

In 2020, the Austin Health Foundation delivered a Christmas Appeal to raise funds for the Liver Transplant Unit, and those funds have continued to make an impact this year. We raised \$175,000 which has been invested in research and new technology to ensure procedures are gentler, more effective and less invasive.

This year the funds are being used to support a new randomised controlled trial comparing two steroid preparations for patients, and to purchase an immune function test called QuantIFERON-Monitor.



## A selfless act for a great cause

Thank you to Elizabeth Marchi who generously fundraised more than \$5,000 for the ONJ Centre in April 2023. Five years ago, Elizabeth started an inspiring fundraiser by shaving her head and donating her hair to create a wig for a person with cancer. Her selfless act inspired many to contribute to her fundraising efforts.

This year Elizabeth shaved her hair again, raising money for cancer research at the ONJ Centre. Elizabeth is supporting a cause close to her heart: she has lost loved ones to cancer and seen firsthand how the ONJ Centre supports patients.



*Elizabeth Marchi saving her hair and raising funds for cancer research.*

## Making an impact as a volunteer

We are grateful to our volunteers who continued to help us deliver care and improve the patient experience. Austin Health's dedicated volunteers provide a vital service and make a genuine difference in the lives of staff, patients and their families. A special thank you to the Friends of Austin Health volunteers who raised \$488,000 through the Diamond Creek Opportunity Shop this year.

*"I battled breast cancer and had radiotherapy treatment here. I wanted to give something back, so I decided to volunteer — that was five years ago!"*

**Leonie Schulz, Volunteer**

## The ripple effect of one person's generosity

When Donna Tregenza passed away, she left a gift in her Will for research into cholangiocarcinoma, the rare bile duct cancer she experienced. Donna's local community in Ballarat was inspired to volunteer their time and skills to prepare her house for auction. The community's contribution increased Donna's house sale price, and ultimately her gift to Austin Health, which amounted to more than \$475,000.

In 2023, Donna's gift was awarded as a part of a grant towards a major cholangiocarcinoma research project led by Dr Fiona Chionh, which will find new factors that influence patient health and methods for treatment. Gifts like Donna's are a lasting expression of gratitude and kindness, and an investment in the future of healthcare and research.

*"This project addresses the urgent, and unmet need to develop new treatments for patients."*

**Dr Fiona Chionh, Medical Oncologist**

## Thank you to Olivia's Circle and Austin Ambassadors

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

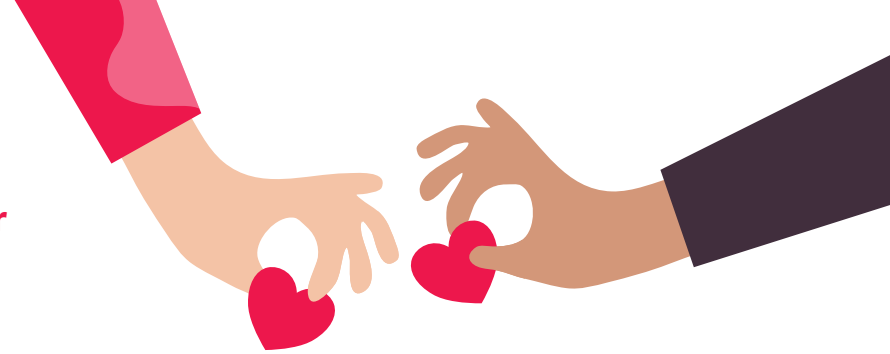
Being part of a regular giving community has allowed us to fund vital wellness programs at the ONJ Centre and enabled us to improve patient care throughout Austin Health.



*Austin Health volunteer Leonie Schulz in the Austin Gifts store.*



Reflecting on a remarkable year



**\$205,000**

**Christmas Appeal**  
for ONJ Centre wellness programs

**\$60,000**

**Dry July**  
for ONJ Centre

**\$488,000**

**Friends of Austin Health**  
Diamond Creek Opportunity Shop

**\$280,000**

**Tax Appeal**  
Kidney Machine Perfusion Program

**\$595,000**

**Trusts and Foundations**

**\$112,526**

**1,000 Minute Challenge**  
for vital equipment

**\$4m**

**Gifts in Wills**

**\$2.6m**

**ONJ Centre**  
for wellness programs

**14,538**

**Patients and visitors were assisted by volunteers**



# Thank you to our generous major donors and supporters

## Major donors and corporate supporters

Beverley Briese OAM  
Ian Buckley  
John Easterling  
Pat & John Farrar  
John Michael Gilbert  
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Joseph Xipell  
One anonymous donor

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Estate  
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Ethel Mary Davenport  
Charitable Trust  
Flora Louisa Thompson  
Charitable Trust  
Florence Ernestine  
Isabel Smith Estate  
Harold and Cora Brennen  
Austin Hospital Patient  
Treatment Equipment Fund  
Helen Gyles Turner  
Samaritan Fund

Henry Herbert Yoffa Estate  
Henty Louisa Estate  
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Wright Estate  
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Margaret Lillian  
Merrifield Memorial Fund  
Mary Ann Edwards Estate  
Mary Symon  
Charitable Trust  
Mr and Mrs Simon  
Rothberg Charitable Trust  
STAF Isabella Agnes  
Pritchard  
STAF William Arthur  
Shipperlee  
The AV Tadgell  
Memorial Fund  
The Doris and Rupert  
Joseph Charitable Trust  
The Ernest & Letitia Wears  
Memorial Trust Fund

The Grant Bequest  
The Helen Fookes Trust  
The Hyman Morris Trust  
The John Henry  
Charitable Trust  
The Martha Miranda  
Livingstone Fund  
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WE and ME Flanagan  
Charitable Trust  
William and Aileen  
Walsh Trust  
William and Mary Levers  
& Sons Maintenance Fund  
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Charitable Trust  
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Charitable Trust  
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Trust Fund  
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William Samuel Godfree  
Charitable Trust

*Note: Perpetual funds  
are established by donors  
through their estates, with  
interest earned providing  
regular, long-term support to  
their beneficiaries.*



# Austin Health Board Directors



## Ross Cooke OAM (BCom, CA)

**Board Chair**  
Feb 2021 – present

Ross Cooke has over 35 years of experience in strategic, financial, commercial and management roles in business consulting, with specific focus in the health industry. He has a Bachelor of Commerce and is a Chartered Accountant. He also has experience serving on various boards (both not-for-profit and for-profit), including as a board member of the Burnet Medical Research Institute for 20 years and was a past board president of Wintringham (a not-for-profit provider of aged and homelessness services).

Ross has previously held positions working in senior executive positions with public hospitals in Victoria and interstate, as well as working with governments on strategic issues in public health. Ross has also worked in the private health insurance and private hospital sectors.

Ross was awarded an Order of Australia Medal in the 2019 Australia Day Awards for his services to the community.



## Chris Altis (BCom, MA (Pub. Pol.), GAICD)

**Director**  
July 2015 – present

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

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

As chair of the North Richmond Community Health Service he oversaw the establishment of Melbourne's first medically supervised injecting facility. He was also the founding executive manager of *The New Daily* national online news service. He currently holds other non-executive director roles including at Eastern Melbourne Primary Health Network.

Chris consults in health policy and management.

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



## Julie Bignell (BA (MAS), Grad Dip IR/HRM, FGIA)

**Director**  
July 2015 – present

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

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

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

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



**Christine Bessell  
(MBBS, MPH,  
FRANZCOG, FRACMA)**

**Director  
July 2016 – present**

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

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

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



**Joel Chibert  
(BCom, CA, FAICD)**

**Director  
July 2020 – present**

Joel Chibert is an experienced financial and corporate services executive with extensive experience across a range of sectors including education, health, scientific research and development, and professional services.

He is currently the Chief Operating Officer and Chief Financial Officer at the Melbourne Business School.

Previously, Joel was the Chief Financial Officer at the Walter and Eliza Hall Institute and has held a range of senior finance roles with Monash University.

Joel has previously held a range of non-executive and board positions, including at the Common Equity Housing Limited, Monash Surgical Private Hospital, Bendigo Primary Care Centre and Monash Health Research Precinct.

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

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



**Bruce Cohen  
(BCom, LLB (Hons),  
MCom, PhD (Pub. Pol.))**

**Director  
July 2020 – present**

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

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

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







**Mary Draper**  
**(AM, BA, BSocStud**  
**(Hons))**

**Director**  
**July 2014 – June 2023**

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

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

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

Until 30 June 2023, Mary was chair of the Austin Health Clinical Safety and Quality Committee and a member of the People and Culture Committee, and Primary Care and Population Health Advisory Committee.



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

**Director**  
**July 2018 – present**

Fi Slaven is a director at the Accounting firm William Buck Victoria and chair of their Risk Committee. She also is a non-executive director for Crime Stoppers Victoria and Chair of the Spinal Research Institute.

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

After advancing IT leadership roles within healthcare, Fi was appointed as the first Australian Chief Information Officer for a national accounting firm and subsequently became the first female and Australian IT Asia Pacific regional co-ordinator and representative on the IT Advisory Committee.

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

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



**Robyn McLeod**  
**(BA, BEd, FAICD)**

**Director**  
**July 2022 – present**

Robyn McLeod has held the positions of Independent Commissioner for Water Security in South Australia, National Director of Water at KPMG, and Executive Director of Major Projects – Water with the Department of Sustainability and Environment, Victoria.

Robyn is currently a non-executive director on the Board of CleanTeQ Water Limited (ASX:CNQ) and recently retired from her four-year term on the Board of VicWater. Robyn also sits on the Melbourne Water Board’s Customer Service and Delivery Committee, and is a member of the People Safety and Culture Committee.

Robyn was a director on the Board of Monash Health for three years, from 2019 until 2022, where she served on the Finance Committee, Risk and Audit Committee, and the Consumer Advocacy Committee.

Robyn is a Graduate of the Australian Institute of Company Directors and completed the Senior Executive Fellows Program at The Kennedy School of Government, Harvard University. Previous board positions include as an inaugural director of The Australian Centre for Social Innovation.

Robyn is a member of the Austin Health Audit and Risk Committee, Clinical Safety and Quality Committee and Community Advisory Committee.

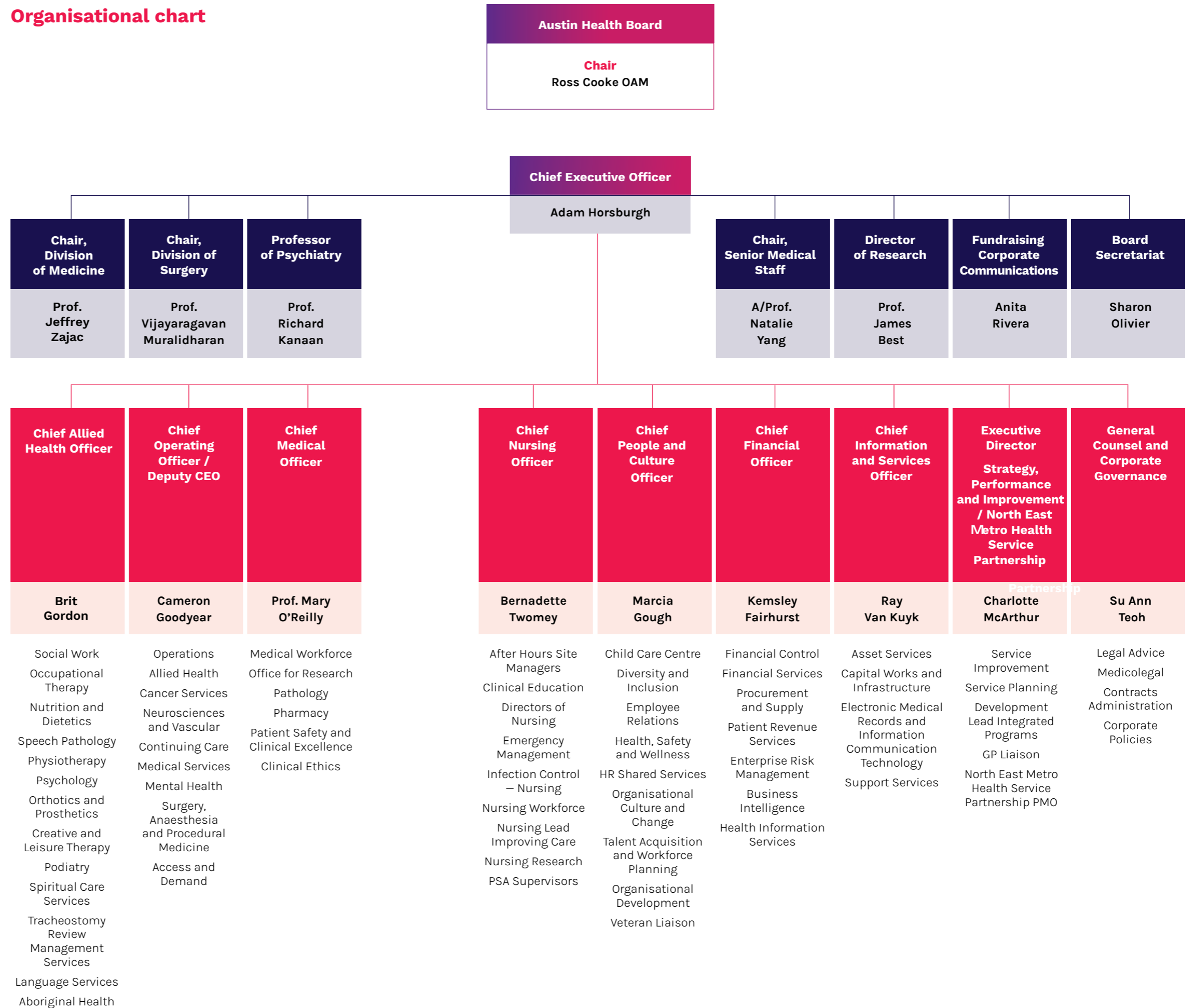


## Austin Health Board

### Audit & Risk Committee Membership FY23

Bruce Cohen	Member	June 2021 to February 2022
	Chair	March 2022 to June 2023
Ross Cooke	Member	June 2021 to June 2023
Joel Chibert	Member	June 2021 to June 2023
Robyn McLeod	Member	Late July 2022 to June 2023

## Organisational chart



# Corporate information

## Attestations

### Financial Management Compliance

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



**Ross Cooke,**  
Board Chair,  
7 September 2023

### 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 2023.



**Ross Cooke,**  
Board Chair,  
7 September 2023

### 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,  
7 September 2023

### 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,  
7 September 2023

### HealthShare Victoria (HSV) Purchasing Policies Compliance

I, Adam Horsburgh, certify that Austin Health has put in place appropriate internal controls and processes to ensure that it has materially complied with all requirements set out in the HSV Purchasing Policies including mandatory HSV collective agreements as required by the *Health Services Act 1988 (Vic)* and has critically reviewed these controls and processes during the year.



**Adam Horsburgh,**  
Chief Executive Officer,  
7 September 2023

### 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,  
7 September 2023



## Complying with legislation

### Public Interest Disclosures Act 2012

Austin Health is committed to the aims and objectives of the *Public Interest Disclosures Act 2012* and has procedures in place to facilitate the making of disclosures, to investigate disclosures and to protect persons making disclosures. Procedures can be obtained from the General Counsel, who is the Public Interest Disclosure Co-ordinator, on 03 9496 5300 or by writing to the General Counsel, Austin Health, PO Box 5555, Heidelberg, Victoria 3084.

### Local Jobs First Act disclosures

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

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

### 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.

Project Name	Type	Local Content	Number of SMEs <sup>1</sup>	VIC Created AEE <sup>2</sup>	VIC Retained AEE <sup>2</sup>
Austin Health Facilities Maintenance	Hard Facilities Management	98%	30	0	0
Austin Health Custom Procedure Packs	Goods	73%	19	0.07	0.30
Residential Transition Care Program and Restorative Care Services	Services	52%	13	0	0
Austin Health Raffle Management Services	Services	78%	0	0	0
Austin CSSD Expansion	Construction	93%	6	3	3

<sup>1</sup> Small, medium enterprises <sup>2</sup> AEE – Annual Employee Equivalent

## Social Procurement Framework

The Austin Health Social Procurement Strategy has been refreshed in 2023 with implementation to continue over the next financial year.

