



# Annual Report

## 2021

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Peninsula  
Health

# Our Strategic Priorities

<b>OUR CARE</b>	We will create an inspiring and supportive culture that fosters high-quality care which is safe, personal, effective and connected, and has a strong focus on the consumer experience.
<b>OUR PEOPLE</b>	We will create remarkable opportunities for the development and wellbeing of our people who together contribute to improving the health of our community.
<b>OUR COMMUNITY</b>	We will work together with our community and partners to become the leader for integrated health care.
<b>OUR IDEAS</b>	We will harness the great ideas from our people to help us to learn, improve, innovate and deliver exceptional care.
<b>OUR WORKPLACE</b>	We will design and build contemporary facilities, which integrate the use of technology and data to support the provision of high-quality, connected care.

**OUR VISION**  
To provide exceptional health and community care

**OUR PURPOSE**  
We work together to build a healthy community

# Our Values

-  **BE THE BEST**  
We strive for excellence in all that we do
-  **BE A ROLE MODEL**  
Together, our behaviours build our culture
-  **BE OPEN AND HONEST**  
We are transparent, accountable and innovative
-  **BE COLLABORATIVE**  
Our impact is better and stronger when we are inclusive and engaging of a broad network of people
-  **BE COMPASSIONATE AND RESPECTFUL**  
We embrace diversity, advocate and care for our consumers, support our peers and grow our teams in a safe, kind and meaningful way

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Front cover image: An aerial view of the western side of Frankston Hospital showing the tennis courts, where construction of the \$605 million redevelopment is scheduled to start in 2022.

# 2020/2021 Year in Review



**30,427**

children were cared for in our emergency departments



**106,957**

prescription items were dispensed from our pharmacy



**3,027**

babies were born at Frankston Hospital last year



**96,555**

people attended our emergency departments



**Over 41,000**

clients were kept safe at home by our MePACS personal alarm service



**146,710**

x-rays and scans performed



**16,773**

surgeries performed by surgeons



**91,283**

people were treated in our hospitals



**11,755**

patients were treated in our dental clinics



**39,742**

people were admitted to hospital from our emergency departments



**4,000**

sole workers were kept safe by MePACS in the community

Data may include some patients treated more than once.

## Chairperson's and Chief Executive's Report

### INTRODUCTION

We are pleased to present the *2021 Annual Report* to our community, staff, volunteers, partners and the Government. This Report outlines Peninsula Health's strategic, operational and financial performance for the year ended 30 June 2021.

The past year has been significantly impacted by the COVID-19 pandemic. We have responded to Victoria's second wave of coronavirus infections, multiple outbreaks, community transmission, lockdowns and restrictions, and responded to the ever-changing environment to ensure we continued to provide high-quality care to our community.

Despite the enormous challenges and pressure placed on our organisation's operations brought by COVID-19, our people have done an incredible job. COVID-19 has made us change the way we provide care. We have introduced many innovative practices and new ways of working throughout the pandemic that will remain with us into the future and will assist us steering towards a 'new normal'.

We do acknowledge how incredibly difficult the year has been for so many of our community members, with restricted visiting access, changes to appointments and changes to the use of technology in delivering care. At the same time we applaud the amazing resilience and positivity of our community and express our gratitude for your continued support.

Across the organisation we have also made great progress towards achieving the goals and outcomes outlined in our *Strategic Plan 2019-2023*. Throughout our Annual Report, you will find details of our accomplishments, challenges, ideas and plans for how we will meet the changing healthcare needs of our community in the years ahead.

### COVID-19 PANDEMIC

From July to November 2020, we were faced with Victoria's second wave of COVID-19 infections, and we cared for a large number of community members affected by the COVID-19 virus. Through the COVID-positive pathways program, our Community Health team cared for people while they were isolating at home with the virus, checking on their health and wellbeing and ensuring they had what they required to stay safe at home. During this wave of the pandemic, we had a considerable number of COVID-19 positive patients requiring hospitalisation. Local residential aged care facilities were impacted and a number of residents were admitted to Frankston Hospital, Golf Links Road Rehabilitation Centre and Rosebud Hospital.

Despite our focus on the safety and wellbeing of our staff, patients and community, like many health services, we experienced local COVID-19 outbreaks, with some staff and members of the community becoming infected with the novel virus. The experience and learnings of wave two across the Victorian Healthcare system guided our models of care and response to the Victorian COVID-19 outbreaks over the ensuing months. Our teams re-organised care, creating safer ward environments with improved ventilation, implemented an extensive respiratory protection program for staff, and worked closely with the newly formed South East Metro Public Health Unit, establishing COVID-19 testing and vaccination programs.

Our Information Technology (IT) department rapidly rolled out hardware and software to allow staff to work from home, with remote access to clinical systems, the capacity for virtual meetings, and facilitating telehealth for virtual consultations. As well as allowing for continuity of care during the pandemic, telehealth has also been warmly received by our community, who appreciate the ease of being able to access healthcare without having to leave their home.

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Another significant part of our COVID-19 response has been our ability to provide COVID-19 testing for our community. Our drive-through screening clinic at Frankston Hospital regularly completes 600 tests every day, which swells to more than 1,000 per day during peak periods of demand. The screening clinic team also instigated a mobile testing service, which moves to different locations in our region every day, to ensure everyone in our community has access to testing, close to home.

In March 2021, we entered a new phase of our pandemic response, vaccinating our staff members against COVID-19. With the support of both Frankston City Council and Mornington Peninsula Shire, we have since opened up additional clinics across the region, increasing our ability to be able to provide this important service for our community. The vaccination program gained a more permanent home when we opened the Frankston Community Vaccination Hub in Bayside Centre in June, the first vaccination centre to be based inside a shopping centre in Victoria. This centre has the capability to undertake over 1,200 vaccines per day and the team is looking forward to vaccinating everyone living in Frankston and on the Mornington Peninsula.

This continues to be an extremely challenging time for many in our community and we need to remember to look after each other and support each other over the next 12 months, as we navigate our way through and out of this pandemic, and the subsequent effects it has on so many of us, our family and friends.

## CELEBRATING OUR PEOPLE

Through all of the challenges of COVID-19, both at home and at work, our staff have done an extraordinary job in working together with colleagues, partners and consumers to provide world-class care for the Frankston and Mornington Peninsula community.

The commitment and professionalism demonstrated by every staff member enabled our health service to continue to operate through periods of increased demand and staffing challenges. We are proud to have seen so many of our staff embodying the organisation's values throughout the uncertain COVID-19 landscape. In December we held a *Thank You Festival* for staff and the community, to recognise everyone's efforts. Members of Parliament, Councillors, local businesses, community members, our Executive and Board Directors all took the opportunity to thank our staff for their extraordinary efforts over the course of the pandemic.

## COMMUNITY ENGAGEMENT

Our volunteers and consumer representatives were very much missed throughout the year, with the volunteer program on hold throughout due to COVID-19. Despite not being able to attend the health service physically, our consumer representatives have continued their important advisory work, through virtual meetings and working groups. To address a shortage in younger people providing feedback to our services, we launched the *Voices of our Youth* Consumer Framework in partnership with Padua College in Mornington. We look forward to continuing to work with our growing group of consumer representatives of all ages, and being able to welcome our volunteers back to the health service in person in the near future.

## PROUDLY INCLUSIVE

Peninsula Health launched its third *Reconciliation Action Plan* in December, outlining the steps that will be taken over coming years to support Aboriginal and Torres Strait Islander communities. This important document is the culmination of many months of work between staff and community members, who analysed the successes of the last plan and identified the areas of focus moving forward. For the first time, the plan was launched online, with a recorded smoking ceremony performed by Gunditjmara Kirrae Wurrung-Bundjalung man, Lionel Lauch, played to all those watching on Zoom. We are committed to building greater opportunities for career development and employment for Aboriginal and Torres Strait Islander peoples in our health service. A new Aboriginal Employment Strategy is currently in development which outlines how we will achieve this.

We are working towards maintaining our Rainbow Tick Accreditation, after becoming the first full public health service to receive the status in 2017. Together with staff, partners and the LGBTIQ+ Community Advisory Group, we are developing an Allies support network for staff, another first for a health service in Victoria.

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## CAPITAL WORKS AND PLANNING

Peninsula Health is working with our partners to deliver an ambitious capital works program and upgrades to sites and services across the health service.

Planning for the \$605 million redevelopment of Frankston Hospital is well underway, with the project to be delivered as a public-private partnership. Expressions of Interest were sought in September for a consortium to deliver the project, with three consortia groups shortlisted in January. The shortlisted consortia have begun preparing detailed responses and proposals to build the new Frankston Hospital, as part of a comprehensive tender process. The successful bidder is expected to be announced by early 2022, with construction to start shortly thereafter.

Construction of a new academic and research building at Frankston Hospital, in partnership with Monash University, is also well underway and is expected to be complete by late 2021. As we continue to expand our research program, we are delighted to be creating a state-of-the-art environment for our clinicians, researchers and students. This project will enable us to provide exceptional facilities to enhance the capabilities of our current teams, translate research into practice, and train the next generation of healthcare professionals.

We place great importance on ensuring our current facilities provide an optimum environment for high-quality care delivery. Earlier this year we completed a refurbishment of the stroke rehabilitation unit at our Golf Links Road hospital. With new floor coverings and paint work the environment is modern and refreshed for both patients and staff.

Together with the Department of Health, we completed an Environmental Travel Survey for Frankston Hospital and Rosebud Hospital, to find out how staff travel to work each day. The understanding of current travel behaviours, perceptions and attitudes relating to travel, will be used to develop a sustainable transport planning framework for Victorian health services, and a Sustainable Travel Plan for each site.

## INNOVATION

Providing our staff with easy access to accurate, up-to-date information is of vital importance to our health service, especially during COVID-19. We were pleased to launch our new Intranet platform in November, which provides an interactive, simple to navigate, engaging, 'single source of truth' for our staff. The Intranet can be accessed by smart phone, tablet, laptop, or home computer, meaning our people can stay up to date with the latest news, or look up a policy or clinical practice guideline with ease.

May saw the launch of our *Digital Health Strategy 2021-2025* which outlines the future direction for digital health, and the steps we will take to get there. We have set a bold agenda to progress digitisation and streamline our systems to optimise the healthcare experience. Achieving the vision – a digitally connected and enabled health service – will result in more personalised and precise health care.

After a tender process, Mind Australia was chosen to partner with Peninsula Health to run our Adult Prevention and Recovery Care (APARC) and Youth Prevention and Recovery Care (YPARC) services. In response to demand from the community, we implemented a new model of care so that mental health clients who need a high level of support can receive treatment at one of the PARC facilities, instead of being exposed to the level of security, containment and safety of the acute inpatient mental health unit.

The wellbeing of our people is of the utmost importance to us all, in particular during these challenging times. Peninsula Health has been leading a key strategic project for WorkSafe – *Thriving in Health*, a consortium approach to staff wellbeing. The project has partnered with Black Dog Institute, FBG Group and design experts, to research, develop and trial a number of innovative wellbeing strategies across four unique projects. The importance of wellbeing, and mentally healthy workplaces is more evident than ever after the challenges of the last year, and many of the learnings from the pandemic are being used in this work. To support us to continue to deliver safe, personal, effective and connected care, we launched *'You First'* – a major programme delivered as part of our Safe Cultures commitment. *'You First'* is based on four key principles:

*Stop, Assess, Plan and Learn.*

By taking the time to Stop, Assess, Plan and Learn, we will continue to build a strong safety culture to enable better health and wellbeing for our people.

Studies have shown that a proportion of healthcare that is currently delivered in hospital does not require bed-based care, however, the home care required is not currently available for a range of reasons. Funded by the Department of Health and the State Government, *Better at Home*, is establishing an integrated model of care to look after more people in the home and community environment. We are currently developing models of care and implementation plans for specific areas of care delivery to support *Better at Home*, including general medicine, cancer care, rehabilitation and palliative care. There will be more detail on this exciting project for our community in the coming year.

Our MePACS personal alarm service collaborated with Damstra, Samsung and Telstra to develop the MePACS Solo on the Samsung Galaxy watch. The MePACS Solo personal alarm uses the Telstra mobile network and includes GPS and the latest fall detection technology. The MePACS Solo also contains the Samsung Health App, so it has the ability to measure your heart rate, steps and activity notification to encourage users to keep active. Since launching in mid-2020, more than 900 consumers have purchased the watch.

## RESEARCH

Despite the challenges of the pandemic, Peninsula Health has continued to make substantial progress in the growth of research, attracting grants, generating peer-reviewed scientific publications and participating in a range of research projects, including multi-centre clinical trials.

Led by Professor of Medicine, Velandai Srikanth, we launched the *Research Strategic Plan 2020-2024*, which defines Peninsula Health's direction to further build upon a vibrant research culture to enable the delivery of world-class health outcomes for our community. The plan incorporates four key pillars:

- + conducting high-quality translational research projects
- + enhancing support and resources to Peninsula Health staff involved in research
- + strengthening local and national partnerships to better engage with the community
- + establishing world-class research facilities.

These aims are being facilitated by the *National Centre for Healthy Ageing (NCHA)*, which formally commenced establishment activities in 2020. The NCHA is funded by the Commonwealth Government as a partnership between Peninsula Health and Monash University. Its aim is to create better integrated care models to promote health and wellbeing across the lifespan, drive improvements in the way people seek out and access care, and ensure that these models reflect and align with their values and needs.