Austin Health has identified three social procurement priority objectives:

1. Opportunities for Victorian Aboriginal People
2. Opportunities for Victorians with disability
3. Environmentally sustainable outputs.

## Social Procurement Framework Report

Objective	No. businesses engaged	Total expenditure (\$)
Opportunities for Victorian Aboriginal people	3	\$35,099
Opportunities for Victorians with disability (Group 1)	1	\$5,193
Opportunities for Victorians with disability (Group 2)	10	\$6,683,338
Opportunities for disadvantaged Victorians (Group 1)	1	\$1,470
Opportunities for disadvantaged Victorians (Group 2)	12	\$7,072,316
Sustainable Victorian social enterprises and Aboriginal business sectors (Group 1)	3	\$21,013
Sustainable Victorian social enterprises and Aboriginal business sectors (Group 2)	24	\$13,602,850
<b>Total Social Benefit Suppliers</b>	<b>54</b>	<b>\$27,421,279</b>

### Patient car parking

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

### Carers Recognition Act 2012

The Victorian *Carers Recognition Act 2012* 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 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*.

## Compliance with building and maintenance provisions of Building Act 1993

All construction projects undertaken by Austin Health are reviewed by a Registered Building Surveyor (RBS) to determine the requirement for a building permit. Where a building permit is required due to demolition, construction or amendment to essential safety measures the RBS will oversee all works and provide a Certificate of Final Inspection to verify that the works have been completed in accordance with the relevant Australian Standards and the requirements of the *Building Act 1993*.

In line with the Department of Health Fire Risk Management Guidelines, Austin Health is currently completing the requirements of the five year fire audit. Fire audits across all sites were completed and we are currently working with consultancy groups on the audit report and update of Fire Safety Handbooks. Maintenance works identified out of the audit have been undertaken and capital works identified are being costed and prepared for submission for funding.

## Gender Equality Act 2020

Austin Health is compliant with its obligations as a defined entity under the *Gender Equality Act 2020*. Our first Gender Equality Action Plan was launched in June 2022. Implementation of the strategies and actions outlined in the Plan commenced in July 2023, supported by the Gender Equality Action Plan Working Group. Austin Health has also conducted a number of Gender Impact Assessments during 2022-23 and work is underway to embed Gender Impact Assessments into usual operations.

## Transparent operations

The total ICT expenditure incurred during 2022-2023 is **37.6m** with the details shown below:

### Disclosure of ICT expenditure

Business as usual	Non-business as usual (Non-BAU) expenditure		
	Total Non-BAU	Operational Expenditure	Capital Expenditure
31.7m	5.9m	4.3m	1.6m

## Freedom of Information

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

From 1 July 2023, the FOI application fee is \$31.80. 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 1,490 requests received for Financial Year 22-23, 1086 were personal requests (including applications from patients, family members, lawyers) and 404 were non-personal requests (such as application from Insurance companies, WorkCover and UHG).

For further information about the process for making applications for access to Austin Health documents, visit [www.austin.org.au/foi](http://www.austin.org.au/foi)

You can also contact the FOI Office directly:

**Phone:** (03) 9496 3103

**Email:** [foi@austin.org.au](mailto:foi@austin.org.au)

**Mail:** Freedom of Information Office,  
145 Studley Road  
PO Box 5555, Heidelberg Victoria 3084.

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

## Freedom of Information applications 2022–23

Granted in full	1,208
Granted in part	31
Denied in full	4
<b>Other</b>	
Withdrawn	15
No documents	81
Not processed	0
In progress	151
<b>Total requests</b>	<b>1,490</b>

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



## Consultancies engaged during 2022–23

Number of consultancies: 6

### In excess of \$10,000 per consultancy

Consultant	Purpose of consultancy	Start Date	End Date	Total approved project fee	Expenditure 2022–23 (excl. GST)	Future expenditure (excl. GST)
Pricewaterhouse Coopers Consulting (Australia) Pty Ltd	Austin Health Strategic Plan 2023–27	Mar 22	Oct 22	\$180,000	\$108,000	-
Thoughtpost Governance Pty Ltd	Board Committees Charter Review	Feb 23	Jun 23	\$29,999	\$14,999	\$14,999
The Zalt Group	Strategy Discussion with Leadership and People & Culture	Jun 23	Jun 23	\$26,575	\$26,575	-
The Zalt Group	Strategy Discussion with HIP Fast Track	May 23	May 23	\$23,360	\$23,360	-
The Zalt Group	Strategy Discussion with Leadership	Jun 23	Jun 23	\$19,300	\$19,300	-
Midnightsky Pty Ltd	Austin Health Foundation Strategic Plan	Nov 22	Dec 23	\$24,000	\$12,000	\$12,000
<b>Total</b>					<b>\$204,234</b>	<b>\$27,000</b>

### Less than \$10,000 per consultancy

There were three consultancies engaged in 2022–23 of less than \$10,000 per consultancy at a total cost of \$15,873 and no future costs.

## Workforce data

Hospital labour category	June current month FTE		Average monthly FTE	
	2022	2023	2022	2023
Nursing	2,708	2845	2,656	2706
Administration and Clerical	1121	1090	1113	1071
Medical Support	862	947	854	915
Hotel and Allied Services	680	615	659	627
Medical Officers	172	186	170	177
Hospital Medical Officers	583	620	574	603
Sessional Clinicians	217	229	198	215
Ancillary Staff (Allied Health)	525	560	508	534
<b>Total</b>	<b>6,868</b>	<b>7,092</b>	<b>6,732</b>	<b>6,848</b>





## Employment and conduct principles

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

## Occupational health and safety

### Occupational health and safety statistics

Occupational health and safety statistics	2022-23	2021-22	2020-21
Reported hazards/incidents per 100 FTE <sup>1</sup>	24.55	17.07	35.03
Number of lost time standard WorkCover claims for the year per 100 FTE	0.94	0.51	0.77
The average cost per WorkCover claim for the year <sup>2</sup>	\$74,583	\$88,699	\$102,070

<sup>1</sup> FTE stands for 'full time equivalent'. <sup>2</sup> The average claim cost may vary over time as active claims mature

### Occupational violence data

Occupational violence statistics <sup>3</sup>	2022-23	2021-22
WorkCover claims with an occupational violence cause per 100 FTE	0.09	0.103
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0.37	1.033
Number of occupational violence incidents reported	939	966
Number of occupational violence incidents reported per 100 FTE	13.71	9.1132
Percentage of occupational violence incidents resulting in harm	21%	19%

<sup>3</sup> Definitions of occupational violence

Occupational violence	Incident	Accepted WorkCover claims	Lost time	Injury, illness or condition
any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.	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.	accepted WorkCover claims that were lodged in 2022-2023.	is defined as greater than one day.	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

Electricity Use	Jul-22 to Jun-23	Jul-21 to Jun-22	Jul-20 to Jun-21
<b>EL1 Total electricity consumption segmented by source [MWh]</b>			
Purchased	38,032.72	39,349.51	38,023.35
Self-generated			
<b>EL1 Total electricity consumption [MWh]</b>	<b>38,032.72</b>	<b>39,349.51</b>	<b>38,023.35</b>
<b>EL2 On site-electricity generated [MWh] segmented by:</b>			
<b>Consumption behind-the-meter</b>			
Solar Electricity			
<b>Total Consumption behind-the-meter [MWh]</b>			
<b>Exports</b>			
Solar Electricity	0.00	0.00	0.00
<b>Total Electricity exported [MWh]</b>			
<b>EL2 Total On site-electricity generated [MWh]</b>			
<b>EL3 On-site installed generation capacity [kW converted to MW] segmented by:</b>			
Diesel Generator	15.92	15.92	15.92
<b>EL3 Total On-site installed generation capacity [MW]</b>	<b>15.92</b>	<b>15.92</b>	<b>15.92</b>
<b>EL4 Total electricity offsets segmented by offset type [MWh]</b>			
LGCs voluntarily retired on the entity's behalf	0.00	0.00	0.00
GreenPower	0.00	0.00	0.00
RPP (Renewable Power Percentage in the grid)	7,150.15	7,315.07	7,197.82
Certified climate active carbon neutral electricity purchased	0.00	0.00	0.00
<b>EL4 Total electricity offsets [MWh]</b>	<b>7,150.15</b>	<b>7,315.07</b>	<b>7,197.82</b>

Stationary Energy	Jul-22 to Jun-23	Jul-21 to Jun-22	Jul-20 to Jun-21
<b>F1 Total fuels used in buildings and machinery segmented by fuel type [MJ]</b>			
Natural gas	213,242,090.09	191,102,757.24	191,375,859.61
<b>F1 Total fuels used in buildings [MJ]</b>	<b>213,242,090.09</b>	<b>191,102,757.24</b>	<b>191,375,859.61</b>
<b>F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [Tonnes CO2-e]</b>			
Natural gas	10,988.36	9,847.53	9,861.60
<b>F2 Greenhouse gas emissions from stationary fuel consumption [Tonnes CO2-e]</b>	<b>10,988.36</b>	<b>9,847.53</b>	<b>9,861.60</b>

<b>Transportation Energy</b>	<b>Jul-22 to Jun-23</b>	<b>Jul-21 to Jun-22</b>	<b>Jul-20 to Jun-21</b>
<b>T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type [MJ]</b>			
Non-executive fleet - Gasoline	4,864,809.80	1,417,309.10	706,171.50
<b>Petrol</b>	<b>4,864,809.80</b>	<b>1,417,309.10</b>	<b>706,171.50</b>
Non-executive fleet - E10		1,053.00	1,761.60
<b>Petrol (E10)</b>		<b>1,053.00</b>	<b>1,761.60</b>
Non-executive fleet - Diesel	1,639,539.00	9,263.60	6,905.30
<b>Diesel</b>	<b>1,639,539.00</b>	<b>9,263.60</b>	<b>6,905.30</b>
<b>Total energy used in transportation (vehicle fleet) [MJ]</b>	<b>6,504,348.80</b>	<b>1,427,625.70</b>	<b>1,427,625.70</b>
<b>T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type [tonnes CO2-e]</b>			
Non-executive fleet - Gasoline	328.96	95.84	47.75
<b>Petrol</b>	<b>328.96</b>	<b>95.84</b>	<b>47.75</b>
Non-executive fleet - E10		0.06	0.11
<b>Petrol (E10)</b>		<b>0.06</b>	<b>0.11</b>
Non-executive fleet - Diesel	115.44	0.65	0.49
<b>Diesel</b>	<b>115.44</b>	<b>0.65</b>	<b>0.49</b>
<b>Total Greenhouse gas emissions from transportation (vehicle fleet) [tonnes CO2-e]</b>	<b>444.40</b>	<b>96.55</b>	<b>48.35</b>

<b>Total Energy Use</b>	<b>Jul-22 to Jun-23</b>	<b>Jul-21 to Jun-22</b>	<b>Jul-20 to Jun-21</b>
<b>E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]</b>			
Total energy usage from stationary fuels (F1) [MJ]	213,242,090.09	191,102,757.24	191,375,859.61
Total energy usage from transport (T1) [MJ]	6,504,348.80	1,427,625.70	714,838.40
<b>Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]</b>	<b>219,746,438.89</b>	<b>192,530,382.94</b>	<b>192,090,698.01</b>
<b>E2 Total energy usage from electricity [MJ]</b>			
Total energy usage from electricity [MJ]	136,917,792.81	141,658,218.74	136,884,065.08
<b>E3 Total energy usage segmented by renewable and non-renewable sources [MJ]</b>			
Renewable	25,740,545.01	26,334,368.12	25,912,329.59
Non-renewable (E1 + E2 - E3 Renewable)	330,923,686.69	307,854,233.56	303,062,433.50
<b>E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser</b>			
Energy per unit of Aged Care OBD [MJ/Aged Care OBD]	96,916.66	77,729.73	61,288.26
Energy per unit of LOS [MJ/LOS]	929.37	992.76	988.27
Energy per unit of Separations [MJ/Separations]	2,901.89	3,121.41	2,991.14
Energy per unit of floor space [MJ/m2]	1,136.39	1,079.92	1,065.32

<b>Water Use</b>	<b>Jul-22 to Jun-23</b>	<b>Jul-21 to Jun-22</b>	<b>Jul-20 to Jun-21</b>
<b>W1 Total units of metered water consumed by water source (kl)</b>			
Potable water [kl]	260,475.90	239,832.30	219,565.88
<b>Total units of water consumed [kl]</b>	<b>260,475.90</b>	<b>239,832.30</b>	<b>219,565.88</b>
<b>W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity</b>			
Water per unit of Aged Care OBD [kl/Aged Care OBD]	72.09	56.02	40.99
Water per unit of LOS [kl/LOS]	0.69	0.72	0.66
Water per unit of Separations [kl/Separations]	2.16	2.25	2.00
Water per unit of floor space [kl/m <sup>2</sup> ]	0.85	0.78	0.71

<b>Waste and Recycling</b>	<b>Jul-22 to Jun-23</b>	<b>Jul-21 to Jun-22</b>	<b>Jul-20 to Jun-21</b>
<b>WR1 Total units of waste disposed of by waste stream and disposal method [kg]</b>			
<b>Landfill (total)</b>			
General waste	1,959,280.00	109,080.00	
Offsite treatment			
Clinical waste - incinerated	116,443.88	1,800.03	
Clinical waste - sharps	26,449.05	3,864.99	
Clinical waste - treated	3,466.00	14,634.50	
<b>Recycling/recovery (disposal)</b>			
Batteries	2,068.00	688.00	
Cardboard	151,080.00	14,520.00	
Commingled	24,833.00		
E-waste	1,886.00	40.00	
Fluorescent tubes	1,006.00	222.00	
Grease traps	75,600.00		
Metals	25,603.00	620.00	
Packaging plastics/films	2,970.00		
PVC	74.00	0.00	0.00
Wood	11,746.30		
<b>Total units of waste disposed [kg]</b>	<b>2,402,505.23</b>	<b>145,469.52</b>	
<b>WR1 Total units of waste disposed of by waste stream and disposal method [%]</b>			
<b>Landfill (total)</b>			
General waste	81.55%	74.98%	
<b>Offsite treatment</b>			
Clinical waste - incinerated	4.85%	1.24%	

Clinical waste - sharps	1.10%	2.66%
Clinical waste - treated	0.14%	10.06%
Recycling/recovery (disposal)		
Batteries	0.09%	0.47%
Cardboard	6.29%	9.98%
Commingled	1.03%	
E-waste	0.08%	0.03%
Fluorescent tubes	0.04%	0.15%
Grease traps	3.15%	
Metals	1.07%	0.43%
Packaging plastics/films	0.12%	
PVC	0.00%	0.00%
Wood	0.49%	

#### WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method

Total waste to landfill per PPT [(kg general waste)/PPT]	3.33	0.20
Total waste to offsite treatment per PPT [(kg offsite treatment)/PPT]	0.25	0.04
Total waste recycled and reused per PPT [(kg recycled and reused)/PPT]	0.50	0.03

#### WR4 Recycling rate [%]

Weight of recyclable and organic materials [kg]	296,866.30	16,090.00
Weight of total waste [kg]	2,402,505.23	145,469.52
<b>Recycling rate [%]</b>	<b>12.36%</b>	<b>11.06%</b>

#### WR5 Greenhouse gas emissions associated with waste disposal [tonnes CO2-e]

tonnes CO2-e	2,688.35	167.44
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### Greenhouse Gas Emissions

Jul-22 to  
Jun-23

Jul-21 to  
Jun-22

Jul-20 to  
Jun-21

#### G1 Total scope one (direct) greenhouse gas emissions [tonnes CO2e]

Carbon Dioxide	11,403.14	9,918.92	9,884.90
Methane	21.44	19.14	19.15
Nitrous Oxide	8.19	6.02	5.89
<b>Total</b>	<b>11,432.76</b>	<b>9,944.08</b>	<b>9,909.94</b>
<b>Scope 1 GHG emissions from stationary fuel (F2 Scope 1) [tonnes CO2-e]</b>	<b>10,988.36</b>	<b>9,847.53</b>	<b>9,861.60</b>
<b>Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) [tonnes CO2-e]</b>	<b>444.40</b>	<b>96.55</b>	<b>48.35</b>
<b>Medical/Refrigerant gases</b>			
<b>Total scope one (direct) greenhouse gas emissions [tonnes CO2e]</b>	<b>11,432.76</b>	<b>9,944.08</b>	<b>9,909.94</b>



<b>G2 Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]</b>			
Electricity	26,126.65	28,734.89	29,654.16
<b>Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]</b>	<b>26,126.65</b>	<b>28,734.89</b>	<b>29,654.16</b>
<b>G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO2e)</b>			
Commercial air travel			
Waste emissions (WR5)	2,688.35	167.44	
Indirect emissions from Stationary Energy	4,219.17	3,903.79	4,187.14
Indirect emissions from Transport Energy	112.04	5.14	2.57
Paper emissions			230.76
Any other Scope 3 emissions	441.21	450.50	362.07
<b>Total scope three greenhouse gas emissions [tonnes CO2e]</b>	<b>7,460.77</b>	<b>4,526.86</b>	<b>4,782.54</b>
<b>G(Opt) Net greenhouse gas emissions (tonnes CO2e)</b>			
<b>Gross greenhouse gas emissions (G1 + G2 + G3) [tonnes CO2e]</b>	<b>45,020.19</b>	<b>43,205.82</b>	<b>44,346.64</b>
Carbon Neutral Electricity	0.00	0.00	0.00
Green Power Electricity	0.00	0.00	0.00
Purchased LGCs	0.00	0.00	0.00
<b>Any Offsets purchased</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net greenhouse gas emissions [tonnes CO2e]</b>	<b>45,020.19</b>	<b>43,205.82</b>	<b>44,346.64</b>

<b>Normalisation Factors</b>	<b>Jul-22 to Jun-23</b>	<b>Jul-21 to Jun-22</b>	<b>Jul-20 to Jun-21</b>
1000km (Corporate)			
1000km (Non-emergency)			
Aged Care OBD	3,613.00	4,281.00	5,356.00
ED Departures	87,742.00	88,289.00	109,868.00
FTE		6,825.00	6,566.00
LOS	376,773.00	335,188.00	332,157.00
OBD	380,386.00	339,469.00	337,513.00
PPT	588,794.00	534,364.00	557,125.00
Separations	120,666.00	106,606.00	109,744.00
TotalAreaM2	308,134.00	308,134.00	308,134.00

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

# 2022–23 Statement of Priorities

## Part A — Strategic Priorities

### Keep people healthy and safe in the community

2022–23 priority area	Deliverable	Current status
Maintain COVID-19 readiness	Maintain a robust COVID-19 readiness and response, working with the department, Health Service Partnership and Local Public Health Unit (LPHU) to ensure effective responses to changes in demand and community pandemic orders. This includes, but is not limited to, participation in the COVID-19 Streaming Model, the Health Service Winter Response framework and continued support of the COVID-19 vaccine immunisation program and community testing.	<p><b>Complete</b></p> <p>NEPHU has worked closely with the Department of Health (DH) COVID-19 program on readiness and response activities as the community perspective and approach to public health management of the pandemic has changed. Robust epidemiological surveillance and situational awareness has been maintained to support understanding of the impact of COVID-19 on the community and priority populations over time.</p> <p>A focus included supporting and responding to the needs of the most vulnerable in our community. NEPHU worked with Eastern volunteers to assist in the delivery of over 293,000 rapid antigen test kits and 186,000 masks to more than 230 unique organisations and community groups. Intensive communications and engagement activity has raised awareness of COVID safe behaviours, encouraged uptake of vaccination and promoted anti-viral therapy. These have included addressing low vaccination rates and hesitancy in culturally and linguistically diverse communities and residents of aged care facilities.</p> <p>177 residential aged care facilities and a number of other residential services and disability settings were supported by NEPHU to undertake outbreak preparedness assessments with targeted follow-up to address identified risks. Outbreak management support was provided to 494 aged care, disability and special residential service facilities over the course of the year.</p> <p>NEPHU worked in partnership with the DH and four Community Health Services to commission and deliver COVID-19 vaccination services during the first half of the financial year until funding concluded. In the second half of the year, NEPHU has supported the COVID-19 health hotline, providing advice and enabling the public to report positive rapid antigen test results and connect to care.</p>
Drive continued improvement of public health outcomes	Encourage and facilitate partnerships between the LPHU and primary and community care networks to equitably improve public health outcomes throughout the LPHU catchment.	<p><b>Complete</b></p> <p>Austin Health partners with Northern Health and Eastern Health to operate the NEPHU. This has enabled local engagement and delivery of public health promotion, prevention and protection activity from three sites providing invaluable connection to these health services, community and other partners across the catchment of 1.81m people.</p>



2022–23 priority area	Deliverable	Current status
Continued ...		<p>The NEPHU has successfully partnered and collaborated with the DH and other state and local government agencies, other health services, academic agencies, community health, Aboriginal community-controlled health organisations, primary health networks, and other community organisations to improve the public health outcomes in its catchment. This has included:</p> <ul style="list-style-type: none"> <li>• assuming responsibility for the public health prevention and response required for 42 notifiable conditions as defined by the <i>Public Health and Wellbeing Act 2008</i> and associated regulations</li> <li>• hosting the NEPHU Network to share public health protection information and highlight opportunities for co-ordinated local response</li> <li>• delivering immunisation services in response to both COVID-19 and mpox. The model has included community engagement and both fixed site and mobile delivery options which have adapted over the course of the year in response to changing community needs</li> <li>• delivering multiple joint education sessions for primary care providers</li> <li>• delivering capacity building activities including a grant writing and management workshop attended by over 30 community organisations</li> <li>• leading five health promotion and prevention networks and participating in a further 14 networks and partnerships across the catchment</li> <li>• through the engagement team, building relationships and awareness of public health issues with communities and stakeholders through the engagement team attending over 180 network and community group meetings, open days, festivals and events</li> <li>• development of the inaugural Population Health Catchment Plan.</li> </ul>
	Support the evaluation of services delivered and outcomes achieved by the LPHU as described by the LPHU Outcomes Framework 2022–23.	<p><b>In progress</b></p> <p>All required reporting against the LPHU Outcomes Framework has been completed.</p> <p>NEPHU has developed an overarching strategy, underpinned by a draft quality and performance framework which will be used as a guide against which to measure quality and performance of the unit moving forward. Operational plans have been developed by NEPHU branches which articulate responsibilities across core activities and services, and detail workplans inclusive of measures that are monitored to demonstrate achievement. In addition, NEPHU has developed and is now implementing a Research Program Plan.</p> <p>NEPHU actively monitors and evaluates the reach and impact of communications and engagement activities through analytics and stakeholder and participant impact assessment. NEPHU has also developed innovative digital systems that help ensure comprehensive and accurate data is collected, reported and used for effective surveillance and response, and to inform practice.</p>



## Care closer to home

2022–23 priority area	Deliverable	Current status
Delivering more care in the home or virtually	Increase the provision of home-based or virtual care, where appropriate and preferred, by the patient, including via the Better at Home program.	<p><b>In progress</b></p> <p>Austin Health has continued to consolidate and expand the delivery of care at home through the Better@Home program. The five streams of care continue to support the delivery of more home-based acute, rehabilitation, Geriatric Evaluation and Management, Health Independence Program and Specialist Clinics services. This year has seen significant expansion of capacity in the subacute and Day Oncology streams.</p> <p>Along with Better@Home, the Virtual Care and Hospital in the Home (HITH) programs are also expanding, and more consumers are receiving their care remotely. The programs have grown with further virtual supported pathways including cardiac surgery, cardiology, haematology, elective surgery and emergency medicine. The addition of remote monitoring using wireless technology allows the clinical teams to enable safe reliable care through our HITH programs. Cutting-edge technology and innovation is being used to expand our health-service capacity to meet our growing consumer demand.</p>

## Keep improving care

2022–23 priority area	Deliverable	Current status
Improve quality and safety of care	Work with Safer Care Victoria (SCV) in areas of clinical improvement to ensure the Victorian health system is safe and delivers best care, including working together on hospital acquired complications, low value care and targeting preventable harm to ensure that limited resources are optimised without compromising clinical care and outcomes.	<p><b>In progress</b></p> <p>A hospital acquired complication (HAC) audit program has been developed to identify and validate coded HACs. A HAC data dashboard has been developed and implemented to flag HACs, triangulate with incident reporting and feedback to clinical units to analyse and, where required, implement clinical improvements.</p>
Contribute to a responsive and integrated mental health and wellbeing system	Continue to transform Area Mental Health and Wellbeing Services that deliver wellbeing supports and are delivered through partnerships between public health services (or public hospitals) and non-government organisations.	<p><b>Complete</b></p> <p>The tender process for the non-government organisation partnership will be finalised in early July 2023. Once announced, this will assist in partnership building and service delivery for consumers and carers.</p>



2022–23 priority area	Deliverable	Current status
Continued ...	Develop/refine services that will be provided across two aged-based streams: Infant, Child and Youth (0–25), and Adult and Older Adult (26+).	<p><b>In progress</b></p> <p>There is a phased approach to transitioning to the new age streams in the Mental Health sector. Child and Youth services will formally become Infant, Child and Youth Services in September 2023 for the Austin Health catchment. The catchment for the 18–25 year old cohort is still being negotiated. The current Adult Services will likely transition to Adult and Older Adult Services later in 2023.</p>
	Provide integrated treatment, care and support to people living with mental illness and substance use or addiction.	<p><b>Complete</b></p> <p>The Hamilton Centre has been established and is taking referrals. The Mental Health Integrated Alcohol and Other Drug (AOD) clinicians are currently being recruited.</p>
	Subject to the passage of the Mental Health and Wellbeing Bill 2022, actively participate in the implementation of new legislative requirements and embed the legislation’s rights-based objectives and principles.	<p><b>Complete</b></p> <p>The Mental Health Division clinician has been recruited. This work will be a focus for the remainder of the year.</p>
	Work with the department to test (‘shadow’) and implement activity-based funding models initially for bed-based and adult ambulatory mental health and wellbeing services.	<p><b>In progress</b></p> <p>This work is ongoing and will continue into 2024.</p>
	Continue towards implementation and routine use of the electronic statewide mental health and wellbeing record to underpin best practice mental health care and improve the experience of Victorians with lived experience of mental health as they move between providers.	<p><b>Complete</b></p> <p>The Mental Health Division is going live with the EMR for inpatient units in August 2023.</p>
Improve Emergency Department access	Improve access to emergency services by implementing strategies to reduce bed access blockage to facilitate improved whole of system flow, reduce emergency department four-hour wait times, and improve ambulance to health service handover times.	<p><b>In progress</b></p> <p>Improving access to emergency care remains a priority for Austin Health. A number of initiatives have been undertaken which have focused on Fast Track access and flow, access to the Short Stay Unit, and ambulance offload times. These initiatives have resulted in improved performance in many ED access KPIs.</p>

## Keep improving care continued ...

2022–23 priority area	Deliverable	Current status
<b>Pathology reform</b>	Progress with forming shared public pathology entities, established as Companies Limited by Guarantee under Joint Venture Agreements that meet the requirements set out in the Policy Framework for the Shared Pathology Entities and operate consistently with the statutory obligations of the <i>Public Administration Act 2004</i> .	<b>In progress</b> The North East Pathology Network (NEPN) remains at the status of an unincorporated joint venture. A steering committee, comprising of Austin Health Executives, senior pathology management and other key stakeholders, along with a separate CEO group are participating in the oversight of the unincorporated joint venture and the determination of the future structure of NEPN.
	Implement the new integrated Laboratory Information Systems (LIS) and participate in the adoption of a Health Information Exchange as a priority for the newly formed pathology entity over the next four years.	<b>In progress</b> Preliminary work on the LIS including a review of documentation for the tender has been performed. Final specification documents will soon be released to the LISConnect tender evaluation panel, to determine an agreed approach to evaluate the tender.
<b>Plan update to nutrition and food quality standards</b>	Develop a plan to implement nutrition and quality of food standards in 2022–23, implemented by December of 2023.	<b>In progress</b> A gap analysis of adult and paediatric food and nutrition standards has been completed.  A working group will be established in 2023–24 to prioritise action items highlighted in the gap analysis.
<b>Climate change commitments</b>	Contribute to enhancing health system resilience by improving environmental sustainability, including identifying and implementing projects and/or processes that will contribute to committed emissions reduction targets through reducing or avoiding carbon emissions and/or implementing initiatives that will help the health system to adapt to the impacts of climate change.	<b>Complete</b> Environment reporting has been completed as per DH requirements. An Austin Health Environmental Sustainability Steering Committee has been established and will frame the Austin Health Environment, Social and Governance Strategy in 2023–24.
<b>Asset maintenance and management</b>	Improve health service and department Asset Management Accountability Framework (AMAF) compliance by collaborating with Health Infrastructure to develop policy and processes to review the effectiveness of asset maintenance and its impact on service delivery.	<b>Complete</b> The Austin Health Asset Management Plan has been submitted to the Victorian Health Building Authority, reflecting the asset program and key risks.

## Improve Aboriginal health and wellbeing

2022–23 priority area	Deliverable	Current status
<p><b>Improve Aboriginal cultural safety</b></p>	<p>Strengthen commitments to Aboriginal Victorians by addressing the gap in health outcomes by delivering culturally safe and responsive health care.</p>	<p><b>In progress</b></p> <p>The Ngarra Jarra team makes contact with each patient who does not wait to be seen in the ED, to complete a brief health check and advise them of the Aboriginal Health Service. Patients who fail to attend Specialist Clinics appointments are also followed up to support re-scheduling as well as any other practical assistance that can be provided (such as transport or parking).</p>
	<p>Establish meaningful partnerships with Aboriginal community-controlled health organisations.</p>	<p><b>In progress</b></p> <p>The Ngarra Jarra team continues to strengthen their relationship with the Victorian Aboriginal Community Controlled Health Organisation (VACCHO), First Peoples' Health and Wellbeing and the Victorian Aboriginal Health Service (VAHS), with regular connections and meetings. There is continuous assessment of the effectiveness of the communication and collaboration efforts with these organisations.</p>
	<p>Implement strategies and processes to actively increase Aboriginal employment.</p>	<p><b>In progress</b></p> <p>A number of actions under the 'attract' focus area in the Aboriginal Employment Plan have been implemented, including:</p> <ul style="list-style-type: none"> <li>• a review and refresh of the Aboriginal careers page on the Austin Health website</li> <li>• implementation of a specific job advertisement template for identified roles (including the Reconciliation Action Plan artwork)</li> <li>• development of a suite of resources to support Aboriginal candidates through the application process (available on the Austin Health website)</li> <li>• driving attention through staff profiles and storytelling via social media channels to promote employment opportunities (e.g. supporting junior medical intern recruitment campaign for 2024 to attract Aboriginal and Torres Strait Islander interns to Austin Health, and the newly funded Koorie Mental Health Liaison Office recruitment)</li> <li>• continuing to develop trusted and respected relationships with communities to help attract Aboriginal candidates to Austin Health.</li> </ul> <p>Other achievements include establishing an Aboriginal Employment Health Service Community of Practice, in collaboration with Monash Health, for health services across Victoria.</p>

## Improve Aboriginal health and wellbeing continued ...

	<p>Improve patient identification of Aboriginal people presenting for health care, and to address variances in health care and provide equitable access to culturally safe care pathways and environments.</p>	<p><b>In progress</b> A dashboard has been developed and is presented at the Closing the Gap Governance Committee, highlighting areas where the identification question is not asked routinely. There is a targeted approach towards communication and education in these areas.</p>
	<p>Develop discharge plans for every Aboriginal patient.</p>	<p><b>In progress</b> An Aboriginal and Torres Strait Islander passport which will facilitate a timely and supportive discharge planning process is under development. We have engaged with our Aboriginal consumers to understand what this passport should entail, and what it should look like.</p>