The nearly completed academic and research building on the Frankston Hospital campus will house an important component of the NCHA. *The Healthy Ageing Data Platform*, led by Associate Professor Nadine Andrew, will be one of the most extensive population datasets in Australia, and it is rapidly progressing to be a major enabler of translational research on the Peninsula. Researchers are working closely with Monash University's Peninsula Campus and other collaborators, towards nationally relevant and impactful projects. Dr Rosamond Dwyer and her team were the recipients of a \$145,660 grant for the NCHA's Living Labs Program for her research *'Mental health problems and emergency department presentations for older people: a multiple methods investigation to inform improvements to patient-centred care.'* Associate Professor Andrew and her team were also awarded a \$2 million grant from the Medical Research Future Fund to study ways of successful two-way information transfer from residential aged care facilities to hospitals. In a short period of time, the NCHA has achieved a great deal of success with more funding and grant announcements to come in the next 12 months.

Peninsula Health researchers continue to be recognised for their work in several other areas. Professor Jamie Layland led a national trial, *COlchicine in Patients with Acute Coronary Syndromes*, that was published in the journal *Circulation*. It is the first Australian multi-centre clinical trial led by Peninsula Health and has impacted cardiovascular guidelines, adding a new arm to heart attack prevention.

Associate Professor Michele Callisaya and her collaborative team in the US were the recipients of a US\$5 million grant for their research *The biological underpinnings of Motoric Cognitive Risk syndrome: a multi-centre study*. Dr Babak Tamjid and Associate Professor Zee Wan Wong were also the recipients of a \$140,000 grant for the Peninsula Health Lung Cancer Redesign Project, and are also actively growing cancer clinical trial activity across the Peninsula.

## THANK YOU TO OUR PEOPLE AND COMMUNITY

Many people, local businesses and community groups continue to give generously to Peninsula Health, funding innovative programs, education and world-class equipment. This altruistic sentiment was especially gratifying for us during the pandemic, when many businesses were incredibly kind and forthcoming in donating food, treats and other gifts at the height of the second wave of the pandemic. These generous donations lifted spirits immeasurably among our people and showed everyone how well connected we are with our local community.

The last year has been truly unprecedented, challenging and extremely difficult for everyone. On behalf of the Board and Executive team, we would like to say thank you to our people. Each and every staff member has played an important role in the operation of our health service, so we could continue to provide person-centred care during the pandemic. We would also like to thank our volunteers, consumer representatives, partners, donors and community, for their ongoing and invaluable support.

Over the course of this report, you will find further detail about our achievements and strategic priorities, as we continue to provide the best of care for the Frankston and Mornington Peninsula community. We hope that you enjoy reading our *2021 Annual Report*.

Ms Diana Heggie  
Chairperson  
Peninsula Health

Ms Felicity Topp  
Chief Executive  
Peninsula Health

July 2021

# Report of Operations

## PENINSULA HEALTH AT A GLANCE

Peninsula Health is the major metropolitan health service for Frankston and the Mornington Peninsula. We care for a population of around 300,000 people, which swells to over 400,000 people during the peak tourism seasons between December and March.

Our health service consists of four major hospitals: Frankston Hospital, Rosebud Hospital, Golf Links Road Rehabilitation Centre, and The Mornington Centre; five community mental health facilities; and five community health centres in Frankston, Mornington, Rosebud, Hastings and Carrum.

Our services for the community include care across the life continuum from obstetrics, paediatrics, emergency medicine, intensive care, critical care, surgical and general medicine, rehabilitation, and oncology, through to aged care and palliative care. We also provide extensive services in community health, health education and promotion, ambulatory care, and mental health.

We are a major teaching and research health facility, training the next generation of doctors, nurses, allied health professionals and support staff. We have strong partnerships with Monash University, Deakin University, La Trobe University, Chisholm Institute and Holmesglen Institute.

Our local community has some unique demographic features and challenges, including:

- + a higher than average rate of population ageing
- + mix of wealth and extreme disadvantage
- + higher than average rates of vulnerable children, homelessness and family violence
- + higher than average rates of chronic diseases and mental health issues.

These factors create challenges in providing the best of care, where and when it is needed to respond to the needs of children, people with mental health issues, and elderly residents.

With over 6,800 staff and 650 volunteers, consumer representatives and auxiliary members, our dedicated and highly skilled teams work together to provide safe, personal, effective and connected care, for people and families in Frankston and on the Mornington Peninsula.

We have undergone significant growth and transformation in recent years and we are recognised as a leading metropolitan health service.



## OUR CLINICAL SERVICES

### Aged Care

#### Inpatient Services

- Geriatric Evaluation and Management
- Orthogeriatric Service
- Acute Care for the Elderly
- Sub-acute Assessment Liaison Service
- Residential Transitional Care Program

#### Ambulatory Services (centre-based and home-based)

- Geriatric Medicine Clinic
- Cognitive, Dementia and Memory Clinic
- Falls Clinic
- Continence and Urodynamics
- Chronic Wound Clinic

#### Community

- Aged Care Assessment Service (MEACAS)

### Allied Health

- Audiology
- Diversional Therapy
- Exercise Physiology
- Music Therapy
- Neuropsychology
- Nutrition & Dietetics
- Occupational Therapy
- Physiotherapy
- Podiatry
- Prosthetics and Orthotics
- Psychology
- Social Work
- Speech Pathology
- Spiritual Care

### Community Health

- Aboriginal Health
  - Including Elder/Cultural Lead
  - Aboriginal Hospital Liaison Officer
- Addiction Medicine

- Alcohol and Other Drugs Services
  - Catchment Intake & Assessment
  - Non-Residential Withdrawal Services
  - Counselling
  - Care & Recovery
  - Peer Support
  - Needle Syringe Program (SHARPS)
  - Youth Outreach
  - Supported Accommodation
  - Family Therapy
  - ResetLife Day Rehabilitation Program
  - Drink Drug Drive Behaviour Change Program

#### Forensic Mental Health in Community Health

- Community Care Program
  - Care Coordination
  - Post-Acute Care
  - Residential In-reach Program

#### Advance Care Planning

- Early Intervention in Chronic Disease Services
  - Cancer Rehabilitation Program
  - Cardiac Rehabilitation Program
  - Heart Failure Rehabilitation
  - Pulmonary Rehabilitation
  - Diabetes Education
  - LIFE! Diabetes Program
  - CH Post Covid-19 Recovery Program

#### Commonwealth Home Support Program

- Podiatry
- Dietetics
- Physiotherapy
- Exercise Physiology
- Occupational Therapy
- Speech Pathology
- Nursing
- Aboriginal Access and Support
- Access and Support
- Social Support Groups

#### Home Care Packages

#### Dental Services

- Community Connections Homeless Program
- Supporting Vulnerable Victorians in Residential Services (SAVVI) & Pension Level Project (PLP)

#### Carer Support Program

- NDIS Services
  - Adult Services
  - Children's Services
  - Support Coordination

#### Volunteers

- Men's Shed

#### Community Health Children's Services

- Podiatry
- Dietetics
- Physiotherapy
- Occupational Therapy
- Speech Pathology
- Early Education
- School Readiness Program
- Healthy Mothers Healthy Babies
- Aboriginal Healthy Start to Life

#### Family Violence Services

- Men's Behaviour Change Program
- Keeping Families Safe, Adolescent Violence Program

#### The Orange Door Family Violence Intake Service

#### Health Promotion

#### Sexual & Reproductive Health Service

#### Counselling

### Emergency Medicine

Frankston Hospital Emergency Department

Rosebud Hospital Emergency Department

### Intensive Care Medicine

### Medical Services

Cardiology

Endocrinology & Diabetes

Gastroenterology

General and Perioperative Medicine

Haematology

Hospital in the Home

Infectious Diseases

Infusion Centre

Medical Oncology and Radiotherapy

Neurology

Oncology

Renal Medicine

Respiratory and Sleep Medicine

Rheumatology

Specialist Outpatient Clinics

### Mental Health Services

Mental Health Telephone Triage

Mental Health Consultation Liaison

- Frankston Hospital Emergency Department Mental Health Team
- Acute Inpatient Wards

Police, Ambulance and Clinical Early Response Service (PACER)

Psychiatric Assessment and Planning Unit (PAPU)

Access and Assessment Team

- Access, Planning and Linkage

Adult Community Mental Health Frankston

- Intensive Community Treatment Team
- Case Management Team
- GP Shared Care Team
- Wellness Clinic incorporating dietician, music therapy, exercise physiology & nursing

Adult Community Mental Health Mornington

- Intensive Community Treatment Team
- Case Management Team
- GP Shared Care Team
- Wellness Clinic incorporating dietician, music therapy, exercise physiology & nursing

HOPE Suicide Prevention Team

Aged Persons Community Mental Health

- Intensive Community Assessment Team
- Intensive Community Treatment Team
- Aged Persons Case Management Team (incorporating Residential Support)

Youth Community Mental Health

- Intensive Community Assessment Team
- Intensive Community Treatment Team
- Youth Case Management Team

Adult Acute Mental Health Inpatient Unit (2 West)

Aged Acute Mental Health Inpatient Unit (1 West) and ECT

Adult Prevention & Recovery Care Service (A-PARC)

Youth Prevention & Recovery Care Service (Y-PARC)

Carinya Residential Aged Care Facility

Community Care Unit

Peer Support Program

### MePACS (Personal Alarm Call Service)

### Paediatrics (Children's Health)

Child & Adolescent Health

Home & Community Care

Asthma Education

Specialist Outpatient Clinics

### Pain Medicine

Peninsula Health Integrated Pain Services

Persistent Pain Management Service

Pain Medicine Outpatient Clinic

Pain Medicine Inpatient Consult Service

### Pathology

Autopsies and Mortuary Services

Biochemistry

Blood Banking Service

Blood Product Management

Bone Marrow Biopsies

Cytology (including fine needle aspirates)

Frozen Sections

Haematology (including coagulation)

Histopathology

Immunology

Microbiology

Serology

### Pharmacy

Antimicrobial Stewardship

Community Mental Health Clinical Pharmacy Services

Inpatient Clinical Pharmacy Services

Outpatient Dispensary

### Radiology and Imaging

Angiography

CT

Fluoroscopy

General X-Ray

Interventional Radiology

MRI

Nuclear Medicine

Ultrasound

### Rehabilitation

#### Inpatient Services

Amputee Rehabilitation

General Rehabilitation

Stroke and Neuro-rehabilitation

Orthopaedic Rehabilitation

#### Ambulatory Rehabilitation (centre-based and home-based)

Amputee Rehabilitation Clinic

Elective Orthopaedic Pathways Program

General Community Rehabilitation

Movement Disorders Clinic

Neuro-rehabilitation Clinic

Spasticity Clinic

Stroke Detours Program

### Supportive and Palliative Care

Inpatient Palliative Care Unit

Palliative Care Consult Service

Supportive and Palliative Care Clinic

PASS@Home program: Palliative & Support Services at Home

## Surgical and Anaesthetic Services

Anaesthesia, Acute Pain Management & Perioperative Medicine

Breast & Endocrine Surgery

Colorectal Surgery

Ear, Nose & Throat Surgery

Gastrointestinal Endoscopy

General Surgery

HepatoPancreatoBiliary and Upper Gastrointestinal Surgery

Maxillo Facial Surgery

Neurosurgery Outpatient Clinic

Orthopaedic Surgery

Otolaryngology and Head & Neck Surgery

Plastic & Reconstructive Surgery

Skin Integrity (wound care)

Specialist Outpatient Clinics

Stomal Therapy

Urological Surgery

Vascular Surgery

## Women's Health

Acute and Perioperative Gynaecology

Urogynaecology Outpatient Clinic

Colposcopy Clinic

Sexual Health Clinic

Outpatient Hysteroscopy Service

Gynaecological Oncology Services

Paediatric and Adolescent Gynaecology Outpatients

Early Pregnancy and Perinatal Assessment Service

Specialist Obstetrics and Midwifery Pregnancy Care

Fetal Diagnostic Unit

Complex Pregnancy Clinic

Maternity and Newborn Care

Special Care Nursery (premature and sick newborn babies)

Maternity Hospital in the Home and Midwifery Home Care

Paediatric Hospital in the Home

Neonatal Hospital in the Home

## OUR GOVERNANCE AND ORGANISATIONAL STRUCTURE

### Manner of Establishment

Peninsula Health is one of 12 metropolitan public health services in Victoria. It was established in 2000 under section 70 of the *Health Services Act 1998*, and was reconstituted on 1 July 2008 to amalgamate the previous Peninsula Health and the former Peninsula Community Health Service.

Peninsula Health reports to Victoria's Minister for Health, Ambulance Services & Equality, the Hon. Martin Foley (the Hon. Jenny Mikakos MP 1 July 2020 - 26 September 2020), and Victoria's Minister for Mental Health, the Hon. James Merlino MP (the Hon. Martin Foley MP 1 July 2020 - 29 September 2020), through Victoria's Department of Health (Department of Health and Human Services 1 July 2020 - 31 January 2021). The functions of a public health service Board are outlined in the Act and include establishing, maintaining and monitoring the performance of systems to ensure the health service meets community needs.

### Purpose, Functions, Powers and Duties

The core objective of Peninsula Health is to provide public health services in accordance with the principles established as guidelines for the delivery of public hospital services in Victoria under section 17AA of the Health Services Act 1988. The Health Service operates across a number of sites providing a broad range of services including:

- + Acute Care at Frankston Hospital and Rosebud Hospital
- + Geriatric Evaluation and Management, Rehabilitation, Palliative Care and Residential Services at Mornington, Frankston and Rosebud
- + Mental Health services at Frankston, Hastings and Rosebud
- + Community Health services at Frankston, Rosebud, Mornington and Hastings
- + A patient alarm and monitoring service (MePACS).

Peninsula Health employs over 6,800 staff and is supported by 650 volunteers, consumer representatives and auxiliary members.

### Governance

Peninsula Health's Board of Directors is appointed by the Governor in Council on the recommendation of the Minister for Health. Directors are usually appointed for a term of three years, with members eligible to apply for reappointment. The Minister for Health requires the Board to develop a Strategic Plan and to ensure accountable and efficient provision of health services.

The Board of Directors is responsible for the governance and strategic direction of Peninsula Health and works to ensure the services provided by Peninsula Health comply with the requirements of the *Health Services Act 1988* (Vic) as well as the purpose, vision and goals of Peninsula Health.

During 2020-21, the Minister for Health and the Chair of Peninsula Health signed a Statement of Priorities of agreed funding, activity and service performance. Additionally, the Minister for Health and the Chair of Peninsula Health agreed to focus and report on four key strategic priority areas, in lieu of Part A of the Statement of Priorities, due to the ongoing effect of the COVID-19 pandemic.

The Board held 10 meetings in the financial year 1 July 2020 to 30 June 2021. At these meetings, members of the Peninsula Health Executive presented reports on their areas of responsibility as required.

For further information about our services, visit our website: [www.peninsulahealth.org.au](http://www.peninsulahealth.org.au)

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## Board of Directors as at 30 June 2021

**Ms Diana Heggie (Chair)** MAICD, MCSP, Grad Dip Human Services Research

**Appointed: 1 July 2017 to current**

**Member:** Audit and Risk Committee, Capital Works Committee, Finance and Resources Committee, People and Culture Committee, Quality and Safety Committee

Ms Heggie has extensive executive and non-executive experience. In addition to her role as Chair of Peninsula Health, she is also a Director of the Abbotsford Convent. Prior Directorship roles have included Director of the National Heart Foundation, Chair of the Heart Foundation (Vic), Director of Toorak College, Vice President of NDS and President of Cerebral Palsy Australia. Executive roles have included CEO of Scope, a major provider of services to people with disabilities, CEO of the EW Tipping Foundation, and CEO of the Heart Foundation (Vic). She originally qualified as a physiotherapist in 1987 from Trinity College Dublin, and then moved into people management roles in the not-for-profit sector.

**Dr Nathan Pinski** MBBS, FRACGP, FAAQHC, FAAPM, Dip Prac Man, CPM, FAIDH

**Appointed: 15 September 2015 to 30 June 2021**

**Member:** Quality and Safety Committee, Capital Works Committee (until end July 2020)

Dr Nathan Pinski is a Melbourne GP with experience in primary health, tertiary care, digital health, accreditation and practice management. He is a director and co-owner of a Melbourne-based group of general practices, Medi7. He is the former chair of the RACGP Expert Committee for eHealth & Practice Systems, the medical director of the DoctorDoctor Locum Medical Service in Melbourne, and is the President of the General Practice Deputising Association.

**Ms Allison Smith** B Acc, GAICD, CA (Australia and Scotland)

**Appointed: 26 April 2016 to current**

**Chair:** Finance and Resources Committee

**Member:** Audit and Risk Committee, Capital Works Committee, People and Culture Committee

With extensive experience in multiple industries, Ms Smith is recognised as a leader in a number of disciplines but specifically financial analysis and reporting. She has held senior retail, merchandise, marketing, supply chain and finance roles in some of Australia's most influential organisations. Ms Smith specialises in growth and value creation agendas and has delivered significant value to the organisations in which she has operated. She is a member of the Australia & New Zealand Institute of Chartered Accountants and a Graduate of the Australian Institute of Company Directors.

**Adj. Clinical Professor Alison Dwyer** MBBS, MBA, FRACMA, FCHSM, GAICD

**Appointed: 1 July 2017 to current**

**Chair:** Quality and Safety Committee

Dr Dwyer has over 12 years' experience in medical services management roles at major tertiary health services. She is currently the Chief Medical Officer and Executive Director of Research at Eastern Health. Her previous roles have included Chief Medical Officer at Northern Health, Medical Director Quality, Safety and Risk Management at Austin Health and Director, Medical Services at The Royal Melbourne Hospital.

Dr Dwyer is the Chair of the Royal Australasian College of Medical Administrators Medical Workforce Planning Working Group, and has a strong involvement in the training of medical administration registrars as a current Supervisor, Preceptor and Examination Censor. She is also a current ACHR Surveyor, with strengths in clinical governance and medical engagement in quality and safety.

She has a strong passion for ensuring the right organisational supports are in place to assist medical staff to provide high-quality care. Her research interests have focused on junior medical staff wellbeing, engaging medical staff in quality and the role of the Medical Administrator in health services.

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**Ms Kirsten Mander** LLM, FAICD, FGIA, FRMIA

**Appointed: 22 August 2017 to current**

**Chair:** Audit and Risk Committee, MePACS Advisory Committee

Ms Mander is an experienced non-executive director, currently serving as chair of Legalsuper and has recently retired as Chair of the International Women's Development Agency. Specialising in strategy, business development, governance and international business, she has held senior executive and management roles at Australian Unity, Sigma Pharmaceuticals, TRUenergy, Smorgon Steel Group and Western Mining Corporation.

**Ms Karen Corry** B.Com, ACA, GAICD

**Appointed: 22 August 2017 to current**

**Chair:** Capital Works Committee

**Member:** Audit and Risk Committee, Finance and Resources Committee, MePACS Advisory Committee

Ms Corry is a non-executive director and has served on boards and committees across public, private and not-for-profit organisations for over 10 years. She is board member of Holmesglen Institute, the Australian Centre for the Moving Image and Chair of the Australian Community Support Organisation. She has deep experience in transformational programs enabled by digital technology. Prior to running her own business, she was a partner at KPMG where she started her career, qualified as a chartered accountant and worked globally, spending three years in London, before returning to the KPMG Consulting division.

**Mr Hamish Park** B.Com, BA, ALM, GAICD

**Appointed 1 July 2020 to current**

**Member:** Quality and Safety Committee, Community Advisory Committee, Primary Care and Population Health Advisory Committee

Mr Park is a management consultant with extensive experience in corporate governance, probity, public policy, crisis management and professional development. He has strong public sector experience, advising the Victorian Government in ministerial portfolios including Mental Health, Aged Care, and Community Services.

Mr Park is a Director of Melbourne Leadership Group and a Senior Fellow at the University of Melbourne's School of Government. He has also worked with some of Australia's foremost private institutions, including consulting roles with Ernst & Young, PricewaterhouseCoopers, KPMG, ANZ Bank, National Australia Bank and Telstra.

**Ms Rita Cincotta** BBusA, Masters of Industrial and Employee Relations, GAICD

**Appointed 1 July 2018 to current**

**Chair:** People and Culture Committee

**Member:** Community Advisory Committee, MePACS Advisory Committee

Ms Cincotta is an experienced executive human resources practitioner, with industry experience in health, technology, financial services and higher education. She is a Director and Principal Consultant at Human Dimensions, which specialises in individual and team performance, leadership development and organisational culture.

Prior to embarking on a portfolio career, Ms Cincotta was the Vice-President People and Culture at Swinburne University of Technology, where she was a member of the Swinburne Executive Group, Chair of the Science and Australia Gender Equity (SAGE) Committee and Chair of the Financial Inclusion Action Plan (FIAP) group.

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**Ms Sylvia Hadjiantoniou** EMBA, B.Comm., GAICD

**Appointed: 1 July 2019 to current**

**Member:** Capital Works Committee, Community Advisory Committee, Finance and Resources Committee

Ms Hadjiantoniou has expertise in infrastructure planning and delivery and transformational programs. She is a senior executive with experience across the public, private and for-purpose organisations. In these roles she has collaborated with multi-sector partners to deliver large complex capital projects, develop precincts and privatise services. Ms Hadjiantoniou is committed to work that increases access to health, education and infrastructure and improves the lives of those in our community.

## Board Committees as at 30 June 2021

Nine committees provide specialist advice and support to the Board. The committees also assist the Board and senior management to meet the statutory, regulatory and operational requirements of the Health Service.

### Finance and Resources Committee

The role of the Finance and Resources Committee is to assist the Board in the oversight and management of Peninsula Health's financial performance and resources. The Committee reviews all financial matters, management information and internal control systems and considers and makes recommendations to the Board on major and minor works.

**Board members:** Allison Smith (Chair), Karen Corry, Diana Heggie, Sylvia Hadjiantoniou

### Audit and Risk Committee

The Audit and Risk Committee role is to assist the Board in fulfilling its governance responsibilities under the Standing Directions of the Minister for Finance under the Financial Management Act 1994 (Vic). The Committee liaises with the internal and external auditors, reviews and approves audit programs and evaluates the adequacy and effectiveness of the overall governance framework operating within Peninsula Health. The Committee receives reports via the compliance-monitoring framework and monitors all risk management activities for Peninsula Health.

**Board members:** Kirsten Mander (Chair), Karen Corry, Diana Heggie, Allison Smith

### Quality and Safety Committee

The role of the Quality and Safety Committee is to assist the Board to monitor and improve the quality and effectiveness of the care provided by Peninsula Health. The Committee is also responsible for the clinical risk management activities, which are integrated with Peninsula Health's quality systems.

**Board members:** Dr Alison Dwyer (Chair), Diana Heggie, Hamish Park, Dr Nathan Pinskiar

**Consumer members:** John Clark-Kennedy, Pauline D'Astoli

### Capital Works Committee

The role of the Capital Works Committee is to assist the Board in the governance of Peninsula Health's major capital and infrastructure works projects, as well as the execution and implementation of the Digital Health Strategy 2021-25. The Committee oversees major capital projects ensuring appropriate governance, risk and financial management systems are in place to deliver projects on time and on budget.

**Board members:** Karen Corry (Chair), Diana Heggie, Allison Smith, Sylvia Hadjiantoniou

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### Community Advisory Committee

The Community Advisory Committee brings the voices of the community and consumers into the decision-making processes of Peninsula Health to ensure services are responsive to the needs of our diverse community. Members provide information and advice on needs, demands, and service developments from a community perspective. The Committee is supported by 12 Community Advisory Groups.

**Board members:** Rita Cincotta, Sylvia Hadjiantoniou, Hamish Park

**Consumer members:** Pauline D'Astoli (Chair), Dawn Ross, Norman Jones, Sue Gilbert (until December 2020), Evelyn Webster, Dinka Jakovac, Julian Conlon, Anne Barnes (until June 2021), Ann Urch, Matthew Wisniewski, Trevor Wheatley (until June 2021), Graeme Prowd, Aunty Yvonne Luke (from April 2021), Uncle Neil Brew (from April 2021).

### People and Culture Committee

The People and Culture Committee's role is to provide recommendations to the Board on matters of governance around the People strategy, remuneration policies and practices, advising on workforce policy, procedure and monitoring performance.

**Board members:** Rita Cincotta (Chair), Diana Heggie, Allison Smith

### Remuneration Committee

The role of the Remuneration Committee is to ensure Peninsula Health's compliance with best-practice integration of relevant Enterprise Agreements. The Committee meets biannually to review performance and determine remuneration of executive management.

**Board members:** Rita Cincotta (Chair), Diana Heggie, Allison Smith

### Primary Care and Population Health Advisory Committee

The Primary Care and Population Health Advisory Committee was established under Section 65ZC of the Health Services (Governance) Act 2000 to assist Peninsula Health in creating effective linkages with primary care services in the Frankston and Mornington Peninsula Local Government Authorities. It utilises the expertise of the catchment's primary care providers to identify health issues affecting the local population and/or gaps in current health strategies.

**Board Members:** Hamish Park

**External Members:** Representatives of the Primary Care Partnership, Primary Health Network, Community Health, Local Government, Department of Health and Human Services, Consumers and other Primary Care Providers as identified

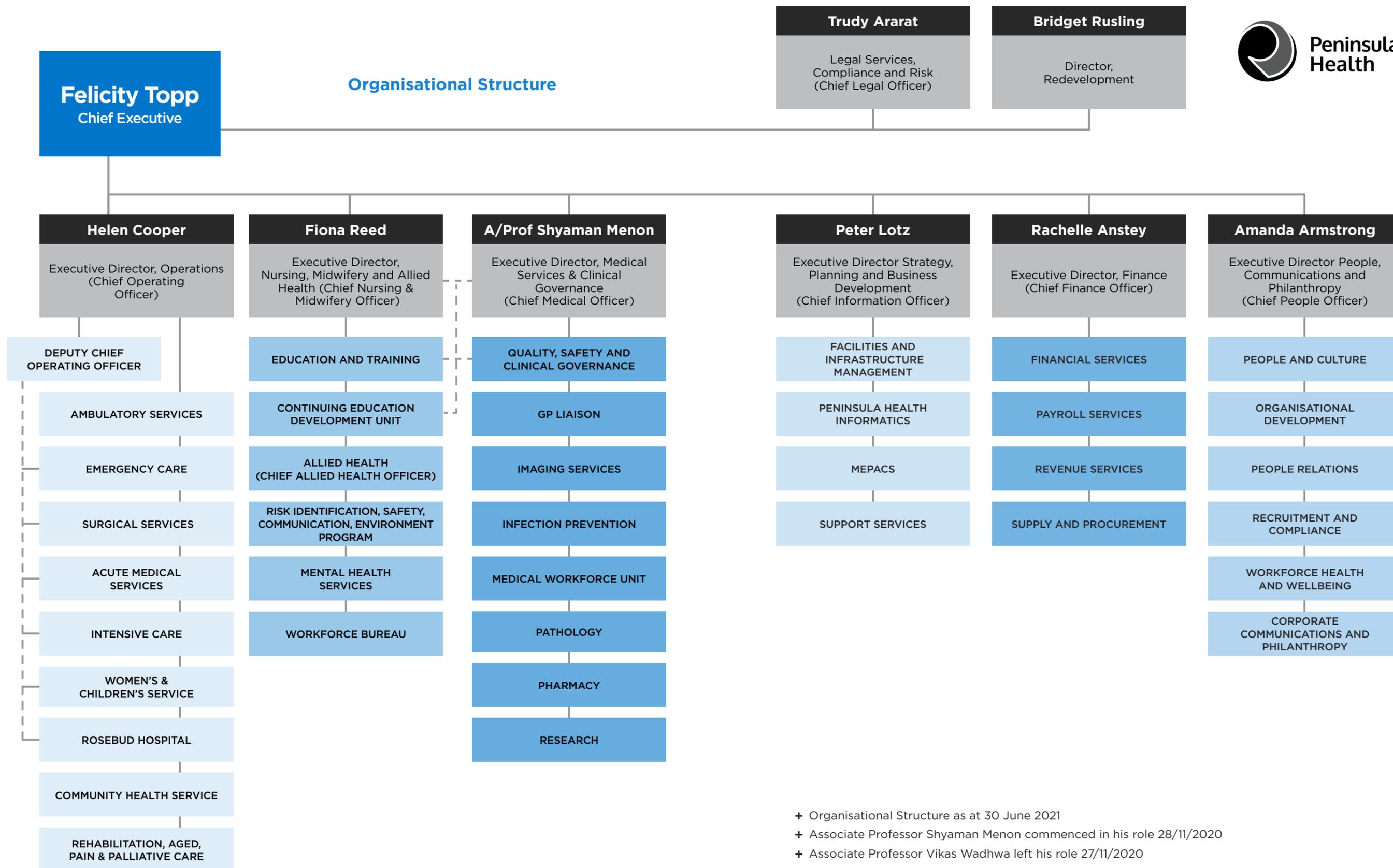
### MePACS Advisory Committee

The MePACS Advisory Committee's role is to provide advice to Peninsula Health management and the Board to assist the MePACS business to realise its full potential including on its strategy, financial, operational and risk management affairs.