## Moving from competition to collaboration

2022–23 priority area	Deliverable	Current status
<p><b>Foster and develop local partnerships</b></p>	<p>Strengthen cross-service collaboration, including through active participation in health service partnerships.</p>	<p><b>In progress</b> Austin Health is the chair of the North East Metro Health Service Partnership (NEMHSP) and hosts the NEMHSP program staff.</p> <p>The NEMHSP is proactively developing a strong partnership and governance culture and uses a devolved governance model to ensure all partners have an active role in the stewardship of the partnership. This includes the establishment of clinical networks and cross-service working groups within the planned surgery and at home programs, ensuring end-to-end collaboration from program design to program delivery.</p> <p>Austin Health also partners locally with community health providers, Primary Health Networks and academic institutions. Separate to the NEMHSP, Austin Health is collaborating with the Eastern Melbourne Primary Health Network on a shared care migraine management project.</p>
	<p>Work together with other Health Service Partnership (HSP) members on strategic system priorities where there are opportunities to achieve better and more consistent outcomes through collaboration, including the pandemic response, elective surgery recovery and reform, implementation of the Better at Home program and mental health reform.</p>	<p><b>In progress</b> As a member of the NEMHSP, Austin Health has collaborated on the delivery of local and system priorities including COVID Positive Pathways, pandemic response, elective surgery reform and BetteratHome, in addition to assisting the broad reach of the mental health royal commission reform agenda.</p> <p>Statewide priority successes include delivery of the Elective Surgery Reform Program including development of a new shared service for endoscopy, taking advantage of increased capacity at St Vincent’s Hospital on the Park, and meeting activity targets for delivery services within the home setting.</p> <p>Local priorities include mental health regional clinical governance, emergency and demand management and gender and equity impact assessments – all of which demonstrate the strength in the partnership approach to create priorities important to our geographical region.</p>



2022–23 priority area	Deliverable	Current status
<b>Joint service planning</b>	Develop HSP Strategic Service Plans – co-designed by health services and the department – that guide a system approach to future service delivery and consider equity, quality and safety, and value.	<p><b>In progress</b></p> <p>Alongside partner health services and led by the DH, Austin Health is collaborating on the development of a NEMHSP Strategic Service Plan. This has involved engagement of clinicians and operational leads through a number of consultations and workshops informed by future demand forecasts.</p> <p>Through the NEMHSP Steering Committee, the Department of Health have been able to test, debate and draft a set of strategic service planning directions to inform future health system delivery.</p>
<b>Planned Surgery Recovery and Reform Program</b>	Maintain commitment to deliver goals and objectives of the Planned Surgery Recovery and Reform Program, including initiatives as outlined, agreed and funded through the HSP workplan. Health services are expected to work closely with HSP members and the department throughout the implementation of this strategy, and to collaboratively develop and implement future reform initiatives to improve the long-term sustainability of safe and high quality planned surgical services to Victorians.	<p><b>In progress</b></p> <p>The Elective Surgery Reform Unit has been established and work is underway. Progress has been made across all workstreams and objectives have been prioritised.</p> <p>A number of new day case pathways have been developed and implemented. Expansion of our HITH elective surgery models has been successful. Ongoing engagement with IT will ensure delivery of the key objectives in the Digital Transformation workstream.</p>
<b>Support mental health and wellbeing</b>	Support the implementation of recommendations arising from the Royal Commission into Victoria’s Mental Health system, by improving compliance with legislative principles supporting self-determination and self-directed care.	<p><b>In progress</b></p> <p>A Royal Commission Project Director has commenced and will guide work in the key priority areas. While there has been good progress addressing the 65 recommendations, the reform work will remain a priority for a number of years.</p>
	Embed consumer, family, carer and supporter lived experience at all levels, in leadership, governance, service design, delivery, and improvement.	<p><b>In progress</b></p> <p>The Mental Health Division has recruited a Carer Discipline Lead and a Consumer Discipline Lead to join the Mental Health Leadership Team. These vital strategic leadership roles will plan for growth in lived experience roles and lived experience participation across the Mental Health Division.</p>
	Work towards treatment, care and support being person-centred, rights-based, trauma-informed, and recovery-orientated, respecting the human rights and dignity of consumers, families, carers and supporters.	<p><b>In progress</b></p> <p>The Mental Health Leadership Team are committed to these principles.</p>



## A stronger workforce

2022–23 priority area	Deliverable	Current status
Improve workforce wellbeing	Participate in the Occupational Violence and Aggression (OVA) training that will be implemented across the sector in 2022–23.	<b>Complete</b> OVA training has been consistently internally advertised during 2022–23. Training rates for Austin Health staff are high, relative to many other health services.
	Support the implementation of the Strengthening Hospital Responses to Family Violence (SHRFV) initiative deliverables including health service alignment to MARAM, the Family Violence Multi-Agency Risk Assessment and Management framework.	<b>In progress</b> An education and training needs analysis has been completed in higher risk areas including the ED and Paediatric Services. A perpetrator education strategy mapping exercise and benchmarking with external hospitals has commenced.
	Prioritise wellbeing of healthcare workers and implement local strategies to address key issues.	<b>In progress</b> An Executive Wellbeing Steering Committee, established in early 2022, continues to provide governance over organisational wellbeing activities for staff. This has included delivery of a targeted staff wellbeing program.  A dedicated Occupational Violence and Aggression (OVA) advisor has been employed to increase the organisation's focus on an OVA program.  A pilot Critical Incident Response (defusing) program is underway in the Mental Health service.

## Part B — Performance Priorities

### High quality and safe care

Key Performance Measure	Target	Result
<b>Infection prevention and control</b>		
Compliance with the Hand Hygiene Australia program	85%	87.4%
Percentage of healthcare workers immunised for influenza <sup>1</sup>	92%	89%
<b>Continuing care</b>		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥ 0.645	0.553
<b>Healthcare associated infections</b>		
Rate of surgical site infections for selected procedures (aggregate)	No outliers	Not achieved
Rate of central-line (catheter) associated bloodstream infections (CLABSI) in Intensive Care Units, per 1,000 central line days	Zero	Not achieved
Rate of healthcare associated <i>S. aureus</i> bloodstream infections per 10,000 bed days	≤ 0.7	0.66



Key Performance Measure	Target	Result
<b>Patient experience</b>		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 1	95%	95.6%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	93.1%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	96.4%
<b>Mental health</b>		
<b>Patient experience</b>		
Percentage of mental health consumers who rated their overall experience of care with a service in the last three months as positive	80%	70% <sup>2</sup>
Percentage of mental health consumers reporting they ‘usually’ or ‘always’ felt safe using this service	90%	90% <sup>3</sup>
Percentage of families/carers reporting a positive experience of the service	80%	38.5% <sup>4</sup>
Percentage of families/carers who report they ‘always’ or ‘usually’ felt their opinions as a carer were respected	90%	62.9% <sup>5</sup>
<b>Closed community cases</b>		
Percentage of closed community cases re-referred within six months: CAMHS	< 25%	33%
Percentage of closed community cases re-referred within six months: Adults	< 25%	44%
<b>Post discharge follow-up</b>		
Percentage of consumers followed up within seven days of separation – Inpatient (CAMHS)	88%	89.6%
Percentage of consumers followed up within seven days of separation – Inpatient (adult)	88%	93.9%
<b>Readmission</b>		
Percentage of consumers readmitted within 28 days of separation – Inpatient (CAMHS)	< 14%	9%
Percentage of consumers readmitted within 28 days of separation – Inpatient (adult)	< 14%	13%
<b>Seclusion</b>		
Rate of seclusion episodes per 1,000 occupied bed days – Inpatient (CAMHS) <sup>6</sup>	≤ 5%	44%
Rate of seclusion episodes per 1,000 occupied bed days – Inpatient (adult)	≤ 8%	8%
<b>Unplanned readmissions</b>		
Unplanned readmissions to any hospital following a hip replacement	< 6%	3%

<sup>1</sup> Reporting period 11 April 2022 to 15 August 2023.

<sup>2-5</sup> Due to the low number of responses, there is a large margin of error for these questions.

<sup>6</sup> This Key Performance Measure relates to the Adolescent Inpatient Unit only.





## Strong governance, leadership and culture

Key Performance Measure	Target	Result
<b>Organisational culture</b>		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	74%

## Timely access to care

Key Performance Measure	Target	Result
<b>Elective surgery</b>		
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%	70.3%
Number of patients on the elective surgery waiting list	7,100	5,918
Number of patients admitted from the elective surgery waiting list	12,878	12,778
Number of patients (in addition to base) admitted from the elective surgery waiting list	2,802	0
Percentage of patients on the waiting list who have waited longer than clinically recommended time for their respective triage category	5% or 15% proportional improvement from prior year	47.7%
Number of hospital-initiated postponements per 100 scheduled elective surgery admissions	≤ 7	5.1
<b>Emergency care</b>		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	50%
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%	80%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	45%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	0



Key Performance Measure	Target	Result
<b>Mental health</b>		
Percentage of mental health-related emergency department presentations with a length of stay of less than four hours	81%	30%
Percentage of triage episodes requiring an urgent response (triage scale C) where a face-to-face response was provided by the mental health service within eight hours	80%	6%
<b>Specialist clinics</b>		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	66.1%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	78.1%

## Effective financial management

Key Performance Measure	Target	Result
Operating result (\$m)	\$0.00m	\$0.13m
Average number of days to pay trade creditors	60 days	51 days
Average number of days to receiving patient fee debtors	60 days	20 days
Adjusted current asset ratio (variance between actual ACAR and target, including performance improvement over time or maintaining actual performance)	0.7 or 3% improvement from health service base target	0.84
Actual number of days of available cash, measured on the last day of each month.	14 days	8.3 days

## Part C — State funding

Funding type	2022–23 activity achievement
<b>Consolidated Activity Funding</b>	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	128,071
<b>Acute Admitted</b>	
National Bowel Cancer Screening Program NWAU	88
Acute admitted DVA	582
Acute admitted TAC	663
<b>Acute Non-Admitted</b>	
Home Enteral Nutrition NWAU	79
Home Renal Dialysis NWAU	731
Radiotherapy WAUs DVA	875
Radiotherapy WAUs Public	93,532
Total Parenteral Nutrition NWAU	194
<b>Subacute/Non-Acute, Admitted &amp; Non-admitted</b>	
Subacute NWAU – DVA	167
Transition Care – Bed days	5,966
Transition Care – Home days	11,463
<b>Mental Health and Drug Services</b>	
Mental Health Ambulatory	67,122
Mental Health Inpatient – Available bed days	32,816
Mental Health Inpatient – Secure Unit	9,125
Mental Health Subacute	16,425
<b>Other</b>	
NFC – Transplants – Paediatric Liver	12

# Financial summary

Austin Health ended the financial year with a net deficit from transactions of \$45.1m.

The health service's financial performance continued to be impacted by the COVID-19 pandemic, with both loss of revenue and increased costs having a negative effect.

Austin Health received funding under Victoria's COVID Catch-up Plan, aimed at addressing Victoria's COVID-19 case load and restoring surgical capacity and activity.

Through increased funding from the Department of Health, Austin Health was able to deliver a \$0.1m surplus operating result. This is in line with the Statement of Priorities breakeven target.

Whilst the operating result was breakeven, the health service has significant ongoing requirements for property, plant and equipment. Committed and tied cash reserves has been set aside for capital expenditure priorities.

No significant events occurred after balance sheet date.

	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
<b>Operating Result*</b>	<b>131</b>	<b>229</b>	<b>41</b>	<b>204</b>	<b>(5,964)</b>
Total revenue	1,477,078	1,374,435	1,230,943	1,101,200	1,023,589
Total expenses	(1,522,193)	(1,403,546)	(1,274,067)	(1,171,864)	(1,061,819)
<b>Net result from transactions</b>	<b>(45,115)</b>	<b>(29,111)</b>	<b>(43,124)</b>	<b>(70,664)</b>	<b>(38,229)</b>
Total other economic flows	(12,278)	(2,124)	7,362	(5,064)	331,212
<b>Net result</b>	<b>(57,393)</b>	<b>(31,235)</b>	<b>(35,762)</b>	<b>(75,728)</b>	<b>292,982</b>
Total assets	1,669,413	1,702,542	1,654,558	1,645,893	1,648,554
Total liabilities	506,858	482,594	410,419	396,951	310,676
<b>Net assets/Total equity</b>	<b>1,162,555</b>	<b>1,219,948</b>	<b>1,244,139</b>	<b>1,248,942</b>	<b>1,337,879</b>

\* The operating result is the key financial performance measure monitored by the Department of Health in the Statement of Priorities

	2023 \$'000	2022 \$'000
<b>Operating Result</b>	<b>131</b>	<b>229</b>
Capital and other income	75,098	72,044
COVID-19 State Supply Arrangements		
- Assets received free of charge or for nominal consideration	7,377	14,963
- State supply items consumed up to 30 June 2023	(8,558)	(11,835)
Asset received free of charge	-	40
Expenditure for capital and other purpose	(5,482)	(5,523)
Depreciation and amortisation	(113,681)	(99,029)
<b>Net result from transaction</b>	<b>(45,115)</b>	<b>(29,111)</b>



# 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
<b>Charter and purpose</b>		
FRD 22	Manner of establishment and the relevant Ministers	3
FRD 22	Purpose, functions, powers and duties	6-9
FRD 22	Nature and range of services provided	6-8
FRD 22	Activities, programs and achievements for the reporting period	4-5
FRD 22	Significant changes in key initiatives and expectations for the future	14-46
<b>Management and structure</b>		
FRD 22	Organisational structure	50
FRD 22	Workforce data/employment and conduct principles	58
FRD 22	Occupational Health and Safety	59
<b>Financial information</b>		
FRD 22	Summary of the financial results for the year	78
FRD 22	Significant changes in financial position during the year	78
FRD 22	Operational and budgetary objectives and performance against objectives	65-77
FRD 22	Subsequent events	77
FRD 22	Details of consultancies under \$10,000	58
FRD 22	Details of consultancies over \$10,000	58
FRD 22	Disclosure of ICT expenditure	56



Legislation	Requirement	Page
<b>Legislation</b>		
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	56–57
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	56
FRD 22	Application and operation of <i>Public Interest Disclosure Act 2012</i>	54
FRD 22	Statement on National Competition Policy	54
FRD 22	Application and operation of <i>Carers Recognition Act 2012</i>	55
FRD 22	Summary of the entity's environmental performance	60
FRD 22	Additional information available on request	57
FRD 24	Environmental data reporting	60
FRD 25	<i>Local Jobs First Act 2023</i> disclosures	54
SD 5.1.4	Financial Management Compliance attestation	53
SD 5.2.3	Declaration in Report of Operations	5
<b>Attestations</b>		
	Attestation on Data Integrity	53
	Attestation on managing Conflicts of Interest	53
	Attestation on Integrity, Fraud and Corruption	53
	Compliance with HealthShare Victoria (HSV) Purchasing Policies	53
<b>Other reporting requirements</b>		
	Reporting of outcomes from Statement of Priorities 2022–2023	65–77
	Occupational Violence reporting	59
	<i>Gender Equality Act 2020</i>	56
	Reporting obligations under the <i>Safe Patient Care Act 2015</i>	56
	Reporting of compliance regarding car parking fees (if applicable)	55



# 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 2023 and the financial position of Austin Health at 30 June 2023.

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

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



**Ross Cooke**  
**Board Chair**

Melbourne, 7 September 2023



**Adam Horsburgh**  
**Chief Executive Officer**

Melbourne, 7 September 2023



**Kemsley Fairhurst**  
**Chief Financial Officer**

Melbourne, 7 September 2023





# Independent Auditor's Report

## To the Board of Austin Health

<b>Opinion</b>	<p>I have audited the financial report of Austin Health (the health service) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2023</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• Board chair, chief executive officer and chief financial officer declaration.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2023 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>
<b>Basis for Opinion</b>	<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>
<b>Other Information</b>	<p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated.</p> <p>If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
<b>Board's responsibilities for the financial report</b>	<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>

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**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.