**Board Members:** Kirsten Mander (Chair), Rita Cincotta, Karen Corry

**External Members:** Julie Smith, Peter Deliopoulos

## Organisational Structure



- + Organisational Structure as at 30 June 2021
- + Associate Professor Shyaman Menon commenced in his role 28/11/2020
- + Associate Professor Vikas Wadhwa left his role 27/11/2020

## OUR WORKFORCE

Peninsula Health employs over 6,800 highly skilled and dedicated staff members, who work together to provide safe, personal, effective and connected care to every person, every time. We are committed to continuously improving and providing excellence in care.

### Peninsula Health Employees 2020-21

Labour Category	JUNE Current Month FTE*		AVERAGE MONTHLY FTE**	
	2020	2021	2020	2021
Nursing	1,782	1,868.2	1,774.1	1,864.1
Administration & Clerical	556.9	635.4	550.1	610.5
Medical Support	344.2	256.8	351.1	245.3
Hotel & Allied Services	383.8	369.5	369.9	366.7
Medical Officers	58.5	62.9	58.7	62.6
Hospital Medical Officers	354.2	373.6	343.8	382.4
Sessional Clinicians	105.3	110.2	102.1	110.7
Ancillary Staff (Allied Health)	446	544.2	434.5	537.1
<b>Total</b>	<b>4,030.9</b>	<b>4,220.8</b>	<b>3,984.3</b>	<b>4,179.4</b>

The FTE figures in this table exclude overtime. They do not include contracted staff i.e. agency nurses or fee-for-service visiting medical officers who are not regarded as employees for this purpose.

## Occupational Health and Safety

Peninsula Health is committed to building a robust safety culture that protects the health, safety and wellbeing of our workforce. Key performance indicators are reportable to the Board, including staff incident investigations completed within 30 days, the percentage of internal hazard inspections completed and resolved, bullying and harassment complaints, lost time injuries and lost time WorkCover Claim injury frequency rates.

Occupational Violence, Manual Handling, Psychological Injury and Slips, Trips and Falls, are the key areas of focus for Peninsula Health with these causations resulting in the highest incident numbers, WorkCover claims, and contribute the highest in Workers Compensation Premium costs. Additionally, COVID-19 and our organisational response has brought about unique challenges which have impacted the health and safety of our staff.

In response to these trends, a number of programs and safety campaigns have been, or are in the process of being developed including:

- + *You First: Stop, Assess, Plan, Learn* safety campaign - encouraging our staff to consider themselves first before commencing a task, to stop and create some space to identify key risks, and to approach day-to-day activities in a safe manner.
- + *Know Better, Be Better* program - a bullying and harassment awareness campaign aimed at all healthcare workers and leaders in Victorian public health services.
- + *Manual Handling Program* review - a refreshed Manual Handling Program with updated policy and accountabilities, modernised and redesigned training, and the incorporation of new training which aims to prevent and minimise the risks of increased bariatric patient care across Peninsula Health.
- + *Everyday HEROs - Wellbeing Champions* - a program aimed at building wellbeing capability in a peer-to-peer support context through the engagement of an external positive psychologist to deliver a program called Everyday HEROs.

Additionally, the *COVID Recovery Program* includes the amalgamation and extension of two existing programs:

- + *A Space to Think and Connect* - reflective spaces facilitated by senior clinicians within Peninsula Health's mental health program where clinicians run sessions to provide a safe and supportive reflective space for all staff at Peninsula Health.
- + *Peer Support Hotline Service* - a peer telephone support line and email account, staffed by Peninsula Health Community counsellors, for a single supportive session, to provide health care workers with an opportunity to share their feelings and receive emotional support to facilitate coping with emotions and stressors arising from this pandemic. The unique factor in this program is that staff can engage with those that have first-hand shared experience.

### Occupational Health and Safety Data

	2020-21	2019-20	2018-19
The number of reported hazards/incidents for the year per 100 FTE	54	47	51
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	3.09	1.25	1.41
The average cost per WorkCover claim for the year ('000)	\$79,496	\$82,213	\$86,553

## Occupational Violence

The incidence of reporting aggression and violence against our staff, volunteers and contractors has decreased slightly in the past year, however, an ongoing notable occurrence of assault occurring on staff by consumers in the over 65 age group was identified. This led to the implementation of weekly multi-disciplinarian team Behaviour Meetings on our higher incident wards, resulting in a decrease in assault and aggression since implementation. In addition, Daily Behaviours of Concern Rounds occur across wards where issues have been identified and in situ support and advice is provided to staff at the bedside. The introduction of these meetings has resulted in an improvement in overall compliance with documentation according to the Quality of Care Audit.

Behaviour Contracts and Not Welcome Notices have been utilised across the organisation for patients and visitors who display significant aggression or repeated incidents of aggression towards our staff. Extreme Aggression Alert is placed on patient's files after a significant aggression event and extra security is utilised when deemed necessary.

Behaviour management education and support continued throughout the COVID-19 pandemic, with the development of an online program inclusive of 'mock codes' videos recorded at various Peninsula Health sites. These training modules are widely utilised throughout the organisation. Where face-to-face training could go ahead, small simulated scenario training occurred onsite.

Our staff continue to be encouraged to report incidents, which may not previously have been reported, to allow for a greater understanding of the extent of this issue.

### Occupational Violence Statistics

	2020-21
WorkCover accepted claims with an occupational violence cause per 100 FTE	0.23
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	1.15
Number of occupational violence incidents reported	1,049
Number of occupational violence incidents reported per 100 FTE	24.97
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	33%

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## Definitions

For the purposes of the above statistics, the following definitions apply:

- + Occupational violence – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- + Incident – 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 – accepted Workcover claims that were lodged in 2020-21.
- + Lost time – is defined as the loss of the next rostered shift.
- + Injury, illness or condition – this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

## Equal Opportunity and Code of Conduct

Peninsula Health complies with Equal Employment Opportunity principles in relation to recruitment and employment. Compliance with the Code of Conduct and Workplace Behaviour policy are required in accordance with the employment contract and appropriate workforce conduct is reinforced by performance management and discipline processes. Over this last year we have focused on implementing and imbedding our new values to ensure our staff embrace being a role model, being the best, being compassionate and respectful, being collaborative and being open and honest.

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## GENERAL INFORMATION

### Building Act 1993

The Minister for Finance has issued instructions in accordance with the *Building Act 1993* – No. 126/1993, such that all public entities are required to ensure that all buildings under their control are safe and fit for occupation, comply with statutory requirements, buildings are maintained to a standard in which they remain safe and fit for occupancy, and to report annually on measures taken to ensure compliance with the Building Act 1993.

It is Peninsula Health's practice to obtain building permits for new projects and, where required, Certificates of Occupancy or Certificates of Final Inspection when these projects are completed. Registered building practitioners have been involved with all new building works projects. These were supervised by the Project Manager, Support Services. In order to maintain buildings in a safe and serviceable condition, routine inspections were undertaken. Where required, Peninsula Health proceeded to implement the highest priority recommendations arising out of these inspections through planned rectification and maintenance works.

### Carers Recognition Act 2012

Peninsula Health takes all practicable measures to ensure that:

- + our employees and agents have an awareness and understanding of the care relationship principles
- + people 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; and
- + our employees and agents reflect the care relationship principles in developing, providing or evaluating support and assistance for people in care relationships.

There are no disclosures required to be made under the *Carers Recognition Act 2012* (Vic).

### National Competition Policy

Peninsula Health takes all practicable measures to ensure compliance with the National Competition Policy and Competitive Neutrality Policy Victoria. Measures include:

- + requirement for staff to declare conflicts of interest
- + compliance with Health Purchasing Victoria/HealthShare Victoria probity policies; and
- + probity principles embedded in procurement.

### Public Interest Disclosure Act 2012

Peninsula Health has policies and procedures for receiving complaints and notifications of public sector improper conduct and corrupt conduct, which comply with the *Public Interest Disclosure Act 2012* (Vic). The Peninsula Health Protected Disclosure Officer is responsible for managing the health and wellbeing of any person who makes a Protected Disclosure, including protection from detrimental action. Peninsula Health's Protected Disclosure policy informs employees of their right to report suspected improper and/or corrupt conduct directly to the Independent Broad-based Anti-corruption Commission.

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## Safe Patient Care Act 2015

Peninsula Health has no matters to report in relation to its obligations pursuant to Section 40 of the *Safe Patient Care Act 2015* (Vic).

## Contracts

*Local Jobs First Act 2003* (Vic)

During 2021/2021, Peninsula Health entered into a construction contract with Built Pty Ltd for the design and construction of an Academic Centre at Frankston Hospital campus. Peninsula Health has applied the requirements of the *Local Jobs First Act 2003* (Vic), the Local Jobs First Policy and related Guidelines in respect of this project.

## Gender Equality Act 2020

Under the *Gender Equality Act 2020* (Vic), Peninsula Health is required to apply a gendered lens to our work and take positive steps towards achieving gender equality. The application of a gendered lens will be achieved through conducting Gender Impact Assessments on relevant new policies, programs and services that directly and significantly impact the public and those that are up for renewal. This will also be supported by a Workplace Gender Audit, of which the information gained from both workforce and employee experience data will be used to develop a Gender Equality Action Plan every four years; the first of which being due to the Commission on 1 December 2021.

## Car Parking Fees

Peninsula Health complies with the Department of Health hospital circular on car parking fees. Details of car parking fees and concession benefits can be viewed on our website [www.peninsulahealth.org.au/patientvisitor-information/parking-information](http://www.peninsulahealth.org.au/patientvisitor-information/parking-information)

## Freedom of Information Annual Report 2020-21

### **Freedom of Information Act 1982 (Vic) - Part II Statement**

In accordance with Part II of the Freedom of Information Act 1982, Peninsula Health is required to publish certain statements in respect of its functions and processes.

#### **Statement 1: Organisation and functions**

Peninsula Health is a Public Health Service established under section 65P of the *Health Services Act 1988* (Vic). The powers and duties of Peninsula Health are prescribed by the *Health Services Act 1988* (Vic). For information with respect to the structure and functions of Peninsula Health, please visit the Peninsula Health website at <https://www.peninsulahealth.org.au> and refer to the following sections:

- About Us
- Board of Directors
- Organisational structure
- Services & Clinics
- Our hospitals & locations

#### **Statement 2: Categories of documents held by Peninsula Health**

Peninsula Health has a wide range of documents that are used by staff in the daily operations of the organisation and which assist with the administration of laws or schemes affecting the public. These include the following types of documents:

- + policies and guidelines
- + employee records
- + financial records
- + medical records
- + commercial documents
- + reports.

#### **Statement 3: Publications**

The Peninsula Health website contains a wide range of publications available to the public. Please refer to the Publications page on Peninsula Health's website to access these documents.

#### **Statement 4: Subscriptions and mailing lists**

Peninsula Health offers the community free access to our newsletter. To subscribe, please visit our Publications page on Peninsula Health's website to subscribe to our newsletter.

Members of the public who would like to donate to Peninsula Health or subscribe to the donor mailing list will find additional information about supporting Peninsula Health on our website under the Peninsula Health Donations page.

#### **Statement 5: Freedom of Information arrangements**

The Privacy and Information Release Unit (PIRU) is responsible for processing Freedom of Information (FOI) requests at Peninsula Health. Contact details for this unit are listed under the 'All other information and privacy requests, including Freedom of Information requests' within the Information Release section of Peninsula Health's website.

All requests for access to documents under the provisions of the *Freedom of Information Act* must be made in writing, including sufficient information about that document to enable it to be identified and be accompanied by the prescribed, non-refundable application fee. As of 1 July 2021 the FOI application fee is \$30.10 for all Freedom of Information requests. People suffering financial hardship may apply to have the application fee reduced or waived.

The Department of Treasury and Finance indexes fee units each year. The fee units and charges applied by Peninsula Health under the FOI Act and associated Regulations are set in line with these requirements. Further information about the current FOI costs charged by Peninsula Health are detailed on the application form.

For additional information regarding accessing your medical records please see the 'How do I Access my Peninsula Health Medical Record' under the My Health Information - Frequently Asked Questions (FAQ) within the Information Release section of Peninsula Health's website.

## Summary of the application and operation of the Freedom of Information Act 1982 (FOI Act)

During 1 July 2020 – 30 June 2021 reporting period, the Privacy and Information Release Unit received 12,445 requests for information, 750 of which were processed under FOI, as follows:

Number	Outcome
562	Access granted in full
24	Access granted in part
1	Access denied in full
2	Withdrawn
27	Not proceeded with
12	No documents exist
122	Not finalised as of 30 June 2021
578	Personal requests for information

## Consultancy Information

+ Details of consultancies (under \$10,000)

In 2020-21, there were four consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2020-21 in relation to these consultancies is \$15,830 (excl. GST).

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

In 2020-21, there were two consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2020-21 in relation to these consultancies is \$82,727 (excl. GST).

### Consultancies of \$10,000 or greater:

Consultant	Purpose of Consultancy	Start Date	End Date	Total Approved Project Fee (exc. GST) \$	Expenditure 2020-21 (exc. GST) \$	Future Expenditure (exc. GST) \$
DAVID CAPLE AND ASSOCIATES PTY LTD	External review of Safety Management System	May 2021	Jun 2021	\$35,000	\$35,000	Nil
MELD STUDIOS	Human Centred Design Research project	May 2021	Jun 2021	\$47,727	\$47,727	Nil
<b>Total</b>					<b>\$82,727</b>	

## Information and Communication Technology

The total ICT expenditure incurred during 2020-21 was \$20,865,051 (excluding GST), as shown below:

ICT expenditure			
Business As Usual (BAU) ICT expenditure (Total) (excluding GST)	Non Business As Usual (non BAU) ICT expenditure (Total=Operational expenditure and Capital Expenditure) (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
<b>\$16,781,440</b>	<b>\$4,083,611</b>	<b>\$2,015,007</b>	<b>\$2,068,604</b>

## Environmental Performance

Peninsula Health is committed to reducing its environmental impact while continuing to deliver high-quality healthcare. A summary of the Environmental Management Plan is available on our website.

Environmental Report	2018-19	2019-20	2020-21
Total greenhouse gas emissions (tonnes CO2e)			
Scope 1	4,295	3,241	3,127
Scope 2	21,384	18,503	19,008
<b>Total</b>	<b>25,679</b>	<b>21,743</b>	<b>22,135</b>
Emissions per unit of floor space (kgCO2e/m2)			
Emissions per unit of separations (kgCO2e/separations)	262.44	231.5	264.37
Emissions per unit of bed-day (LOS+Aged Care OBD) (kgCO2e/OBD)			
Diesel oil in buildings	129	148	133
Electricity	71,947	65,303	69,825
Natural gas	73,825	55,547	54,624
<b>Total</b>	<b>145,901</b>	<b>120,998</b>	<b>124,582</b>
Energy per unit of floor space (GJ/m2)			
Energy per unit of separations (GJ/separations)	1.49	1.29	1.49
Energy per unit of bed-day (LOS+Aged Care OBD) (GJ/OBD)			
Potable water	102,203	88,131	95,715
Reclaimed water	1,859	1,344	1,658
<b>Total</b>	<b>104,065</b>	<b>89,478</b>	<b>97,376</b>
Total embedded stationary energy generated by energy type (GJ) - solar power*			
Water per unit of floor space (kL/m2)	1.03	0.96	1.04
Water per unit of separations (kL/separations)	1.04	0.94	1.14
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.35	0.32	0.41
Re-use or recycling rate % (Class A + reclaimed/potable + Class A + reclaimed)			
Total waste generated (kg clinical waste+kg general waste+kg recycling waste)	1,620,680	1,702,354	1,716,675
Total waste to landfill generated (kg clinical waste+kg general waste)	1,126,153	1,134,037	1,199,698
Total waste to landfill per patient treated (kg clinical waste+kg general waste)/PPT	2.3	2.3	2.4
Recycling rate % (kg recycling/(kg general waste+kg recycling))	33.2	36.86	38.5
Corporate Transport, Tonnes CO2-e	481.48	368.17	303

Previous results updated to reflect corrections to billing data.  
2020-2021 includes estimated data for Natural Gas and Water due to billing lag.  
\*Solar power generated at Rosebud Community Health (Rosebud Hospital campus).

## ADDITIONAL INFORMATION AVAILABLE ON REQUEST

In compliance with the requirements of the FRD 22H section 5.19 Standard Disclosures in the Report of Operations, details in respect of the items listed below have been retained by the health service and are available to the relevant Ministers, Members of Parliament and the public on request, subject to Freedom of Information requirements, if applicable:

- + declarations of pecuniary interests have been duly completed by all relevant officers
- + details of shares held by senior officers as nominee or held beneficially
- + details of publications produced by the entity about itself, including annual Aboriginal cultural safety reports and plans and how these can be obtained
- + details of changes in prices, fees, charges, rates and levies charged by the Health Service
- + details of any major external reviews carried out on the Health Service
- + details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations
- + details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- + details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services
- + details of assessments and measures undertaken to improve the occupational health and safety of employees
- + a general statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations
- + a list of major committees sponsored by the Health Service, including any Aboriginal advisory or governance committee, the purposes of each committee and the extent to which those purposes have been achieved
- + details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

## Thank You to our Supporters

During the 12-month period to 30 June 2021, Peninsula Health was supported by a number of local people, community groups, estates, trusts, foundations and businesses. Due to their generosity in donations, we were able to support a number of key areas across the health service including:

- + Maternity Services
- + Emergency Services
- + Intensive Care
- + Mental Health
- + Staff Wellbeing

Thank you to all the individuals in our community who supported us with scrubs, scrub bags, blankets for patients, knitted teddies and many other small, but incredibly valuable contributions for our staff and patients. The following businesses supported us with significant gifts-in-kind:

Abelli Winery	Frankston Boomerang Bag Group	Red Hill Cellar & Pantry
Aesop	Jetty Road Brewery	Remedy Drinks
Alex Makes Meals	Lainey's Foods	Revolution Coffee Roasters
Bakers Delight, Rye	Lil's Yolky Dokey Eggs	Roll'd Vietnamese, Frankston
Bakers Delight, Somerville	Mars Wrigley Australia	Smart Brothers Brewery
Boeing Aerostructures Australia	Mecca	Somerville Egg Farm
Charcoal Chicken Rye	Mercetta	Southern Milk Supplies
Chiefs Son Distillery	Mondelez International	Sun Wah Restaurant
Chobani	Mount Martha Boomerang Bags	Taxibox
Coca-Cola	Nando's Frankston	Tea Culture
Coles	Nestle	The Choc Top Ice Cream Company
Domino's Frankston	Peninsula Rotoract	The Corner Cafe
Donovan Real Estate	Pizza This Pizza That, Baxter	Torello Farm
Down the Street café	Pure Peninsula Honey	TreAnd at Baxter Valley Estate
Dust Extraction Solutions Pty Ltd	Quilting Queens	Tyabb Primary School
Eco Pharmaceuticals	Ray White Rosebud	Winey Cow
Frankston Blues USA Tour 2020	Rebel Doughnuts Mornington	

Peninsula Health is very appreciative of the generous financial support received from individuals, businesses, trusts, foundations, community groups and other organisations. We are delighted to acknowledge these significant contributions below:

Paul & Francesca Di Natale	Coles Supermarkets	Probus Club Rosebud (Men's)
Giorgio & Dianne Gjergja	Collier Charitable Fund	Red Hill Opportunity Shop Inc.
Susan Grant	Dromana T.O.W.N. Club	Rosebud Hospital Auxiliary
Diana Heggie	Eagle Ridge Golf Club	Rotary Club of Frankston Peninsula 2.0
Stephanie Johnston	Edward Bull & Daughter Funeral Directors	Rotary Club of Sorrento
Norman Kaye	Frankston Hospital Pink Ladies Auxiliary	RSL Rosebud Women's Auxiliary
Nathan Kelley	Humpty Dumpty Foundation	Senior Citizens Club Blairgowrie
Paul & Sue Neylan	Ian Rollo Currie Estate Foundation	Sorrento Women's Action Team
Dr Nathan Pinskiar	Joe White Bequest	Southern Peninsula Slim & Trim Day Club
Greg Shalit & Dr Miriam Faine	Lifestyle Communities	Southern Peninsula Community Fund
Anne Rotheram	Lifestyle Hastings Social Club	The Honda Foundation
John & Elaine Smeaton	Lions Club Boneo	The Toni Kaye Foundation
Grant & Cheryl Smyth	Lions Club Flinders District	The Village Glen Bowls Club
Ada Wilson	Lions Club Rye	The Village Patchers
The Williams Family	LiveTiles	Victoria Police Blue Ribbon Foundation, Peninsula branch
Byron Woods	Munchalots 2	Village Glen Workshop Club
Ahmadiyya Muslim Association of Australia	Peninsula Boys Car Enthusiasts	
Andy's Place Op Shop	Peninsula Old Time Ceilidh Dance Group Inc.	
Australian Croatian Social Club	Peninsula Timber & Hardware Pty Ltd	
Australian Executor Trustees - Angior Family Foundation	Perpetual Trustees	
Bauer Media Group		
Bertalli Family Foundation		

# Key Financial and Service Performance Reporting

## STRATEGIC PRIORITIES

In 2020-21 Peninsula Health contributed to the achievement of the Government's commitments within Health 2040: advancing health, access and care, in the below strategic priorities, as agreed with the Minister for Health.

**1. Maintain robust COVID-19 readiness and response, working with the Department of Health to ensure we rapidly respond to outbreaks, if and when they occur, which includes providing testing for the community and staff, where necessary and if required. This includes preparing to participate in, and assist with, the implementation of the COVID-19 vaccine immunisation program rollout, ensuring the local community's confidence in the program.**

### Outcome:

We are continuing to grow and establish our response with the South East Public Health Unit focusing on models of care that allow us to be agile and flexible, so we can adjust services based on the requirements of the pandemic and availability of appropriate vaccines. We have dedicated resources allocated to COVID-19 preparedness and prevention. These resources include contact tracing teams, fit testing teams, personal protective equipment safety spotters, COVID-19 marshals and concierge staff, who all help to ensure we are operating in a safe manner to minimise transmission of the virus and the chance of any outbreak in the community.

Emergency workforce arrangements remain a priority for us, to ensure we can meet the demand of both COVID-19 testing and COVID-19 vaccination programs. The vaccination program will continue to expand and deliver increased immunisations to staff, priority groups and the local community as vaccines become more available over the coming year.

We have robust systems in place to manage internal COVID-19 outbreaks and clear channels of escalation through the South East Public Health Unit and the Department of Health if required. Contact tracing teams can rapidly be stood up and proven community partnerships can be enacted to facilitate the required response in the event of a COVID-19 outbreak.

**2. Engage with the community to address the needs of patients, especially our vulnerable Victorians whose care has been delayed due to the pandemic and provide the necessary 'catch-up' care to support them to get back on track.**

### Outcome:

During 2020/2021 elective surgery programs across Victoria were interrupted on multiple occasions. Patient access to elective surgery has been significantly impacted with people having to wait longer than normal. Our primary focus is to provide surgery for those patients who have been waiting a long time.

We are doing this by:

- + targeting people who have waited longer than clinically recommend times, focusing on the longest waiting times initially
- + increasing elective surgery theatre capacity by offering surgery on the weekends
- + partnering with our local private hospitals to offer elective surgery for public patients in the private system
- + increasing the number of endoscopy sessions offered at Peninsula Health and offer appointments at our local private hospitals.

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Our aim is to have a minimum of patients waiting beyond the clinically recommended time by offering appointment times.

We will also continue to make sure all outpatient referrals are converted into appointments within the required timeframe, so no one is waiting for urgent care; in particular our patients requiring treatment for cancer or other chronic illnesses. We have committed to opening a cancer wellness centre on the southern peninsula, located in Rosebud. The aim is to offer access to clinical trials and cancer treatment closer to home for many of our patients.

### **3. As providers of care, respond to the recommendations of the Royal Commission into Victoria's Mental Health System and the Royal Commission into Aged Care Quality and Safety.**

#### **Outcome:**

The Royal Commission's design for Victoria's new mental health and wellbeing system will need to be implemented over a 10-year timeframe. To achieve the desired outcomes, it will be important that implementation is pragmatically staged, and Peninsula Health is working to a roadmap that charts our course. The roadmap will carefully balance the scale and speed of the implementation achievable in any given year, and the day-to-day operations of the mental health services. Enablers such as workforce are a key priority in the staging of the implementation. As one of the main mechanisms to achieve a system where clinical mental health services and wellbeing supports (formally referred to as psychosocial supports) are considered equally important and fully integrated, Peninsula Health is working closely with non-government providers, community partners and government to ensure services are delivered in partnership.

### **4. Develop and foster your local health partner relationships, which have been strengthened during the pandemic response, to continue delivering collaborative approaches to planning, procurement and service delivery at scale. This extends to prioritising innovative ways to deliver health care through shared expertise and workforce models, virtual care, co-commissioning services and surgical outpatient reform to deliver improved patient care through greater integration.**

#### **Outcome:**

The High Risk Accommodation Response (HRAR) project is a COVID-19 prevention initiative that targets accommodation settings that are identified as high risk of COVID-19 transmission due to the facility design and or the resident cohort. The HRAR is a state-wide project funded by the Department of Families, Fairness and Housing (DFFH) which also supports residents to re-engage in health and social supports and to access vaccinations.