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MELBOURNE  
22 September 2023

Dominika Ryan  
*as delegate for the Auditor-General of Victoria*

# Financial Statements and Notes

## Table of contents

Note	Page
Comprehensive Operating Statement	85
Balance Sheet	86
Cash Flow Statement	87
Statement of Changes in Equity	88

Note		Page
<b>Note 1: Basis of preparation</b>		
1.1	Basis of preparation of the financial statements	89
1.2	Impact of COVID-19 Pandemic	90
1.3	Abbreviations and terminology used in the financial statements	90
1.4	Joint arrangements	90
1.5	Key accounting estimates and judgements	91
1.6	Accounting standards issued but not yet effective	91
1.7	Goods and Services Tax (GST)	92
1.8	Reporting Entity	92

<b>Note 2: Funding delivery of our services</b>		
2.1	Revenue and income from transactions	94
2.1 (a)	Timing of revenue from contracts with customers	95
2.2	Fair value of assets and services received free of charge or for nominal consideration	97

<b>Note 3: The cost of delivering our services</b>		
3.1	Expenses from transactions	100
3.2	Other economic flows	102
3.3	Employee benefits in the balance sheet	103
3.3 (a)	Consolidated employee benefits and related on-costs	104
3.3 (b)	Provision for related on-costs movement schedule	104
3.4	Superannuation	106



Note		Page
<b>Note 4: Key assets to support service delivery</b>		
4.1	Property, plant and equipment	108
4.1 (a)	Property, plant and equipment gross carrying amount and accumulated depreciation	108
4.1 (b)	Property, plant and equipment reconciliation of carrying amount by class of asset	109
4.2	Right-of-use assets	111
4.2 (a)	Right-of-use assets gross carrying amount and accumulated depreciation	111
4.2 (b)	Right-of-use assets reconciliation of carrying amount by class of asset	111
4.3	Revaluation surplus	113
4.4	Depreciation and amortisation	113
4.5	Impairment of assets	115

<b>Note 5: Other assets and liabilities</b>		
5.1	Receivables	117
5.1 (a)	Movement in the allowance for impairment losses of contractual receivables	118
5.2	Payables	119
5.2 (a)	Deferred capital grant revenue	120
5.2 (b)	Contract liabilities	121
5.3	Other liabilities	121

<b>Note 6: How we finance our operations</b>		
6.1	Borrowings	124
6.1 (a)	Lease liabilities	125
6.2	Cash and cash equivalents	128
6.3	Commitments for expenditure	129
6.4	Non-cash financing and investing activities	129

Note		Page
<b>Note 7: Risks, contingents and valuation uncertainties</b>		
7.1	Financial instruments	131
7.1 (a)	Categorisation of financial instruments	132
7.2	Financial risk management objectives and policies	134
7.2 (a)	Credit risk	134
7.2 (b)	Liquidity risk	137
7.3	Contingent assets and contingent liabilities	138
7.4	Fair value determination of non-financial physical assets	138

<b>Note 8: Other disclosures</b>		
8.1	Reconciliation of net result for the year to net cash flow from operating activities	143
8.2	Responsible persons	144
8.3	Remuneration of executives	146
8.4	Related parties	147
8.5	Remuneration of auditors	149
8.6	Ex-gratia payments	149
8.7	Events occurring after the balance sheet date	149
8.8	Joint arrangements	149
8.9	Equity	152
8.10	Economic dependency	152



## Comprehensive Operating Statement for the Financial Year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>Income from transactions</b>			
Operating activities	2.1	1,477,038	1,374,429
Non-operating activities	2.1	40	6
<b>Total income from transactions</b>		<b>1,477,078</b>	<b>1,374,435</b>
<b>Expenses from transactions</b>			
Employee expenses	3.1	(1,034,713)	(967,110)
Supplies and consumables	3.1	(201,316)	(177,394)
Finance costs	3.1	(1,347)	(1,152)
Other administrative expenses	3.1	(97,128)	(89,017)
Other operating expenses	3.1	(74,008)	(69,844)
Depreciation and amortisation	4.4	(113,681)	(99,029)
<b>Total expenses from transactions</b>		<b>(1,522,193)</b>	<b>(1,403,546)</b>
<b>Net result from transactions - net operating balance</b>		<b>(45,115)</b>	<b>(29,111)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	3.2	(49)	114
Net gain/(loss) on financial instruments	3.2	(91)	483
Other gain/(loss) from other economic flows	3.2	(12,138)	(2,721)
<b>Total other economic flows included in net result</b>		<b>(12,278)</b>	<b>(2,124)</b>
<b>Net result for the year</b>		<b>(57,393)</b>	<b>(31,235)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.3	-	7,042
<b>Total other comprehensive income</b>		<b>-</b>	<b>7,042</b>
<b>Comprehensive result for the year</b>		<b>(57,393)</b>	<b>(24,193)</b>

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

## Balance Sheet as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.2	188,304	175,980
Receivables	5.1	50,336	40,198
Inventories		10,159	12,105
Other financial assets		16,901	16,766
<b>Total current assets</b>		<b>265,700</b>	<b>245,049</b>
<b>Non-current assets</b>			
Receivables	5.1	72,373	66,991
Property, plant and equipment	4.1 (a)	1,210,272	1,265,629
Right-of-use assets	4.2 (a)	120,125	124,020
Intangible assets		650	523
Prepayments and other assets		293	329
<b>Total non-current assets</b>		<b>1,403,713</b>	<b>1,457,493</b>
<b>Total assets</b>		<b>1,669,413</b>	<b>1,702,542</b>
<b>Current liabilities</b>			
Payables	5.2	157,590	162,277
Borrowings	6.1	4,624	4,495
Provisions	3.3	282,497	253,352
Other liabilities	5.3	404	338
<b>Total current liabilities</b>		<b>445,115</b>	<b>420,462</b>
<b>Non-current liabilities</b>			
Payables	5.2	-	455
Borrowings	6.1	31,070	30,936
Provisions	3.3	30,673	30,741
<b>Total non-current liabilities</b>		<b>61,743</b>	<b>62,132</b>
<b>Total liabilities</b>		<b>506,858</b>	<b>482,594</b>
<b>Net assets</b>		<b>1,162,555</b>	<b>1,219,948</b>
<b>Equity</b>			
Property, plant and equipment revaluation surplus	4.3	1,200,904	1,200,903
Restricted specific purpose surplus	SCE	7,313	7,236
Contributed capital	SCE	534,384	534,384
Accumulated deficits	SCE	(580,046)	(522,576)
<b>Total equity</b>		<b>1,162,555</b>	<b>1,219,948</b>

This balance sheet should be read in conjunction with the accompanying notes.

## Cash Flow Statement for the Financial Year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
Operating grants from Government		1,213,216	1,160,342
Capital grants from State Government		28,578	25,354
Capital grants from Commonwealth Government		517	517
Patient fees received		35,257	39,465
Private practice fees received		17,403	16,583
Donations and bequests received		10,072	7,139
Interest and investment income received		6,430	461
Recoupment from private practice for use of hospital Facilities		42,519	43,818
Other receipts		95,394	117,336
<b>Total Receipts</b>		<b>1,449,386</b>	<b>1,411,016</b>
Employee expenses paid		(1,012,720)	(949,468)
Payments for supplies and consumables		(201,316)	(177,394)
Payments for medical indemnity insurance		(9,725)	(8,882)
Payments for repairs and maintenance		(46,775)	(42,182)
Net GST paid to ATO		(367)	(750)
Finance costs		(1,347)	(1,152)
Other payments		(130,077)	(120,455)
<b>Total payments</b>		<b>(1,402,327)</b>	<b>(1,300,283)</b>
<b>Net cash flows from/(used in) operating activities</b>	8.1	<b>47,059</b>	<b>110,732</b>
<b>Cash flows from investing activities</b>			
Purchase of non-financial assets		(29,581)	(28,026)
Proceeds from disposal of non-financial assets		-	93
<b>Net cash flows from/(used in) investing activities</b>		<b>(29,581)</b>	<b>(27,932)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(1,547)	(1,892)
Repayment of lease liabilities		(3,607)	(3,240)
<b>Net cash flows from/(used in) financing activities</b>		<b>(5,154)</b>	<b>(5,132)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>12,324</b>	<b>77,668</b>
Cash and cash equivalents at beginning of year		175,980	98,312
<b>Cash and cash equivalents at end of year</b>	6.2	<b>188,304</b>	<b>175,980</b>

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

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

	Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Surplus	Contributed Capital	Accumulated Surplus / (Deficit)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2021</b>	1,193,862	7,316	534,384	(491,423)	1,244,141
Net result for the year	-	-	-	(31,235)	(31,235)
Other comprehensive income for the year	7,042	-	-	-	7,042
Transfer from/(to) accumulated deficits	-	(80)	-	80	-
<b>Balance at 30 June 2022</b>	<b>1,200,904</b>	<b>7,236</b>	<b>534,384</b>	<b>(522,576)</b>	<b>1,219,948</b>
Net result for the year	-	-	-	(57,393)	(57,393)
Other comprehensive income for the year	-	-	-	-	-
Transfer from/(to) accumulated deficits	-	77	-	(77)	-
<b>Balance at 30 June 2023</b>	<b>1,200,904</b>	<b>7,313</b>	<b>534,384</b>	<b>(580,046)</b>	<b>1,162,555</b>

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



## Note 1: Basis of preparation

### Structure

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

These financial statements represent the audited general purpose financial statements for Austin Health for the year ended 30 June 2023. 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 (FRDs) issued by the Department of Treasury and Finance (DTF), and relevant Standing Directions (SDs) authorised by the Assistant Treasurer.

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

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

The financial statements have been prepared on a going concern basis (refer to Note 8.10 Economic dependency).

The financial statements are presented 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 07/09/2023.

## Note 1.2: Impact of COVID-19 pandemic

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

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

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

## Note 1.3: Abbreviations and terminology used in the financial statements

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

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

## Note 1.4: Joint arrangements

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

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

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 relate to the following disclosures:

**Note 2.1: Revenue and income from transactions**

**Note 3.3: Employee benefits in the balance sheet**

**Note 4.1: Property, plant and equipment**

**Note 4.2: Right-of-use assets**

**Note 4.4: Depreciation and amortisation**

**Note 5.1: Receivables**

**Note 5.2: Payables**

**Note 6.1 (a): Lease liabilities**

**Note 7.4: Fair value determination**

## Note 1.6: Accounting standards issued but not yet effective

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

Standard	Adoption date	Impact
<b>AASB 17: Insurance Contracts</b>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
<b>AASB 2020-1: Amendments to Australian Accounting Standards – Classifications of Liabilities as Current or Non-Current</b>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
<b>AASB 2022-5: Amendments to Australian Accounting Standards – Lease liability in a Sale and Leaseback</b>	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
<b>AASB 2022-6: Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants</b>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
<b>AASB 2022-8: Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments</b>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
<b>AASB 2022-9: Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</b>	Reporting periods on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
<b>AASB 2022-10: Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</b>	Reporting periods on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.

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

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## Note 1.7: Goods and Services Tax (GST)

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

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

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

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

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## Note 1.8: Reporting Entity

The financial statements included 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 consideration

### Telling the COVID-19 story

Revenue and income recognised to fund the delivery of our services increased during the financial year which was attributable to the COVID-19 pandemic. Whilst the COVID-19 public health response during the year ended 30 June 2023 was scaled down, this was offset by additional funding provided under Victoria's COVID-19 Catch-Up Plan, which aims to address Victoria's COVID-19 case load and restore surgical capacity and activity.

Additional funding was also provided to:

- connect COVID-19 patients with the right level of care
- target outbreak management in high-risk aged care and health settings via local public health units and multidisciplinary mobile teams, and
- vaccinate Victorian's against COVID-19.

### Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	<p>Austin Health applies significant judgement when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations.</p> <p>If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Austin Health to recognise revenue as or when the health service transfers promised goods or services to beneficiaries.</p> <p>If this criteria is not met, funding is recognised immediately in the net result from operations.</p>
Determining timing of revenue recognition	<p>Austin Health applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.</p>
Determining time 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>
Assets and services received free of charge or for nominal consideration	<p>Austin Health applies significant judgement to determine the fair value of assets and services provided free of charge or for nominal value. The current replacement cost valuation approach is the measurement used to value these assets and services.</p>

## Note 2.1: Revenue and income from transactions

	Note	2023 \$'000	2022 \$'000
<b>Operating activities</b>			
<b>Revenue from contracts with customers</b>			
Government grants (State) - operating		1,159,010	1,077,399
Government grants (Commonwealth) - operating		60,100	57,956
Patient and resident fees		40,865	38,404
Private practice fees		42,519	43,008
Commercial activities <sup>1</sup>		87,786	79,466
<b>Total revenue from contracts with customers</b>	2.1(a)	<b>1,390,280</b>	<b>1,296,233</b>
<b>Other sources of income</b>			
Government grants (State) - capital		28,578	25,354
Government grants (Commonwealth) - capital		517	517
Other capital purpose income		2,424	5,382
Capital donations		-	40
Assets received free of charge or for nominal consideration		7,376	14,963
Other revenue from operating activities (including non-capital donations)		47,863	31,940
<b>Total other sources of income</b>		<b>86,758</b>	<b>78,196</b>
<b>Total revenue and income from operating activities</b>		<b>1,477,038</b>	<b>1,374,429</b>
<b>Non-operating activities</b>			
<b>Income from other sources</b>			
Capital interest		40	6
<b>Total income from other sources</b>		<b>40</b>	<b>6</b>
<b>Total revenue and income from transactions</b>		<b>1,477,078</b>	<b>1,374,435</b>

<sup>1</sup> Commercial activities represent business activities which Austin Health enter into to support their operations.

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

Austin Health disaggregates revenue by timing of revenue recognition.

	2023 \$'000	2022 \$'000
<b>Goods and services transferred to customers</b>		
At a point in time	1,302,494	1,216,767
Over time	87,786	79,466
<b>Total revenue from contracts with customers</b>	<b>1,390,280</b>	<b>1,296,233</b>

### How we recognise revenue and income from operating activities

#### Government operating grants

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

When both of these conditions are satisfied, Austin Health:

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

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

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, 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), and
- recognises income immediately in profit and loss as the difference between the initial carrying amount of the asset and the related amount in accordance with AASB 1058.

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

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

Government grant	Performance obligation
<b>Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)</b>	<p>NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid.</p> <p>The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity.</p> <p>Revenue is recognised at point in time, which is when a patient is discharged.</p>
<b>Deferred Care (elective surgery funding)</b>	<p>The performance obligations for deferred care are the number and mix of patients admitted for elective surgery in accordance with the levels of activity agreed to with the DH in the annual Statement of Priorities.</p> <p>Revenue is recognised at point in time, which is when a patient is discharged.</p>
<b>Better@Home</b>	<p>The performance obligations for Better@Home are the provision of at home services to deliver health care within the patients home in accordance with the levels of activity agreed to with the DH in the annual Statement of Priorities.</p> <p>Revenue is recognised at point in time, which is when a patient is discharged.</p>
<b>North East Public Health Unit</b>	<p>The performance obligations for the North East Public Health Unit are to support COVID-19 case management, contact tracing, outbreak management and promote health and wellbeing at a community level.</p> <p>Revenue is recognised at point in time, as and when services are delivered.</p>

### 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 items 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

	2023 \$'000	2022 \$'000
Plant and equipment	571	283
Personal protective equipment	6,805	14,720
<b>Total fair value of assets and services received free of charge or for nominal consideration</b>	<b>7,376</b>	<b>15,003</b>

### 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 of resources

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

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

#### Voluntary services

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

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

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

## Non-cash contributions from the Department of Health

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

Supplier	Description
<b>Victorian Managed Insurance Authority</b>	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.
<b>Department of Health</b>	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the LSL funding arrangements with the DH.

## Note 3: The cost of delivering our services

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

### Structure

- 3.1 Expenses from transactions
- 3.2 Other economic flows
- 3.3 Employee benefits in the balance sheet
- 3.4 Superannuation

### 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. Specifically, additional costs were incurred to deliver additional services under Victoria's COVID-19 Catch-up Plan aimed at addressing Victoria's COVID-19 case load and restoring surgical capacity and activity.

This includes costs associated with:

- continued support for patients in recovery from COVID-19
- targeted outbreak management in high-risk aged care and health settings via local public health units and multidisciplinary mobile teams, and
- vaccination of Victorians against COVID-19.

### Key judgements and estimates

This section contains the following key judgements and estimates:

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

### Note 3.1: Expenses from transactions

	Note	2023 \$'000	2022 \$'000
Salaries and wages		799,354	753,558
On-costs		211,940	192,863
Agency expenses		9,172	10,304
Fee for service medical officer expenses		3,707	2,884
WorkCover premium		10,540	7,501
<b>Total employee expenses</b>		<b>1,034,713</b>	<b>967,110</b>
Drug supplies		71,247	67,204
Medical and surgical supplies (including prostheses)		78,069	70,977
Diagnostic and radiology supplies		22,853	20,522
Other supplies and consumables		29,147	18,691
<b>Total supplies and consumables</b>		<b>201,316</b>	<b>177,394</b>
Finance costs		1,347	1,152
<b>Total finance costs</b>		<b>1,347</b>	<b>1,152</b>
Other administrative expenses		97,128	89,017
<b>Total other administrative expenses</b>		<b>97,128</b>	<b>89,017</b>
Fuel, light, power and water		13,384	13,256
Repairs and maintenance		19,633	16,920
Maintenance contracts		27,141	25,263
Medical indemnity insurance		9,725	8,882
Expenses related to short term and low value leases		3,639	3,844
Expenditure for capital purposes		486	1,679
<b>Total other operating expenses</b>		<b>74,008</b>	<b>69,844</b>
Depreciation and amortisation	4.4	113,681	99,029
<b>Total other non-operating expenses</b>		<b>113,681</b>	<b>99,029</b>
<b>Total expenses from transactions</b>		<b>1,522,193</b>	<b>1,403,546</b>

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## 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, and
- WorkCover premiums.