The Disability Liaison Officer (DLO) program is a Department of Health (DH) funded initiative. It is part of a \$17 million Victorian Government funding investment to support Victorians with disability during the COVID-19 pandemic. The DLO program focus is on ensuring people with a disability have access to health services and driving the broad implementation of a disability passport across Victoria's health networks. It is also leading the work on supporting people with a disability to access a COVID-19 vaccine.

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Peninsula Health is part of the South East Metro Health Service Partnership (SEMHSPP), a collaboration between Monash Health, Alfred Health and Peninsula Health, working alongside the Primary Healthcare Network (PHN). One of the key priorities for the partnership is Better at Home, an initiative that aims to provide a greater proportion of hospital care in the home environment. The SEMHSPP has divided the work into three work streams:

- 1. Journey to Home:** maximising the number of people who can be discharged to home-based care from the acute environment
- 2. Care in the Home:** provision of service models that provide care in the home that would have otherwise been provided in a bed-based environment
- 3. Staying Well at Home:** provision of service models that keep people well and staying at home thereby avoiding the need for a bed-based environment

Each health service has identified its own internal plans to progress the projects under each work stream, and has also discovered joint work priorities to be implemented across the partnership as a whole. Two of these priorities are exploring the opportunity for shared service models.

### **COVID-19 Positive Pathways Initiative**

In response to the COVID-19 pandemic, Peninsula Health implemented a virtual hospital to manage low and medium risk COVID-19 positive patients in the community utilising a telehealth solution. Patients are allocated via the South East Public Health Unit to Peninsula Health for the provision of care and monitoring which is provided through a virtual platform. The virtual hospital was integrated into an existing clinical response service ensuring the level of clinical care met the patient's needs.

To ensure the safety and wellbeing of both our staff and patients, Peninsula Health implemented a new model of care utilising Health Direct which is a telehealth platform, enabling ambulatory services to continue providing safe and effective care through virtual consultations.

## 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	83%	92%
Percentage of healthcare workers immunised for influenza	90%	64.4%
<b>Patient Experience</b>		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses	95%	No surveys conducted in 2020-21
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care	75%	No surveys conducted in 2020-21
<b>Healthcare Associated Infections (HAIs)</b>		
Rate of patients with surgical site infection	No outliers	Not achieved
Rate of patients with ICU central-line-associated bloodstream infection (CLABSI)	Nil	1.7
Rate of patients with SAB* per 10,000 occupied bed days	≤ 1	0.6
<b>Mental Health</b>		
Percentage of adult acute mental health inpatients who are readmitted within 28 days of discharge	14%	15.5%
Rate of seclusion events relating to a child and adolescent acute mental health admission	<10/1,000	0
Rate of seclusion events relating to an adult acute mental health admission	<10/1,000	1.3
Rate of seclusion events relating to an aged acute mental health admission	<5/1,000	0
Percentage of child and adolescent acute mental health inpatients who have a post-discharge follow-up within seven days	80%	70%
Percentage of adult acute mental health inpatients who have post-discharge follow-up with seven days	80%	88.1%
Percentage of aged acute mental health inpatients who have post-discharge follow-up within seven days	80%	94.4%

\*SAB is Staphylococcus Aureus Bacteraemia.

Key Performance Measure	Target	Result
<b>Maternity and Newborn</b>		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	<1.4%	1.57%
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	<28.6%	33.3%
Proportion of urgent maternity patients referred for obstetric care to a Level 4, 5 or 6 maternity service who were booked for a specialist clinic appointment within 30 days of accepted referral	100%	99.3%
<b>Continuing Care</b>		
Functional independence gain from an episode of rehabilitation admission to discharge, relative to length of stay	>0.645	0.69

## Timely Access to Care

Key Performance Measure	Target	Result
<b>Emergency Care – Frankston Hospital</b>		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	73%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Category 1 to 5 emergency patients seen within clinically recommended time	80%	74%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	55%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	0
<b>Emergency Care – Rosebud Hospital</b>		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	85%
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%	87%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	76%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	0
<b>Healthcare Associated Infections (HAIs)</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%	80%
Percentage of patients on the waiting list who have waited longer than clinically recommend time for their respective triage category	5% or 15% proportional improvement from prior year	41%
Number of patients on the elective surgery waiting list (as at 30 June 2021)	2,500	3,723
Number of hospital initiated postponements per 100 scheduled elective surgery admissions	<7/100	4.5
Number of patients admitted from the elective surgery waiting list	7,542	6,583
<b>Specialist Clinics</b>		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	97%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	92%

## Effective Financial Management

Key Performance Indicator	Target	2020-21 result
<b>Finance</b>		
Operating result (\$m)	*****	\$0.181m
Average number of days to paying trade creditors	60 days	41
Average number of days to receive patient fee debtors	60 days	35
Public and private WIES1* activity performance to target	100%	86.9
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.72
Forecast number of days a health service can maintain its operations with unrestricted available cash (based on end-of-year forecast)	14 days	6
Actual number of days a health service can maintain its operations with unrestricted available cash, measured on the last day of each month	14 days	20
Measures the accuracy of forecasting the Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤ \$250,000	\$1.211m

\*WIES is a Weighted Inlier Equivalent Separation. WIES data as reported in this publication is recorded as at Friday 30 July 2021. Final WIES results will be completed in September 2021.

## Activity and Funding Performance

Funding Type	2020-21 Activity Achievement
<b>Acute Admitted</b>	
Acute WIES	56,261
WIES DVA	511
WIES TAC	196
<b>Acute Non-Admitted</b>	
Home Enteral Nutrition	433
Radiotherapy - other	275
Specialist Clinics	134,057
<b>Sub-Acute and Non-Acute Admitted</b>	
Subacute WIES - Rehabilitation Public	789
Subacute WIES - Rehabilitation Private	196
Subacute WIES - GEM Public	1,676
Subacute WIES - GEM Private	290
Subacute WIES - Palliative Care Public	305
Subacute WIES - Palliative Care Private	84
Subacute WIES - DVA	96
Transition Care - Bed days	15,594
Transition Care - Home days	5,512
<b>Aged Care</b>	
HACC	11,748
<b>Mental Health and Drug Services</b>	
Mental Health Ambulatory	52,109
Mental Health Inpatient - Available bed days	15,515
Mental Health - PDRS	382
Mental Health Residential	6,700
Mental Health Service System Capacity	411
Mental Health Subacute	11,522
Drug Services	3,703
<b>Primary Health</b>	
Community Health/Primary Care Programs	42,121

WIES is a Weighted Inlier Equivalent Separation. WIES data as reported in this publication is recorded as at Friday 30 July 2021. Final WIES results will be completed in September 2021.

## FINANCIAL SUMMARY

### Financial Results

	2021	2020	2019	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING RESULT*	181	(12,448)	(5,792)	452	1,804
Total revenue	755,170	660,458	636,870	591,741	551,699
Total expenses	754,989	672,906	642,662	591,289	549,895
Net result from transactions	(10,564)	(24,933)	(29,933)	(18,110)	(11,887)
Total other economic flows	4,261	(978)	(2,991)	749	744
Net result	(6,303)	(25,911)	(32,923)	(17,361)	(11,143)
Total assets	575,398	551,072	517,789	485,618	465,097
Total liabilities	258,532	242,601	195,979	187,394	150,125
Net assets/Total equity	316,866	308,471	321,810	298,224	314,972

\*The Operating result is the result for which the hospital is monitored in its Statement of Priorities.

### Reconciliation of Net Result from Transactions and Operating Result

	2020-21
	\$'000
<b>Net Operating Result*</b>	4,168
Capital Purpose Income	14,480
Specific Income	0
COVID-19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	663
State supply items consumed up to 30 June 2021	
Assets provided free of charge	0
Assets received free of charge	0
Expenditure for capital purpose	0
Depreciation and amortisation	(390)
Impairment of non-financial assets	(25,059)
Finance costs (other)	0
	(165)
<b>Net Result from transactions</b>	(6,303)

\*The impact of the State Supply Arrangements have been excluded from the Statement of Priorities Operating Result calculation in the above. The impact of the Controlled Entity MePACS has been included in the Statement of Priorities Operating Result calculation in the above.

## Financial Commentary

Peninsula Health's financial performance in 2020-21 showed an operating surplus (recorded before discontinued operations, capital income and depreciation) of \$181,189.

In 2020-21, in comparison to the previous financial year:

- + total revenue increased to \$755 million from \$660 million
- + total assets rose by \$32 million to \$575 million
- + liabilities increased by \$15 million to \$258 million
- + equity (the difference between assets and liabilities) increased by \$8 million to \$316 million.

A state of emergency has been in place in Victoria throughout the reporting period due to the effects of the COVID-19 pandemic.

Throughout the reporting period, Peninsula Health has worked closely with government and our stakeholders in placing the appropriate service restrictions across the health service, in line with COVID-safe practices, to ensure the wellbeing of our community and staff. We deferred elective surgery and reduced activity, performed COVID-19 testing and implemented work from home arrangements where appropriate.

## Subsequent Events to Balance Date

The COVID-19 pandemic continues to affect the state of Victoria and will impact the operational and financial performance of Peninsula Health into the future. Peninsula Health continues to work with Victoria's Department of Health to mitigate these risks.

## Ex-gratia Payments

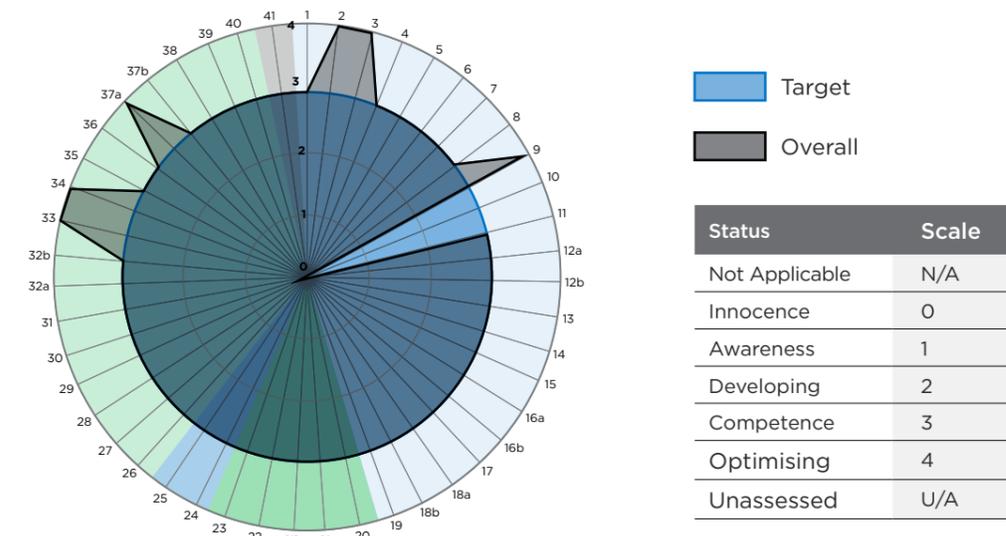
Ex-gratia payments of \$4,050 were made by Peninsula Health during 2020-21. These payments relate to compensation payments or discretionary reimbursement of expenses.

## Asset Management Accountability Framework

The Asset Management Accountability Framework replaces Victoria's existing asset management framework, Sustaining Our Assets, and the related asset management series.

The Peninsula Health Asset Management Accountability Framework (AMAF) purpose is to ensure compliance with the 2016 Standing Orders of the Minister for Finance section 4.2.3 regarding asset planning, acquisition, disposal and operations. Peninsula Health maintains adherence to the AMAF and continuously seeks to enhance asset management compliance across the organisation. Peninsula Health remains materially compliant through its asset management strategies, capital governance frameworks, enabling improved performance standards and processes.

A summary of Peninsula Health's performance against each of the pillars is described below.



# Attestations

## DATA INTEGRITY

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

## CONFLICT OF INTEREST

I, Felicity Topp, certify that Peninsula 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 Peninsula 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.

## INTEGRITY, FRAUD AND CORRUPTION

I, Felicity Topp, certify that Peninsula Health has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at Peninsula Health during the year.



Felicity Topp  
Accountable Officer, Peninsula Health  
7 September 2021

## FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

I, Diana Heggie, on behalf of the Responsible Body, certify that Peninsula Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

## RESPONSIBLE BODIES DECLARATION

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for Peninsula Health for the year ending 30 June 2021.



Ms Diana Heggie  
Chairperson, Frankston  
7 September 2021

# Disclosure Index

The Annual Report of Peninsula 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 Reference
<b>Ministerial Directions Report of Operations</b>		
<b>Charter and Purpose</b>		
FRD 22H	Manner of establishment and the relevant ministers	14
FRD 22H	Purpose, functions, powers and duties	14
FRD 22H	Nature and range of services provided	10
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<b>Management and Structure</b>		
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<b>Financial and Other Information</b>		
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## Annual Publications

Our 2021 Annual Report comprises two sections: Report of Operations and Financial Statements. The Financial Statements are provided in the back of this publication.

For a broader picture of our achievements and activities over the past year, please see our other annual publication:

- + Research Report – highlights the achievements of our many researchers and their contribution to improving outcomes for our patients.

\*Please note – Quality Care was not produced in 2021 due to the effects of the COVID-19 pandemic.

For further information about Peninsula Health, or to download an annual publication, please visit our website: [www.peninsulahealth.org.au](http://www.peninsulahealth.org.au)

# Financial Statements

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**Chairperson's, Chief Executive Officer's and  
Chief Financial Officer's Declaration**

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

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2021 and the financial position of Peninsula Health.