#### Supplies and consumables

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

#### Finance costs

Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings (interest expense is recognised in the period in which it is incurred)
- amortisation of discounts or premiums relating to borrowings
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings, and
- finance charges in respect of leases 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, and
- expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of \$1,000).

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

#### Non-operating expenses

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

### Note 3.2: Other economic flows

	2023 \$'000	2022 \$'000
Net gain/(loss) on disposal of property, plant and equipment	(49)	114
<b>Total net gain/(loss) on non-financial assets</b>	<b>(49)</b>	<b>114</b>
(Increase)/decrease in allowance for impairment of contractual receivables	(91)	483
<b>Total net gain/(loss) on financial instruments</b>	<b>(91)</b>	<b>483</b>
Net gain/(loss) arising from revaluation of long service liability	(12,138)	(2,721)
<b>Total other gains/(losses) from other economic flows</b>	<b>(12,138)</b>	<b>(2,721)</b>
<b>Total other gains/(losses) from economic flows</b>	<b>(12,278)</b>	<b>(2,124)</b>

#### How we recognise other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include gains or losses from:

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

### Note 3.3: Employee benefits in the balance sheet

	2023 \$'000	2022 \$'000
<b>Current employee benefits and related on-costs</b>		
<b>Accrued days off</b>		
Unconditional and expected to be settled wholly within 12 months <sup>i</sup>	3,157	2,969
<b>Annual leave</b>		
Unconditional and expected to be settled wholly within 12 months <sup>i</sup>	77,818	74,908
Unconditional and expected to be settled wholly after 12 months <sup>ii</sup>	12,326	12,121
<b>Long service leave</b>		
Unconditional and expected to be settled wholly within 12 months <sup>i</sup>	16,100	14,686
Unconditional and expected to be settled wholly after 12 months <sup>ii</sup>	141,375	122,277
<b>Provisions related to employee benefit on-costs</b>		
Unconditional and expected to be settled within 12 months <sup>i</sup>	11,462	10,258
Unconditional and expected to be settled after 12 months <sup>ii</sup>	20,259	16,133
<b>Total current employee benefits and related on-costs</b>	<b>282,497</b>	<b>253,352</b>
<b>Non-current employee benefits and related on-costs</b>		
Conditional long service leave	27,073	27,382
Provisions related to employee benefit on-costs	3,600	3,359
<b>Total non-current employee benefits and related on-costs</b>	<b>30,673</b>	<b>30,741</b>
<b>Total employee benefits and related on-costs</b>	<b>313,170</b>	<b>284,093</b>

<sup>i</sup> The amounts disclosed are nominal amounts.

<sup>ii</sup> The amounts disclosed are discounted to present values.

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

	2023 \$'000	2022 \$'000
<b>Current employee benefits and related on-costs</b>		
Unconditional accrued days off	3,157	2,969
Unconditional annual leave entitlements	101,126	96,979
Unconditional long service leave entitlements	178,214	153,404
<b>Total current employee benefits and related on-costs</b>	<b>282,497</b>	<b>253,352</b>
<b>Non-current employee benefits and related on-costs</b>		
Conditional long service leave entitlements	30,673	30,741
<b>Total non-current employee benefits and related on-costs</b>	<b>30,673</b>	<b>30,741</b>
<b>Total employee benefits and related on-costs</b>	<b>313,170</b>	<b>284,093</b>

<b>Attributable to:</b>		
Employee benefits	277,848	254,343
Provision for related on-costs	35,322	29,750
<b>Total employee benefits and related on-costs</b>	<b>313,170</b>	<b>284,093</b>

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

	2023 \$'000	2022 \$'000
<b>Carrying amount at start of year</b>	<b>29,750</b>	<b>26,436</b>
Additional provisions recognised	14,307	13,387
Amounts incurred during the year	(10,143)	(10,389)
Unwinding of discount and effect of changes in discount rate	1,408	316
<b>Carrying amount at end of year</b>	<b>35,322</b>	<b>29,750</b>





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## Note 3.3: Employee benefits in the balance sheet continued ...

### How we recognise employee benefits

#### Employee benefit recognition

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

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

#### Annual leave and accrued days off

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

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

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

#### Long service leave

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

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

#### Termination benefits

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

#### Provision for on-costs related to employee benefits

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

## Note 3.4: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Defined benefit<sup>i</sup></b>				
Aware Super	860	897	30	99
Commonwealth Superannuation Scheme	1,288	1,509	54	65
ESSSuper	60	70	1	1
<b>Defined contribution</b>				
Aware Super	38,201	35,612	810	3,517
Hesta	34,859	30,423	746	3,680
Other	13,333	8,951	301	1,003
<b>Total</b>	<b>88,601</b>	<b>77,462</b>	<b>1,942</b>	<b>8,365</b>

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

### How we recognise superannuation

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

#### Defined benefit superannuation plans

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

Austin Health does not recognise any unfunded defined benefit liability in respect of the plans because the health service has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

The DTF discloses the State's defined benefits liabilities in its disclosure for administered items. However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of Austin Health.

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

#### Defined contribution superannuation plans

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

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

## Note 4: Key assets to support service delivery

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

### Structure

#### 4.1 Property, plant and equipment

#### 4.2 Right-of-use assets

#### 4.3 Revaluation surplus

#### 4.4 Depreciation and amortisation

#### 4.5 Impairment of assets

### 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
Estimating useful life of property, plant and equipment	Austin Health assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	<p>The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset.</p> <p>Austin Health applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.</p>
Estimating the useful life of intangible assets	Austin Health assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.
Identifying indicators of impairment	<p>At the end of each year, Austin Health assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment.</p> <p>The health service considers a range of information when performing its assessment, including considering:</p> <ul style="list-style-type: none"><li>• if an asset's value has declined more than expected based on normal use</li><li>• if a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset</li><li>• if an asset is obsolete or damaged</li><li>• 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, and</li><li>• if the performance of the asset is or will be worse than initially expected.</li></ul> <p>Where an impairment trigger exists, Austin Health applies significant judgement and estimate to determine the recoverable amount of the asset.</p>



## Note 4.1: Property, plant and equipment

### Note 4.1 (a): Gross carrying amount and accumulated depreciation

	2023 \$'000	2022 \$'000
Crown land at fair value	59,500	59,500
Freehold land at fair value	106,400	106,400
<b>Total land at fair value</b>	<b>165,900</b>	<b>165,900</b>
Buildings at fair value	980,404	970,875
Less accumulated depreciation	(88,295)	-
	892,109	970,875
Buildings under construction	49,264	32,288
<b>Total buildings</b>	<b>941,373</b>	<b>1,003,162</b>
Plant and equipment at fair value	40,111	40,079
Less accumulated depreciation	(35,676)	(34,126)
<b>Total plant and equipment at fair value</b>	<b>4,435</b>	<b>5,953</b>
Motor vehicles at fair value	1,221	1,062
Less accumulated depreciation	(1,177)	(1,047)
<b>Total motor vehicles at fair value</b>	<b>44</b>	<b>15</b>
Medical equipment at fair value	140,440	138,353
Less accumulated depreciation	(122,825)	(117,057)
<b>Total medical equipment at fair value</b>	<b>17,615</b>	<b>21,296</b>
Computers and communication equipment at fair value	28,935	26,646
Less accumulated depreciation	(28,664)	(25,964)
<b>Total computers and communication equipment at fair value</b>	<b>271</b>	<b>682</b>
Furniture and fittings at fair value	2,768	2,746
Less accumulated depreciation	(2,683)	(2,591)
<b>Total furniture and fittings fair value</b>	<b>85</b>	<b>155</b>
Other equipment at fair value	18,653	18,556
Less accumulated depreciation	(18,133)	(17,721)
	520	835
Equipment under construction	80,029	67,630
<b>Total other equipment</b>	<b>80,549</b>	<b>68,467</b>
<b>Total property, plant and equipment</b>	<b>1,210,272</b>	<b>1,265,629</b>

## Note 4.1 (b): Reconciliation of carrying amount by class of asset

	Note	Land \$'000	Buildings \$'000	Plant & equipment \$'000	Motor vehicles \$'000	Medical \$'000	Computers & comm equipment \$'000	Furniture & fittings \$'000	Other equipment \$'000	Equipment under construction \$'000	Total \$'000
<b>Balance at 1 July 2021</b>		159,504	1,058,969	7,319	18	14,269	811	165	644	61,748	1,303,447
Additions		-	17,428	314	12	18,059	1,240	118	982	5,882	44,040
Disposals		-	-	-	-	(10)	-	-	-	-	(10)
Net transfers between classes		-	-	-	-	-	-	-	-	-	-
Assets provided free of charge		-	-	40	-	243	-	-	-	-	283
Revaluation increments/ (decrements)		6,396	646	-	-	-	-	-	-	-	7,042
Depreciation	4.4	-	(73,882)	(1,720)	(15)	(11,265)	(1,369)	(129)	(791)	-	(89,173)
<b>Balance at 30 June 2022</b>	4.1(a)	165,900	1,003,162	5,953	15	21,296	682	155	836	67,632	1,265,634
Additions		-	26,554	32	159	6,226	2,419	22	127	12,397	47,935
Disposals		-	(37)	-	-	(10)	(2)	-	-	-	(49)
Net Transfers between classes		-	-	-	-	-	-	-	-	-	-
Assets provided free of charge		-	-	-	-	-	-	-	-	-	-
Revaluation increments/ (decrements)		-	-	-	-	-	-	-	-	-	-
Depreciation	4.4	-	(88,306)	(1,550)	(130)	(9,897)	(2,828)	(92)	(443)	-	(103,246)
<b>Balance at 30 June 2023</b>	4.1(a)	165,900	941,373	4,435	44	17,615	271	85	520	80,029	1,210,272

### Land and Buildings and Assets Carried at Valuation

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



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

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

### Subsequent measurement

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

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

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

### Revaluation

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

Where an independent valuation has not been undertaken at balance date, Austin Health 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 per cent 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 per cent 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 per cent, 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 in 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.

As the managerial assessment performed at 30 June 2023 resulted in cumulative movement less than 10 per cent for both land and buildings since the last revaluation, a managerial adjustment was not required as at 30 June 2023.

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

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

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

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

## Note 4.2: Right-of-use assets

### Note 4.2 (a): Gross carrying amount and accumulated depreciation

	2023 \$'000	2022 \$'000
Right-of-use freehold land	134,203	134,202
Less accumulated depreciation	(22,429)	(16,821)
<b>Total right-of-use land</b>	<b>111,774</b>	<b>117,381</b>
Right-of-use buildings	6,566	2,476
Less accumulated depreciation	(2,650)	(1,829)
<b>Total right-of-use buildings at fair value</b>	<b>3,916</b>	<b>647</b>
Right-of-use plant, equipment and vehicles	14,226	13,381
Less accumulated depreciation	(9,791)	(7,390)
<b>Total right-of-use plant, equipment and vehicles at fair value</b>	<b>4,435</b>	<b>5,991</b>
<b>Total right-of-use assets</b>	<b>120,125</b>	<b>124,019</b>

### Note 4.2 (b): Reconciliation of carrying amount by class of asset

	Note	Right-of-use Land \$'000	Right-of-use Buildings \$'000	Right-of-use Plant, Equipment & Vehicles \$'000	Total \$'000
<b>Balance at 1 July 2021</b>		<b>122,988</b>	<b>1,223</b>	<b>7,218</b>	<b>131,429</b>
Additions		-	1	1,553	1,554
Disposals		-	-	-	-
Net transfers between classes		-	-	-	-
Revaluation increments/(decrements)		-	-	-	-
Depreciation	4.4	(5,607)	(577)	(2,779)	(8,963)
<b>Balance at 30 June 2022</b>	4.1(a)	<b>117,381</b>	<b>647</b>	<b>5,992</b>	<b>124,020</b>
Additions		-	4,089	957	5,046
Disposals		-	-	-	-
Net transfers between classes		-	-	-	-
Revaluation increments/(decrements)		-	-	-	-
Depreciation	4.4	(5,607)	(820)	(2,514)	(8,941)
<b>Balance at 30 June 2023</b>	4.2(a)	<b>111,774</b>	<b>3,916</b>	<b>4,435</b>	<b>120,125</b>

## 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 and vehicles	4 to 10 years

### Initial recognition

When a contract is entered into, Austin Health assesses if the contract contains or is a lease. If a lease is present, a right-of-use asset and corresponding lease liability is recognised.

The definition and recognition criteria of a lease is disclosed at Note 6.1 (a).

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

- any lease payments made at or before the commencement date
- any initial direct costs incurred, 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 for further information regarding the nature and terms of the concessional lease, and Austin Health's dependency on such lease arrangements.

### Subsequent measurement

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

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

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



### Note 4.3: Revaluation surplus

	Note	2023 \$'000	2022 \$'000
<b>Balance at the beginning of the reporting period</b>		1,200,904	1,193,862
Revaluation increment:			
- Land	4.1(b)	-	6,396
- Buildings	4.1(b)	-	646
<b>Balance at the end of the reporting period*</b>		1,200,904	1,200,904
* Represented by:			
- Land		273,695	273,695
- Buildings		927,209	927,209
		1,200,904	1,200,904

### Note 4.4: Depreciation and amortisation

	2023 \$'000	2022 \$'000
<b>Depreciation</b>		
Buildings	88,306	73,882
Plant and equipment	1,550	1,720
Motor vehicles	130	15
Medical equipment	9,897	11,265
Computers and communication equipment	2,828	1,369
Furniture and fittings	92	129
Other equipment	443	791
<b>Right of use assets</b>		
- Right of use land	5,607	5,607
- Right of use buildings	820	577
- Right of use plant, equipment and vehicles	2,514	2,779
<b>Total depreciation</b>	<b>112,187</b>	<b>98,134</b>
<b>Amortisation</b>		
Intangible assets	1,494	895
<b>Total amortisation</b>	<b>1,494</b>	<b>895</b>
<b>Total depreciation and amortisation</b>	<b>113,681</b>	<b>99,029</b>



## How we recognise depreciation

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

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

## How we recognise amortisation

Amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

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

	2023	2022
<b>Buildings</b>		
- Shell/structure	45 to 60 years	45 to 60 years
- Siteworks/site services	20 to 30 years	20 to 30 years
- Services	15 to 28 years	15 to 28 years
- Fit out	10 to 20 years	10 to 20 years
Plant and equipment	7 to 15 years	7 to 15 years
Medical equipment	5 to 15 years	5 to 15 years
Computers and communication	3 to 5 years	3 to 5 years
Furniture and fitting	3 to 5 years	3 to 5 years
Motor vehicles	1 to 3 years	1 to 3 years
Other equipment	3 to 5 years	3 to 5 years
Intangible assets	3 to 5 years	3 to 5 years

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

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## Note 4.5: Impairment of assets

### How we recognise impairment

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

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

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

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

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

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

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

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

## 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.

### Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
<b>Estimating the provision for expected credit losses</b>	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.
<b>Measuring deferred capital grant income</b>	<p>Where Austin Health has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed.</p> <p>Austin Health applies significant judgement when measuring the deferred capital grant income balance, which references the estimated stage of completion at the end of each financial year.</p>
<b>Measuring contract liabilities</b>	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

	Note	2023 \$'000	2022 \$'000
<b>Current receivables</b>			
<b>Contractual</b>			
Inter-hospital debtors		2,743	1,850
Trade debtors		20,782	11,263
Patient fees		1,282	6,798
Provision for impairment	7.2(a)	(998)	(907)
Accrued revenue		21,618	16,745
<b>Total contractual receivables</b>		<b>45,427</b>	<b>35,749</b>
<b>Statutory</b>			
GST receivable		4,909	4,449
<b>Total statutory receivables</b>		<b>4,909</b>	<b>4,449</b>
<b>Total current receivables</b>		<b>50,336</b>	<b>40,198</b>
<b>Non-current receivables</b>			
<b>Contractual</b>			
Long service leave – Department of Health		72,373	66,991
<b>Total contractual receivables</b>		<b>72,373</b>	<b>66,991</b>
<b>Total receivables</b>		<b>122,709</b>	<b>107,189</b>

<b>Note 5.1: (i) Financial assets classified as receivables (Note 7.1(a))</b>			
Total receivables and contract assets		122,709	107,189
Provision for impairment		998	907
GST receivable		(4,909)	(4,449)
<b>Total financial assets classified as receivables</b>	7.1(a)	<b>118,798</b>	<b>103,647</b>

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

	Note	2023 \$'000	2022 \$'000
Balance at beginning of the year		907	1,390
Increase/(decrease) in allowance		566	(473)
Amounts written off during the year		(475)	(10)
<b>Balance at end of the year</b>		<b>998</b>	<b>907</b>

### How we recognise receivables

Receivables consist of:

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

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

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

Austin Health is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good. Refer to Note 7.2 (a) for Austin Health's contractual impairment losses.



## Note 5.2: Payables

	Note	2023 \$'000	2022 \$'000
<b>Current payables</b>			
<b>Contractual</b>			
Inter-hospital creditors		-	5
Trade creditors		11,351	11,529
Accrued salary and wages		34,601	29,384
Accrued interest		297	316
Accrued expenses		43,156	41,170
Deferred capital grant revenue	5.2(a)	17,920	20,974
Contract liabilities	5.2(b)	40,179	42,874
Salary packaging		1,274	1,474
Other		567	526
<b>Total contractual payables</b>		<b>149,345</b>	<b>148,252</b>
<b>Statutory</b>			
GST Payable		715	622
Pay As You Go withholding		5,588	5,037
Superannuation payable		1,942	8,366
<b>Total statutory payables</b>		<b>8,245</b>	<b>14,025</b>
<b>Total current payables</b>		<b>157,590</b>	<b>162,277</b>
<b>Non-current payables</b>			
<b>Contractual</b>			
Contract liabilities - income received in advance	5.2(b)	-	455
<b>Total non-current payables</b>		<b>-</b>	<b>455</b>
<b>Total payables</b>		<b>157,590</b>	<b>162,732</b>

### (i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))

<b>Total payables and contract liabilities</b>		157,590	162,732
Deferred grant income		(17,920)	(20,974)
Contract liabilities		(40,179)	(43,329)
Other		(8,245)	(14,025)
<b>Total financial liabilities classified as payables</b>	7.1(a)	<b>91,246</b>	<b>84,405</b>



## How we recognise payables and contract liabilities

Payables consist of:

- **Contractual payables**, which mostly include payables in relation to goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the 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 (a): Deferred capital grant revenue

	2023 \$'000	2022 \$'000
Opening balance of deferred capital grant income	20,974	17,959
Grant consideration for capital works received during the year	29,094	25,871
Deferred capital grant income recognised as income due to completion of capital works	(32,148)	(22,856)
Closing balance of deferred capital grant income	17,920	20,974

### How we recognise deferred capital grant revenue

Grant consideration was received from capital projects for building infrastructure, IT and medical equipment.

Capital grant revenue is recognised progressively as the asset is constructed, since this is the time when Austin Health satisfies its obligations. 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.

Austin Health expects to recognise all of the remaining deferred capital grant revenue for capital works by 2026.



## Note 5.2 (b): Contract liabilities

	2023 \$'000	2022 \$'000
<b>Opening balance of contract liabilities</b>	43,329	13,840
Grant consideration for sufficiently specific performance obligations received during the year	1,166,045	1,084,091
Revenue recognised for the completion of a performance obligation	(1,169,195)	(1,054,602)
<b>Total contract liabilities*</b>	<b>40,179</b>	<b>43,329</b>
<b>*Represented by:</b>		
- Current contract liabilities	40,179	42,874
- Non-current contract liabilities	-	455
	<b>40,179</b>	<b>43,329</b>

### 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.

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

	2023 \$'000	2022 \$'000
<b>Current monies held in trust</b>		
Patient monies held in trust	50	48
Other monies held in trust	354	290
<b>Total current monies held in trust</b>	<b>404</b>	<b>338</b>
<b>Total other liabilities*</b>	<b>404</b>	<b>338</b>
<b>*Represented by:</b>		
- Cash assets	404	338
	<b>404</b>	<b>338</b>

## 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 attributable to the COVID-19 pandemic.

In order to cover the ongoing financial impact of the health service's response to the ongoing global pandemic, Austin Health had to utilise pre-committed 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
<b>Determining if a contract is or contains a lease</b>	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"><li>• has the right-to-use an identified asset</li><li>• has the right to obtain substantially all economic benefits from the use of the leased asset, and</li><li>• can decide how and for what purpose the asset is used throughout the lease.</li></ul>
<b>Determining if a lease meets the short-term or low value asset lease exemption</b>	<p>Austin Health applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>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.</p> <p>Austin Health also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.</p>
<b>Discount rate applied to future lease payments</b>	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.

Continued



Continued ...

**Key judgements and estimates**

**Description**

**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:

- If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease.
- If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease.
- The health service considers historical lease durations and the costs and business disruption to replace such leased assets.



## Note 6.1: Borrowings

	2023 \$'000	2022 \$'000
<b>Current borrowings</b>		
TCV loan <sup>(i)</sup>	1,642	1,546
Lease liability <sup>(ii)</sup>	2,982	2,949
<b>Total current borrowings</b>	<b>4,624</b>	<b>4,495</b>
<b>Non-current borrowings</b>		
TCV loan <sup>(i)</sup>	25,438	27,080
Lease liability <sup>(ii)</sup>	5,632	3,856
<b>Total non-current borrowings</b>	<b>31,070</b>	<b>30,936</b>
<b>Total borrowings</b>	<b>35,694</b>	<b>35,432</b>

<sup>(i)</sup> These are secured loans with a weighted average interest rate of 6.70% (2021-2022 6.70%) and 4.75% (2021-2022 4.75%).

<sup>(ii)</sup> 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.

## Note 6.1 (a): Lease Liabilities

Austin Health's lease liabilities are summarised below:

	2023 \$'000	2022 \$'000
Total undiscounted lease liabilities	9,085	6,936
Less unexpired finance expenses	(472)	(131)
<b>Net lease liabilities</b>	<b>8,613</b>	<b>6,805</b>

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

	2023 \$'000	2022 \$'000
Not later than one year	3,188	3,037
Later than 1 year and not later than 5 years	5,493	3,899
Later than 5 years	404	-
<b>Minimum future lease liability</b>	<b>9,085</b>	<b>6,936</b>
Less future charges	(472)	(131)
<b>Present value of lease liability*</b>	<b>8,613</b>	<b>6,805</b>

### \*Represented by:

- Current borrowings lease liability	2,981	2,949
- Non-current borrowings lease liability	5,632	3,856
	<b>8,613</b>	<b>6,805</b>

## 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, and
- 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 and vehicles	4 to 10 years

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

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

### Separation of lease and non-lease components

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

### Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Austin Health's incremental borrowing rate. Our lease liability has been discounted by rates between 2% to 4%.

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

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

Building leases may have options to extend the lease term.

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

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term and lease liability if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

### 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 the 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 arrangements.

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

Description of leased asset	Our dependence on lease	Nature and terms of lease
Land – Waterdale Road, Heidelberg	The leased land is used for the purpose of delivering health services to the community. Austin Health's dependence on this lease is considered to be high due to the specialised nature and limited availability of substitutes.	Lease payments of \$12 per annum are required.  Lease commenced in 2011 and has a lease term of 20 years which includes extension options of 2 further terms each of 10 years.
Land – Hawdon St, Heidelberg	The leased land is used for the purpose of delivering mental health services to the community. Austin Health's dependence on this lease is considered to be high due to the specialised nature and limited availability of substitutes.	Lease payments of \$104 per annum are payable on demand.  Lease commenced in 2021 and has a lease term of 10 years.
Land – Law St, Heidelberg	The leased land is used for the purpose of delivering mental health services to the community. Austin Health's dependence on this lease is considered to be high due to the specialised nature and limited availability of substitutes.	Lease payments of \$104 per annum are required.  Lease commenced in 2015 and has a lease term of 10 years.



## Note 6.2: Cash and cash equivalents

	Note	2023 \$'000	2022 \$'000
Cash on hand		35	71
Cash at bank		619	416
Cash at bank – CBS		32,993	36,069
Deposits at call		728	459
<b>Total cash held for operations</b>		<b>34,375</b>	<b>37,015</b>
Cash at bank – CBS donations for specified purposes		20,839	9,987
Cash at bank – CBS pre-committed and tied capital		124,141	119,938
Cash at bank – CBS restricted reserves		7,271	7,228
Cash at bank – salary packaging employee benefits		1,274	1,474
<b>Total committed and tied cash reserves</b>		<b>153,525</b>	<b>138,627</b>
Cash at bank – CBS monies held in trust		404	338
<b>Total cash held as monies in trust</b>		<b>404</b>	<b>338</b>
<b>Total cash and cash equivalents</b>	<b>7.1(a)</b>	<b>188,304</b>	<b>175,980</b>

### How we recognise cash and cash equivalent

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

	2023 \$'000	2022 \$'000
<b>Capital expenditure commitments</b>		
Less than 1 year	87,505	89,624
Longer than 1 year but not longer than 5 years	15,845	17,909
<b>Total capital expenditure commitments</b>	<b>103,350</b>	<b>107,533</b>
<b>Non-cancellable and low value lease commitments</b>		
Less than 1 year	4,759	4,675
Longer than 1 year but not longer than 5 years	10,859	14,871
Longer than 5 years	-	-
<b>Total non-cancellable and low value lease commitments</b>	<b>15,618</b>	<b>19,546</b>
<b>Total commitments for expenditure (inclusive of GST)</b>	<b>118,968</b>	<b>127,079</b>
Less GST recoverable from the Australian Tax Office	(10,815)	(11,553)
<b>Total commitments for expenditure (exclusive of GST)</b>	<b>108,153</b>	<b>115,526</b>

Future lease payments are recognised on the Balance Sheet, refer to Note 6.1 Borrowings.

#### How we disclose our commitments

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

##### Expenditure commitments

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

##### Short term and low value leases

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

### Note 6.4: Non-cash financing and investing activities

	2023 \$'000	2022 \$'000
Assets received free of charge	-	283
<b>Total non-cash financing and investing activities</b>	<b>-</b>	<b>283</b>



## 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 objectives and policies
- 7.3 Contingent assets and contingent liabilities
- 7.4 Fair value determination

### Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of non-financial assets	<p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, Austin Health has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.</p> <p>Austin Health uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"><li>• <b>Market approach</b>, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Austin Health's specialised land and non-specialised buildings are measured using this approach.</li><li>• <b>Cost approach</b>, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Austin Health's specialised buildings, furniture, fittings, plant, equipment and vehicles are measured using this approach.</li><li>• <b>Income approach</b>, which converts future cash flows or income and expenses to a single undiscounted amount. Austin Health does not this use approach to measure fair value.</li></ul>

Continued



Continued ...

Key judgements and estimates	Description
	<p>The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p>
	<ul style="list-style-type: none"><li>• Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Austin Health does not categorise any fair values within this level.</li></ul>
	<ul style="list-style-type: none"><li>• Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Austin Health categorises non-specialised land and right-of-use concessionary land in this level.</li></ul>
	<ul style="list-style-type: none"><li>• Level 3, where inputs are unobservable. Austin Health categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.</li></ul>

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### 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 (for example, taxes, fines and penalties). 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

30 June 2023	Note	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
<b>Financial assets</b>				
Cash and cash equivalents	6.2	188,304	-	188,304
Receivables	5.1	118,798	-	118,798
Investments and other financial assets	-	-	-	-
<b>Total financial assets<sup>i</sup></b>		<b>307,102</b>	<b>-</b>	<b>307,102</b>
<b>Financial liabilities</b>				
Payables	5.2	-	91,246	91,246
Other liabilities	5.3	-	404	404
Borrowings	6.1	-	35,694	35,694
<b>Total financial liabilities<sup>i</sup></b>		<b>-</b>	<b>127,344</b>	<b>127,344</b>

30 June 2022	Note	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
<b>Financial assets</b>				
Cash and cash equivalents	6.2	175,980	-	175,980
Receivables	5.1	103,647	-	103,647
Investments and other financial assets	-	-	-	-
<b>Total financial assets<sup>i</sup></b>		<b>279,627</b>	<b>-</b>	<b>279,627</b>
<b>Financial liabilities</b>				
Payables	5.2	-	84,405	84,405
Other liabilities	5.3	-	338	338
Borrowings	6.1	-	35,432	35,432
<b>Total financial liabilities<sup>i</sup></b>		<b>-</b>	<b>120,175</b>	<b>120,175</b>

<sup>i</sup> The carrying amount excludes statutory receivables (i.e. GST receivable and DH receivable) and statutory payables (i.e. revenue in advance and DH payable).

## How we categorise financial instruments

### Categories of financial assets

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

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

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

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

### Financial assets at amortised cost

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

- the assets are held by Austin Health to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and 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, and
- receivables (excluding statutory receivables).

### Categories of financial liabilities

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

### Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, where they are not held at fair value through 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), and
- other liabilities (including monies held in trust).

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## Note 7.2: Financial risk management objectives and policies

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

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

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

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

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### 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 counterparty on their contractual obligations resulting in financial loss to Austin Health. Credit risk is measured at fair value and is monitored on a regular basis.

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

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 2022-23.

#### Impairment of financial assets under AASB 9

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

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

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

#### Contractual receivables at amortised cost

Austin Health applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. Austin Health has grouped contractual receivables on shared credit risk characteristics and days past due and 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
<b>30 June 2023</b>								
<b>Diagnostic</b>								
Expected loss rate	0.3%	2.4%	7.6%	10.9%	17.2%	13.2%	10.0%	
Gross carrying amount of contractual receivables	2,334	922	1,150	717	1,602	158	1,142	
Loss allowance	8	22	87	78	276	21	114	606
<b>Inpatients</b>								
Expected loss rate	2.3%	2.4%	8.3%	10.2%	16.4%	19.4%	16.6%	
Gross carrying amount of contractual receivables	2,168	812	292	485	228	224	837	
Loss allowance	50	19	24	49	38	43	139	362
<b>Sundry</b>								
Expected loss rate	0.1%	0.1%	1.8%	3.5%	5.7%	5.9%	8.5%	
Gross carrying amount of contractual receivables	4,670	869	300	390	41	54	8	
Loss allowance	3	1	6	14	2	3	1	30
<b>Total loss allowance</b>	<b>61</b>	<b>42</b>	<b>117</b>	<b>141</b>	<b>316</b>	<b>67</b>	<b>254</b>	<b>998</b>



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

### Statutory receivables at amortised cost

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

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



## Note 7.2(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:

- support provided from the Department of Health (refer Note 8.10)
- 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, and

- 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
<b>30 June 2023</b>							
<b>Financial liabilities</b>							
<i>At amortised cost</i>							
Payables	5.2	157,590	153,083	48	4,459	-	-
Borrowings interest bearing	6.1	27,080	264	406	973	7,650	17,787
Borrowings lease liability	6.1	8,613	266	797	1,653	5,493	404
Other financial liabilities <sup>i</sup>							
- Monies held in trust	5.3	404	354	50	-	-	-
<b>Total financial liabilities</b>		<b>193,687</b>	<b>153,967</b>	<b>1,301</b>	<b>7,085</b>	<b>13,143</b>	<b>18,191</b>
<b>30 June 2022</b>							
<b>Financial liabilities</b>							
<i>At amortised cost</i>							
Payables	5.2	162,732	136,591	51	25,635	455	-
Borrowings interest bearing	6.1	28,627	247	382	918	7,204	19,877
Borrowings lease liability	6.1	6,804	255	759	1,885	3,899	-
Other financial liabilities <sup>i</sup>							
- Monies held in trust	5.3	338	290	48	-	-	-
<b>Total financial liabilities</b>		<b>198,501</b>	<b>137,382</b>	<b>1,246</b>	<b>28,438</b>	<b>11,558</b>	<b>19,877</b>

<sup>i</sup>Ageing analysis of financial liabilities excludes statutory financial liabilities (i.e. GST payable).