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 7 September 2021.



**Diana Heggie**  
Chairperson  
  
Frankston  
7 September 2021



**Felicity Topp**  
Chief Executive Officer  
  
Frankston  
7 September 2021



**Rachelle Anstey**  
Chief Financial Officer  
  
Frankston  
7 September 2021

**VAGO**

Victorian Auditor-General's Office

**Independent Auditor's Report**

**To the Board of Peninsula Health**

**Opinion** I have audited the financial report of Peninsula Health (the health service) which comprises the:

- balance sheet as at 30 June 2021
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- chairperson's, chief executive officer's and chief financial officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

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

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Board's responsibilities for the financial report** The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

**Other Information** The Board of the health service is responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2020, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.

**Auditor's responsibilities for the audit of the financial report**

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

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

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

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.



Dominika Ryan  
as delegate for the Auditor-General of Victoria

MELBOURNE  
1 October 2021

**Peninsula Health  
Comprehensive Operating Statement  
For the Financial Year ended 30 June 2021**

	Note	2021 \$'000	2020 \$'000
<b>Revenue and Income from Transactions</b>			
Operating Activities	2.1	<b>783,104</b>	687,668
Non-Operating Activities	2.1	<b>772</b>	1,208
<b>Total Revenue and Income from Transactions</b>		<b>783,876</b>	688,876
<b>Expenses from Transactions</b>			
Employee Expenses	3.1	<b>(574,018)</b>	(527,602)
Supplies & Consumables	3.1	<b>(104,140)</b>	(85,276)
Finance Costs - Self Funded Activity	3.1	<b>(1,020)</b>	(1,044)
Depreciation and Amortisation	4.3	<b>(25,059)</b>	(24,994)
Administrative Expenses	3.1	<b>(33,976)</b>	(28,217)
Repairs and Maintenance	3.1	<b>(19,039)</b>	(14,584)
Operating Expenses	3.1	<b>(37,188)</b>	(32,092)
<b>Total Expenses from Transactions</b>		<b>(794,440)</b>	(713,809)
<b>Net Result from Transactions-Net Operating Balance</b>		<b>(10,564)</b>	(24,933)
<b>Other Economic Flows included in Net Result</b>			
Net Gain/(Loss) on Financial Instruments		<b>1,899</b>	(1,029)
Net Gain/(Loss) on sale of Non-Financial Assets		<b>314</b>	398
Other Gain/(Loss) from Other Economic Flows		<b>2,048</b>	(347)
<b>Total Other Economic Flows included in Net Result</b>		<b>4,261</b>	(978)
<b>NET RESULT FOR THE YEAR</b>		<b>(6,303)</b>	(25,911)
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to net result</b>			
- Changes in Property, Plant and Equipment Revaluation Surplus	4.2	<b>12,698</b>	6,448
<b>Total Other Comprehensive Income</b>		<b>12,698</b>	6,448
<b>COMPREHENSIVE RESULT FOR THE YEAR</b>		<b>6,395</b>	(19,463)

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

Peninsula Health  
Balance Sheet  
As at 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Current Assets</b>			
Cash and Cash Equivalents	6.2	44,200	38,823
Receivables and Contract Assets	5.1	31,028	30,820
Investments and Other Financial Assets	4.1	14,724	12,839
Inventories		4,239	4,195
Prepayments and Other Assets		4,211	2,816
<b>Total Current Assets</b>		<b>98,402</b>	<b>89,493</b>
<b>Non-Current Assets</b>			
Receivables and contract assets	5.1	27,285	25,270
Property, Plant & Equipment	4.2	447,635	433,545
Intangible Assets		2,076	2,764
<b>Total Non-Current Assets</b>		<b>476,996</b>	<b>461,579</b>
<b>TOTAL ASSETS</b>		<b>575,398</b>	<b>551,072</b>
<b>Current Liabilities</b>			
Payables and Contract Liabilities	5.2	64,752	40,286
Borrowings	6.1	7,073	32,128
Employee Benefit Provisions	3.2	131,719	116,921
Other Current Liabilities		3,047	1,520
<b>Total Current Liabilities</b>		<b>206,591</b>	<b>190,855</b>
<b>Non-Current Liabilities</b>			
Borrowings	6.1	32,994	31,939
Employee Benefit Provisions	3.2	18,947	19,807
<b>Total Non-Current Liabilities</b>		<b>51,941</b>	<b>51,746</b>
<b>TOTAL LIABILITIES</b>		<b>258,532</b>	<b>242,601</b>
<b>NET ASSETS</b>		<b>316,866</b>	<b>308,471</b>
<b>EQUITY</b>			
Property, Plant & Equipment Revaluation Surplus	4.2	171,031	158,333
Special Purpose Surplus	SCE	11,173	10,068
Contributed Capital	SCE	195,484	193,484
Accumulated Surpluses/(Deficits)	SCE	(60,822)	(53,414)
<b>TOTAL EQUITY</b>		<b>316,866</b>	<b>308,471</b>

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

Peninsula Health  
Statement of Changes in Equity  
For the financial year ended 30 June 2021

	Property, Plant & Equipment Revaluation Surplus	Special Purpose Surplus	Contributed Capital	Accumulated Surpluses/(Deficits)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2019</b>	146,031	8,058	193,214	(25,493)	321,810
Effect of adoption of AASB 15, 16 and 1058	5,854	-	-	-	5,854
<b>Balance at 1 July 2019</b>	151,885	8,058	193,214	(25,493)	327,664
Net result for the year	-	-	-	(25,911)	(25,911)
Other Comprehensive Income for the year:					
Fair value movement in property, plant and equipment as per note 4.2 (b)	6,448	-	-	-	6,448
Capital Contributions	-	-	270	-	270
Transfer from/(to) Accumulated Surplus/(Deficit)	-	2,010	-	(2,010)	-
<b>Balance at 30 June 2020</b>	158,333	10,068	193,484	(53,414)	308,471
Net result for the year	-	-	-	(6,303)	(6,303)
Other Comprehensive Income for the year:					
Fair value movement in property, plant and equipment as per note 4.2 (b)	12,698	-	-	-	12,698
Capital Contributions	-	-	2,000	-	2,000
Transfer from/(to) Accumulated Surplus/(Deficit)	-	1,105	-	(1,105)	-
<b>Balance at 30 June 2021</b>	171,031	11,173	195,484	(60,822)	316,866

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

Peninsula Health  
Cash Flow Statement  
For the financial year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Grants from Government		685,332	603,097
Capital Grants from Government		8,343	10,016
Patient and Resident Fees Received		39,003	50,335
Commonwealth Government - Residential Aged Care Subsidy		1,507	1,381
Donations and Bequests Received		1,486	1,433
Capital Receipts		4,789	2,026
Other Receipts		26,102	17,243
<b>Total receipts</b>		<b>766,562</b>	<b>685,531</b>
Employee Expenses Paid		(571,508)	(512,977)
Payments for Supplies & Consumables		(170,231)	(165,537)
Finance Costs Paid		(1,020)	(1,044)
<b>Total payments</b>		<b>(742,759)</b>	<b>(679,558)</b>
<b>NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>	8.1	<b>23,803</b>	<b>5,973</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(16,680)	(12,262)
Proceeds from Disposal of Non-Financial Assets		178	398
<b>NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		<b>(16,502)</b>	<b>(11,864)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash advance from Department of Health		-	25,480
Contribution from Owner		2,000	270
Repayment of Borrowings		(5,449)	(1,540)
Net receipt/(repayment) of accommodation deposits		1,525	(661)
<b>NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		<b>(1,924)</b>	<b>23,549</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD</b>		<b>5,377</b>	<b>17,658</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		38,823	21,165
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	6.2	<b>44,200</b>	<b>38,823</b>

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

Peninsula Health Annual Financial Statements 2021  
Notes to The Financial Statements for the financial year ended 30 June 2021

**Note 1: Basis of preparation**

These annual financial statements represent the audited general purpose financial statements of Peninsula Health for the year ended 30 June 2021. The report provides users with information about the Peninsula 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 (AASBs), 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.

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

Peninsula Health operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. Peninsula Health's Capital and Specific Purpose Funds include unspent capital donations and receipts from fund-raising activities conducted solely in respect of these funds.

The financial statements, except for the cash flow information, have been prepared on an accruals 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 are prepared on a going concern basis (refer to Note 8.9 Economic Dependency).

These financial statements are presented in Australian dollars, the functional and presentation currency of Peninsula Health.

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

The annual financial statements were authorised for issue by the Board of Peninsula Health on 7 September 2021.

**Note 1.2: Impact of COVID-19 pandemic**

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. Since this date, to contain the spread of COVID-19 and prioritise the health and safety of our community, Peninsula Health was required to comply with various directions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Peninsula Health operates.

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

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

As restrictions have eased towards the end of the financial year Peninsula Health has been able to revise some measures where appropriate including a transition of staff back to working on-site at Peninsula Health facilities and a recommencement of elective surgery as appropriate.

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

- Note 2: Funding delivery of our services
- Note 3: The cost of delivering services.
- Note 4: Key Assets to Support Service Delivery
- Note 5: Other assets and liabilities

**Note 1: Basis of preparation continued**

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

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

Reference	Title
AASB	Australian Accounting Standards Board
AASs	Australian Accounting Standards, which include Interpretations
DH	Department of Health
DTF	Department of Treasury and Finance
FMA	Financial Management Act 1994
FRD	Financial Reporting Direction
PH	Peninsula Health
SD	Standing Direction
VAGO	Victorian Auditor General's Office
WIES	Weighted Inlier Equivalent Separation

**Note 1.4: Key accounting estimates and judgements**

Management make estimates and judgements when preparing the financial statements. These estimates and judgements are based on historical knowledge and best available current information and assume any reasonable expectation of future events. Actual results may differ.

Revisions to key estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. The accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and are disclosed in further detail throughout the accounting policies.

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

**Note 1.5: 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 Peninsula Health and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	Impact
AASB 17: <i>Insurance Contracts</i>	Reporting periods on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: <i>Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-8: <i>Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2</i>	Reporting periods on or after 1 January 2021.	Adoption of this standard is not expected to have a material impact.

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

**Note 1.6: Goods and Services Tax (GST)**

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

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

Cash flows included in the Cash Flow Statement are presented on a gross basis. The GST components of cash flows arising from

investing or financing activities which are recoverable from, or payable to the ATO, are presented as an operating cash flow. Commitments for expenditure and contingent assets and liabilities are presented on a gross basis.

**Note 1.7: Reporting Entity**

The Financial Statements include all the controlled activities of Peninsula Health.

Its principal address is:  
Hastings Road  
Frankston Victoria 3199

A description of the nature of Peninsula 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**

Peninsula Health embraces an integrated and collaborative view of health, working with community and service partners to promote health and to plan for the future needs of the local community.

Peninsula Health's overall objective is to provide acute care, sub-acute care, residential care, mental health services and community health services, and is a major teaching center.

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

**Covid-19 Impact**

Revenue recognised to fund the delivery of our services increased during the financial year which was partially attributable to the COVID-19 coronavirus pandemic. Activity Based Funding decreased as the level of activity agreed in the Statement of Priorities couldn't be delivered due to reductions in the number of patients being treated at various times throughout the financial year. This was offset by funding provided by the Department of Health to compensate for reductions in revenue and to cover certain direct and indirect COVID-19 related costs.

Funding provided included:

- COVID-19 grants to fund additional staffing levels required to provide healthcare services to members of the community affected by COVID-19
- Mental health capacity funding to provide services to members of the community affected by the mental health implications arising due to COVID-19
- Repurposed sustainability grants to assist cash flow requirements to provide COVID-19 specific services to members of the community
- Additional funding received to assist in the revenue shortfall from Victorian government imposed restrictions on elective surgery

**Key judgements and estimates**

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	Peninsula 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. If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Peninsula Health to recognise revenue as or when the health service transfers promised goods or services to customers. If this criteria is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	Peninsula 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
Determining time of capital grant income recognition	Peninsula Health applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.

**Note 2.1: Revenue and Income from Transactions**

	2021 \$'00c	2020 \$'00c
<b>Operating activities</b>		
<b>Revenue from contracts with customers</b>		
Government Grants - Operating	703,136	606,617
Private Personal Alarm Monitoring Services	7,495	5,528
Patient and Resident Fees	26,823	31,385
Commercial Activities and Special Purpose Funds (i)	9,420	10,212
<b>Total revenue from contracts with customers</b>	<b>746,874</b>	<b>653,742</b>
<b>Other sources of income</b>		
Assets Received Free Of Charge Or For Nominal Consideration	8,031	1,193
Government Grants-Capital	6,208	9,027
Non-Cash Contributions from the Department of Health	3,303	3,415
Capital Donations	1,486	1,433
Other Revenue from Operating Activities	15,210	17,508
Other Capital Purpose Income	1,992	1,350
<b>Total other sources of income</b>	<b>36,230</b>	<b>33,926</b>
<b>Total Revenue and Income from Operating Activities</b>	<b>783,104</b>	<b>687,668</b>
<b>Non-operating activities</b>		
<b>Income from other sources</b>		
Interest	207	513
Dividends	522	579
Other Revenue from Non-Operating Activities	43	116
<b>Total other sources of income</b>	<b>772</b>	<b>1,208</b>
<b>Total income from non-operating activities</b>	<b>772</b>	<b>1,208</b>
<b>Total Revenue and income from transactions</b>	<b>783,876</b>	<b>688,876</b>

(i) Commercial activities represent business activities Peninsula Health enters into to support their operations.