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## Note 7.3: Contingent assets and contingent liabilities

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

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## Note 7.4: Fair value determination

### How we measure fair value

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

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through net result
- financial assets and liabilities at fair value through other comprehensive income
- property, plant and equipment, and
- right-of-use assets.

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

### Valuation hierarchy

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

The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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 no transfers between levels during the period.

Austin Health monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required. The Valuer-General Victoria (VGV) is Austin Health's independent valuation agency for property, plant and equipment.

### Identifying unobservable inputs (Level 3) fair value measurements

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

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

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

		Fair value measurement at end of reporting period using:			
		Total	Level 1 <sup>1</sup>	Level 2 <sup>1</sup>	Level 3 <sup>1</sup>
	Note	\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2023</b>					
Specialised land		165,900	-	-	165,900
<b>Total land at fair value</b>	4.1(a)	<b>165,900</b>	-	-	<b>165,900</b>
Specialised buildings		892,109	-	-	892,109
<b>Total buildings at fair value</b>	4.1(a)	<b>892,109</b>	-	-	<b>892,109</b>
Plant and equipment	4.1(a)	4,435	-	-	4,435
Motor vehicles	4.1(a)	44	-	-	44
Medical equipment	4.1(a)	17,615	-	-	17,615
Computers and communication equipment	4.1(a)	271	-	-	271
Furniture and fittings	4.1(a)	85	-	-	85
Other equipment	4.1(a)	520	-	-	520
<b>Total plant, equipment, vehicles, furniture and fittings at fair value</b>		<b>22,970</b>	-	-	<b>22,970</b>
Right-of-use land	4.2(a)	111,774	-	-	111,774
Right-of-use buildings	4.2(a)	3,916	-	-	3,916
Right-of-use plant, equipment, furniture, fittings and vehicles	4.2(a)	4,435	-	-	4,435
<b>Total right-of-use assets at fair value</b>		<b>120,125</b>	-	-	<b>120,125</b>
<b>Total non-financial physical assets at fair value</b>		<b>1,201,104</b>	-	-	<b>1,201,104</b>

<sup>1</sup>Classified in accordance with the fair value hierarchy.

		Fair value measurement at end of reporting period using:			
		Total	Level 1 <sup>1</sup>	Level 2 <sup>1</sup>	Level 3 <sup>1</sup>
	Note	\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2022</b>					
Specialised land		165,900	-	-	165,900
<b>Total land at fair value</b>	4.1(a)	<b>165,900</b>	-	-	<b>165,900</b>
Specialised buildings		970,875	-	-	970,875
<b>Total buildings at fair value</b>	4.1(a)	<b>970,875</b>	-	-	<b>970,875</b>
Plant and equipment	4.1(a)	5,953	-	-	5,953
Motor vehicles	4.1(a)	15	-	-	15
Medical equipment	4.1(a)	21,296	-	-	21,296
Computers and communication equipment	4.1(a)	682	-	-	682
Furniture and fittings	4.1(a)	155	-	-	155
Other equipment	4.1(a)	835	-	-	835
<b>Total plant, equipment, vehicles, furniture and fittings at fair value</b>		<b>28,936</b>	-	-	<b>28,936</b>
Right-of-use land	4.2(a)	117,381	-	-	117,381
Right-of-use buildings	4.2(a)	647	-	-	647
Right-of-use plant, equipment, furniture, fittings and vehicles	4.2(a)	5,992	-	-	5,992
<b>Total right-of-use assets at fair value</b>		<b>124,020</b>	-	-	<b>124,020</b>
<b>Total non-financial physical assets at fair value</b>		<b>1,289,731</b>	-	-	<b>1,289,731</b>

<sup>1</sup>Classified in accordance with the fair value hierarchy.

## How we measure fair value of non-financial physical assets

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

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

In accordance with AASB 13 *Fair Value Measurement* paragraph 29, Austin Health has assumed the current use of a non-financial physical asset is its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

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

### Non-specialised land and non-specialised buildings

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

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

### Specialised land and specialised buildings

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, 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 current replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

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

### Vehicles

Austin Health acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by Austin Health 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 2023.

## Reconciliation of Level 3 Fair Value measurement

	Note	Land \$'000	Buildings \$'000	Plant, equipment, furniture, fittings and vehicles \$'000	Right -of-use buildings \$'000	Right -of-use Plant, Equipment & Vehicles \$'000	Total \$'000
<b>Balance at 1 July 2021</b>		<b>159,504</b>	<b>1,037,225</b>	<b>23,224</b>	<b>1,223</b>	<b>7,218</b>	<b>1,228,394</b>
Additions	4.1(b)	-	6,885	20,726	1	1,553	29,167
Disposals		-	-	(10)	-	-	(10)
Net transfers between classes		-	-	-	-	-	-
Assets provided free of charge	4.1(b)	-	-	283	-	-	283
Gains/(losses) recognised in net result:							
- Depreciation and Amortisation	4.4	-	(73,882)	(15,289)	(577)	(2,779)	(92,527)
- Impairment loss		-	-	-	-	-	-
Items recognised in other comprehensive income:							
- Revaluation	4.3	6,396	646	-	-	-	7,042
<b>Balance at 30 June 2022</b>		<b>165,900</b>	<b>970,875</b>	<b>28,936</b>	<b>647</b>	<b>5,992</b>	<b>1,172,349</b>
<b>Balance at 30 June 2022</b>		<b>165,900</b>	<b>970,875</b>	<b>28,936</b>	<b>647</b>	<b>5,992</b>	<b>1,172,346</b>
Additions	4.1(b)	-	9,578	8,986	4,089	957	23,610
Disposals		-	(37)	(12)	-	-	(49)
Net transfers between classes		-	-	-	-	-	-
Assets provided free of charge	4.1(b)	-	-	-	-	-	-
Gains/(losses) recognised in net result:							
- Depreciation and Amortisation	4.4	-	(88,306)	(14,940)	(820)	(2,514)	(106,580)
- Impairment loss		-	-	-	-	-	-
Items recognised in other comprehensive income:							
- Revaluation	4.3	-	-	-	-	-	-
<b>Balance at 30 June 2023</b>		<b>165,900</b>	<b>892,109</b>	<b>22,970</b>	<b>3,916</b>	<b>4,435</b>	<b>1,089,330</b>

Classified in accordance with the fair value hierarchy, refer to Note 7.4.

Asset class	Valuation Technique	Significant inputs (Level 3 only)
Specialised land (Crown/freehold)	Market approach	Community Service Obligations Adjustments <sup>i</sup>
Specialised buildings	Current replacement cost approach	• Cost per square metre • Useful life
Plant and equipment	Current replacement cost approach	• Cost per unit • Useful life
Vehicles	Current replacement cost approach	• Cost per unit • Useful life

<sup>i</sup> A Community Service Obligation (CSO) was applied to specialised land classified in accordance with the fair value hierarchy. A CSO of 10% to 20% was applied in 2019 with the exception of the Austin Site which, which had a 50% CSO discount applied due to a Queen's caveat.



## Note 8: Other disclosures

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

### Structure

- 8.1 Reconciliation of net result for the year to net cash flow from operating activities
- 8.2 Responsible persons disclosure
- 8.3 Remuneration of executives
- 8.4 Related parties
- 8.5 Remuneration of auditors
- 8.6 Ex-gratia expenses
- 8.7 Events occurring after the Balance Sheet date
- 8.8 Joint arrangements
- 8.9 Equity
- 8.10 Economic dependency

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

	Note	2023 \$'000	2022 \$'000
<b>Net result for the year</b>		(57,393)	(31,235)
<b>Non-cash movements:</b>			
Depreciation and amortisation	4.4	113,681	99,029
Allowance for impairment losses on contractual receivables		(91)	483
Net (gain)/loss revaluation of long service leave	3.2	(12,138)	(2,721)
Resources – assets received free of charge	2.1(b)	(7,376)	(15,003)
Net (gain)/loss on non-financial assets	3.2	49	(114)
<b>Movements in assets and liabilities:</b>			
(Increase)/decrease in receivables	5.1	(15,521)	(14,788)
(Increase)/decrease in prepayments		(99)	(463)
(Increase)/decrease in inventories		1,946	(290)
Increase/(decrease) in payables	5.2	(5,143)	48,334
Increase/(decrease) in provisions	3.3	29,078	27,521
Increase/(decrease) in other liabilities	5.3	66	(20)
<b>Net cash from operating activities</b>		<b>47,059</b>	<b>110,732</b>



## Note 8.2: Responsible persons disclosure

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.

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

	Period
<b>Responsible Ministers</b>	
<b>The Honourable Mary-Anne Thomas MP:</b>	
Minister for Health	01 Jul 2022 – 30 Jun 2023
Minister for Health Infrastructure	05 Dec 2022 – 30 Jun 2023
Minister for Medical Research	05 Dec 2022 – 30 Jun 2023
Former Minister for Ambulance Services	01 Jul 2022 – 05 Dec 2022
<b>The Honourable Gabrielle Williams MP:</b>	
Minister for Mental Health	01 Jul 2022 – 30 Jun 2023
Minister for Ambulance Services	05 Dec 2022 – 30 Jun 2023
<b>The Honourable Lizzy Blandthorn MP:</b>	
Minister for Disability, Ageing and Carers	05 Dec 2022 – 30 Jun 2023
<b>The Honourable Colin Brooks MP:</b>	
Former Minister for Disability, Ageing and Carers	01 Jul 2022 – 05 Dec 2022
<b>The Austin Health Board</b>	
Mr Ross Cooke OAM (Chair)	01 Jul 2022 – 30 Jun 2023
Dr Christine Bessell	01 Jul 2022 – 30 Jun 2023
Mr Chris Altis	01 Jul 2022 – 30 Jun 2023
Ms Julie Anne Bignell	01 Jul 2022 – 30 Jun 2023
Mr Joel Chibert	01 Jul 2022 – 30 Jun 2023
Dr Bruce Cohen	01 Jul 2022 – 30 Jun 2023
Ms Mary Draper AM	01 Jul 2022 – 30 Jun 2023
Ms Fiona Slaven	01 Jul 2022 – 30 Jun 2023
Ms Robyn McLeod	26 Jul 2022 – 30 Jun 2023
<b>Accountable Officers</b>	
Mr Adam Horsburgh (Chief Executive Officer)	01 Jul 2022 – 30 Jun 2023





## Remuneration of responsible persons

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

Income Band	2023	2022
\$20,000 - \$29,999	-	1
\$30,000 - \$39,999	1	-
\$40,000 - \$49,999	7	7
\$80,000 - \$89,999	1	1
\$480,000 - \$489,999	1	-
\$490,000 - \$499,999	-	1
<b>Total Numbers</b>	<b>10</b>	<b>10</b>
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Total remuneration received or due and receivable by responsible persons from the reporting entity amounted to:	<b>935</b>	<b>929</b>

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

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

## Note 8.3: Remuneration of executives

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

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

Short-term benefits		2,124
Post-employment benefits		156
Other long-term benefits		381
Termination benefits		-
Total number of executives		9
Total annualised employee equivalent <sup>ii</sup>		7

<sup>i</sup>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*.

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

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

#### Short-term employee benefits

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

#### Post-employment benefits

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

#### Other long-term benefits

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

#### Termination benefits

Termination of employment payments, such as severance packages.

## Note 8.4: 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, and
- all hospitals and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

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

### Austin Health key management personnel

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

Austin Health key management personnel	
The Austin Health Board	
Mr Ross Cooke OAM	Board Chair
Dr Christine Bessell	Board Member
Mr Chris Altis	Board Member
Ms Julie Anne Bignell	Board Member
Mr Joel Chibert	Board Member
Dr Bruce Cohen	Board Member
Ms Mary Draper AM	Board Member
Ms Fiona Slaven	Board Member
Ms Robyn McLeod	Board Member
Executive	
Mr Adam Horsburgh	Chief Executive Officer
Mr Cameron Goodyear	Chief Operating Officer
Mr Kemsley Fairhurst	Chief Financial Officer
Prof Mary O'Reilly	Chief Medical Officer
Ms Marcia Gough	Chief People and Culture Officer
Mr Ray Van Kuyk	Chief Information & Services Officer
Ms Bernadette Twomey	Chief Nursing Officer
Ms Brit Gordon	Chief Allied Health Officer

## Compensation — KMPs

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

	2023 \$'000	2022 \$'000
Short-term Employee Benefits <sup>i</sup>	3,063	2,976
Post-employment Benefits	293	218
Other Long-term Benefits	89	397
Termination Benefits	-	-
<b>Total<sup>ii</sup></b>	<b>3,445</b>	<b>3,591</b>

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

<sup>ii</sup>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 \$1.1b (2022: \$1.1b). This amount includes long service leave provision of \$5.3m (2022: \$7.1m). 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 2023 (2022: none).

There were no related party transactions required to be disclosed for Austin Health Board of Directors, Chief Executive Officer and Executive Directors in 2023 (2022: 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

	2023 \$'000	2022 \$'000
<b>Victorian Auditor-General's Office</b>		
Audit of the Financial Statements	136	145
<b>Total remuneration of auditors</b>	<b>136</b>	<b>145</b>

## Note 8.6: Ex-gratia expenses

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: Joint arrangements

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 2022) in the assets, liabilities, expenses and income of the VCCC. The members own the VCCC assets as tenants in common, and are severally responsible for the Joint Venture costs – in the same proportions as their interests.

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



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

### Interest in assets and liabilities of joint arrangements

	2023 \$'000*	2022 \$'000*
<b>Current assets</b>		
Cash and cash equivalents	345	415
Receivables	41	61
Investments and other financial assets	500	400
Prepayments	63	86
<b>Total current assets</b>	<b>949</b>	<b>962</b>
<b>Non-current assets</b>		
Investments and other financial assets	-	-
Property, plant and equipment	55	44
<b>Total non-current assets</b>	<b>55</b>	<b>44</b>
<b>Total assets</b>	<b>1,004</b>	<b>1,006</b>
<b>Current liabilities</b>		
Payables	28	64
Accrued expenses	52	41
Provisions	40	32
Other liabilities	27	6
<b>Total current liabilities</b>	<b>147</b>	<b>143</b>
<b>Non-current liabilities</b>		
Provisions	35	15
Other liabilities	-	5
<b>Total non-current liabilities</b>	<b>35</b>	<b>20</b>
<b>Total liabilities</b>	<b>182</b>	<b>163</b>
<b>Net assets</b>	<b>821</b>	<b>843</b>
<b>Equity</b>		
Accumulated surpluses/(deficits)	821	843
<b>Total equity</b>	<b>821</b>	<b>843</b>

\* Figures obtained from the audited VCCC annual report.

Austin Health's interest in revenues and expenses resulting from joint arrangements are detailed below.

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

### Interest in revenues and expenses resulting from joint arrangements

		2023 \$'000*	2022 \$'000*
<b>Revenue</b>			
Grants	940	972	
Other income	394	423	
Interest income	33	3	
<b>Total revenue</b>	<b>1,367</b>	<b>1,398</b>	
<b>Expenses</b>			
Employee benefits	1,072	776	
Other expenses from continuing operations	307	268	
Depreciation	10	6	
<b>Total expenses</b>	<b>1,389</b>	<b>1,050</b>	
<b>Net result</b>	<b>(22)</b>	<b>348</b>	

\* Figures obtained from the audited VCCC annual report.

### Contingent liabilities and capital commitments

There are no known contingent liabilities or capital commitments held by the joint arrangements at balance date.

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## 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 the Austin Health.

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

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

### Financial assets at fair value through comprehensive income revaluation reserve

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

### Restricted specific purpose reserves

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

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## 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 31 October 2024. On that basis, the financial statements have been prepared on a going concern basis.





# Austin Health

## **Austin Hospital**

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145 Studley Road  
Heidelberg Victoria 3084

P: 03 9496 5000  
F: 03 9458 4779

## **Olivia Newton-John Cancer Wellness & 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

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**Austin  
Health**



**Olivia Newton-  
John Cancer  
Wellness &  
Research  
Centre**



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**ONJ  
Cancer  
Centre**



**Austin  
Health**



**Austin  
Health**