**How we recognise revenue and income from transactions**

**Government Operating Grants**

To recognise revenue, Peninsula Health assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: Revenue from Contracts with Customers. When both these conditions are satisfied, Peninsula Health:

- Identifies each performance obligation relating to the revenue
  - recognises a contract liability for its obligations under the agreement
  - recognises revenue as it satisfied its performance obligations, at the time or over time when services are rendered
- Where the contract is not enforceable and/or does not have sufficiently specific performance obligations in accordance with AASB 1058 – Income for not-for-profit entities, Peninsula Health:
- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
  - recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
  - recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

The types of government grants recognised under AASB 15: Revenue from Contracts with Customers includes:

Government grant	Performance obligation
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) casemix	The performance obligations for ABF are the number and mix of patients admitted to hospital (defined as 'casemix') in accordance with the levels of activity agreed to, with the Department of Health in the annual Statement of Priorities. Revenue is recognised at a point in time, which is when a patient is discharged, in accordance with the WIES activity when an episode of care for an admitted patient is completed. WIES activity is a cost weight that is adjusted for time spent in hospital, and represents a relative measure of resource use for each episode of care in a diagnosis related group.

**Capital Grants**

Where Peninsula 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 Peninsula 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.

**Note 2.1: Revenue and Income from Transactions continued**

**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 park income, clinical trial income and training and seminar fees. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

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

	2021 \$'000	2020 \$'000
Plant and Equipment	663	612
Inventory	7,368	581
<b>Total fair value of assets and services received free of charge or for nominal consideration</b>	<b>8,031</b>	<b>1,193</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 Peninsula 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, the purchasing of essential personal protective equipment (PPE) and other essential plant and equipment was centralised. Generally, the State Supply Arrangement stipulates that Health Purchasing Victoria (trading as HealthShare Victoria) sources, secures and agrees terms for the purchase of PPE. The purchases are funded by the Department of Health, while Monash Health takes delivery and distributes an allocation of the products to health services. Peninsula Health received these resources free of charge and recognised them as income.

**Contributions**

Peninsula Health may receive assets for nil or nominal consideration to further its objectives. The assets are recognised at their fair value when Peninsula Health obtains control over the asset, irrespective of whether restrictions or conditions are imposed over the use of the contributions. On initial recognition of the asset, Peninsula Health recognises related amounts being contributions by owners, lease liabilities, financial instruments, provisions and revenue or contract liabilities arising from a contract with a customer. Peninsula Health recognises income immediately in the profit or loss as the difference between the initial fair value of the asset and the related amounts.

**Non-cash contributions from the Department of Health**

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

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

**Note 3: The Cost of Delivering Services**

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

**Structure**

- 3.1 Expenses From Transactions
- 3.2 Employee Benefits in the Balance Sheet
- 3.3 Superannuation

**Covid-19 Impact**

Expenses incurred to deliver our services increased during the financial year which was partially attributable to the COVID-19 coronavirus pandemic.

Additional costs were incurred to:

- establish facilities within Peninsula Health for the treatment of suspected and admitted COVID-19 patients resulting in an increase in employee costs, additional equipment purchases and an additional administrative burden.
- implement COVID safe practices throughout Peninsula Health including increased cleaning, increased security and consumption of personal protective equipment.

**Key judgements and estimates**

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring and classifying employee benefit liabilities	Peninsula Health applies significant judgement when measuring and classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Peninsula 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.  Employee benefit liabilities are classified as a non-current liability if Peninsula 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.  Peninsula Health also applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if Peninsula Health does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value. All other entitlements are measured at their nominal value.

**Note 3.1: Expenses From Transactions**

	2021 \$'000	2020 \$'000
Salaries and Wages	516,282	476,112
On-Costs	43,722	41,047
Agency Expenses	6,927	3,491
Work Cover Premium	7,087	6,952
<b>Total Employee Expenses</b>	<b>574,018</b>	<b>527,602</b>
Drug Supplies	31,202	28,441
Medical and Surgical Supplies (Including Prostheses)	35,410	28,451
Diagnostic and Radiology Supplies	32,774	24,104
Other Supplies and Consumables	4,754	4,280
<b>Total Supplies and Consumables</b>	<b>104,140</b>	<b>85,276</b>
Finance Costs - Self Funded Activity (refer Note 6.1)	1,020	1,044
<b>Total Finance Costs</b>	<b>1,020</b>	<b>1,044</b>
Advertising	1,199	1,031
Consumable Equipment	2,729	5,500
Housekeeping and Linen	3,586	3,589
Postage, Printing and Stationery	1,707	1,898
Staff Training	4,440	2,665
Telecommunications	3,559	3,035
Other Administrative Expenses	16,756	10,498
<b>Total Administrative Expenses</b>	<b>33,976</b>	<b>28,216</b>
Repairs and Maintenance	19,039	14,584
<b>Total Repairs and Maintenance</b>	<b>19,039</b>	<b>14,584</b>
Client Brokerage Costs	9,032	9,191
Medical Indemnity Insurance	10,802	9,974
Expenses related to leases of low value assets	449	112
Fuel, Light, Power and Water	7,692	6,892
Patient Transport	3,346	3,399
Security Services	5,867	2,524
<b>Total Operating Expenses</b>	<b>37,188</b>	<b>32,092</b>
Depreciation and Amortisation (refer Note 4.2)	25,059	24,994
<b>Total Other Non-Operating Expenses</b>	<b>25,059</b>	<b>24,994</b>
<b>Total Expenses from Transactions</b>	<b>794,440</b>	<b>713,809</b>

**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;
- Work cover premium.

**Supplies and consumables**

Supplies and consumables 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 finance leases which are recognised in accordance with *AASB 16 Leases*.

**Note 3.1: Expenses From Transactions continued**

**Operating expenses**

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

- Energy costs;
- Repairs and maintenance;
- Patient transport;
- Security services;
- Staff training;
- Consultant fee;
- Telephone service; and
- Other administrative expenses;

The Department of Health also makes certain payments on behalf of Peninsula 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.

**Note 3.2: Employee Benefits in the Balance Sheet**

	2021 \$'000	2020 \$'000
<b>CURRENT</b>		
Annual Leave (Note 3.2(a))		
- Unconditional and expected to be wholly settled within 12 months (i)	31,906	30,908
- Unconditional and expected to be wholly settled after 12 months (ii)	14,649	8,625
Long Service Leave (Note 3.2(a))		
- Unconditional and expected to be wholly settled within 12 months (i)	6,220	7,157
- Unconditional and expected to be wholly settled after 12 months (ii)	64,515	57,422
Accrued Days Off (Note 3.2(a))		
- Unconditional and expected to be settled within 12 months (i)	1,392	1,237
	<b>118,682</b>	<b>105,349</b>
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled within 12 months (i)	4,341	4,317
- Unconditional and expected to be settled after 12 months (ii)	8,696	7,255
	<b>13,037</b>	<b>11,572</b>
<b>Total Current Provisions</b>	<b>131,719</b>	<b>116,921</b>
<b>NON-CURRENT</b>		
Employee Benefits (i) (Note 3.2(a))		
Conditional Long Service Leave (Note 3.2(a))	17,072	17,847
Provisions related to Employee Benefit On-Costs (Note 3.2(a))	1,875	1,960
<b>Total Non-Current Provisions</b>	<b>18,947</b>	<b>19,807</b>
<b>Total Provisions</b>	<b>150,666</b>	<b>136,728</b>

(i) The amounts disclosed are nominal amounts.

(ii) The amounts disclosed are discounted to present values.

**(a) Employee Benefits and Related On-Costs**

<b>Current Employee Benefits and Related On-Costs</b>		
Annual Leave Entitlements	51,668	43,875
Unconditional Long Service Leave Entitlement	78,506	71,673
Accrued Days Off	1,545	1,373
<b>Non-Current Employee Benefits and Related On-Costs</b>		
Conditional Long Service Leave Entitlements	18,947	19,807
<b>Total Employee Benefits and Related On-Costs</b>	<b>150,666</b>	<b>136,728</b>

**(b) Movement in Provision:**

<b>Balance at start of year</b>	<b>136,728</b>	<b>125,387</b>
Additional provisions recognised	61,332	58,608
Amounts incurred during the year	(47,394)	(47,267)
<b>Balance at end of year</b>	<b>150,666</b>	<b>136,728</b>

**Note 3.2: Employee Benefits in the Balance Sheet continued**

**How we recognise employee benefits**

**Employee Benefits Recognition**

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

**Provisions**

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

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

**Annual Leave and Accrued Days Off**

Liabilities for annual leave and accrued days off are all recognised in the provision for employee benefits as 'current liabilities', because Peninsula 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 Peninsula Health expects to wholly settle within 12 months; or
- Present value – if Peninsula 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 Peninsula 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 Peninsula Health expects to wholly settle within 12 months; and
- Present value – if Peninsula 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 of 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 termination of employment.

**On-Costs related to employee expense**

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

**Note 3.3: Superannuation**

**Contributions Paid or Payable for the Year**

	2021 \$'000	2020 \$'000
<b>Defined benefit plans:</b>		
Aware Superannuation Fund	255	273
Government Superannuation Fund	156	137
<b>Defined contribution plans:</b>		
Aware Superannuation Fund	20,872	20,335
Hesta Superannuation Fund	13,504	12,567
Other Funds	8,713	7,090
<b>Total</b>	<b>43,499</b>	<b>40,402</b>
<b>Contributions outstanding at the end of the financial year</b>	<b>2,040</b>	<b>1,818</b>

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 Peninsula 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(s) provide benefits based on years of services and final average salary. The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by Peninsula Health to the superannuation plans in respect of the services of current Peninsula Health's 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.

Peninsula 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 Department of Treasury and Finance 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 the employee benefits in the comprehensive operating statement of Peninsula Health.

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

**Note 3.3: Superannuation continued**

**Defined contribution superannuation plans**

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

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

**Note 4: Key Assets to Support Service Delivery**

Peninsula 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 Peninsula Health to be utilised for delivery of those outputs.

Structure

- 4.1 Investments and Other Financial Assets
- 4.2 Property, Plant and Equipment
- 4.3 Depreciation and Amortisation

**Covid-19 Impact**

The measurement of assets used to support delivery of our services were impacted during the financial year which was partially attributable to the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

The following key assets were impacted:

- Plant and equipment relating to information technology items were broadly upgraded across Peninsula Health in order to facilitate tele health services and non-clinical staff working remotely
- Specialised plant and equipment involved in the provision of healthcare services for patients affected by COVID-19 were purchased throughout the period.

**Key judgements and estimates**

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment and investment properties	Peninsula Health obtains independent valuations for its non-current assets at least once every five years. If an independent valuation has not been undertaken at balance date, the health service estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices. Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.
Estimating useful life and residual value of property, plant and equipment	Peninsula Health assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset. The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. Peninsula Health applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Estimating the useful life of intangible assets	Peninsula 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	At the end of each year, Peninsula Health assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. The health service considers a range of information when performing its assessment, including considering: <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</li> <li>• If the performance of the asset is or will be worse than initially expected.</li> </ul> Where an impairment trigger exists, the health service applies significant judgement and estimate to determine the recoverable amount of the asset.

**Note 4.1: Investments and Other Financial Assets**

	2021	2020
	\$'000	\$'000
<b>CURRENT</b>		
<b>Equities &amp; Managed Investments</b>		
Victorian Funds Management Corporation - Growth Fund	14,724	12,839
<b>Total Current</b>	<b>14,724</b>	<b>12,839</b>
Represented by:		
<b>Operating Fund</b>		
- Health Service Investments	14,724	12,839
<b>TOTAL</b>	<b>14,724</b>	<b>12,839</b>

**How we recognise investments and other financial assets**

Peninsula's Health's investments and other financial assets are made in accordance with Standing Direction 3.7.2 - Treasury Management, including the Central Banking System. Peninsula Health manages its investments and other financial assets in accordance with an investment policy approved by the Board.

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

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

Peninsula Health assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

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

**Note 4.2: Property, Plant and Equipment**

**(a) Gross carrying amount and accumulated depreciation**

	2021	2020
	\$'000	\$'000
<b>Land</b>		
- Land at Fair Value	83,517	70,819
- Land-Right of use at fair value	9,898	9,898
<b>Total Land</b>	<b>93,415</b>	<b>80,717</b>
<b>Buildings</b>		
- Buildings at Fair Value	315,959	313,720
Less Accumulated Depreciation	(17,592)	(8,669)
- Buildings-right of use at fair value	12,744	7,354
Less Accumulated Depreciation	(3,138)	(1,310)
<b>Total Buildings</b>	<b>307,973</b>	<b>311,095</b>
<b>Plant and Equipment</b>		
- Plant and Equipment at Fair Value	108,590	102,220
Less Accumulated Depreciation	(83,572)	(75,852)
<b>Total Plant and Equipment</b>	<b>25,018</b>	<b>26,368</b>
<b>Furniture and Fittings</b>		
- Furniture and Fittings at Fair Value	36,767	38,560
Less Accumulated Depreciation	(33,424)	(31,989)
<b>Total Furniture and Fittings</b>	<b>3,343</b>	<b>6,571</b>
<b>Motor Vehicles</b>		
- Motor Vehicles at Fair Value	5,595	5,135
Less Accumulated Depreciation	(2,190)	(1,788)
<b>Total Motor Vehicles</b>	<b>3,405</b>	<b>3,347</b>
<b>Right of use Plant and equipment</b>		
Right of use-plant and equipment at fair value	3,044	1,723
Less Accumulated Depreciation	(1,223)	(479)
<b>Total Right of use Plant and Equipment</b>	<b>1,821</b>	<b>1,244</b>
<b>Assets Under Construction</b>		
- Assets under construction at cost	12,660	4,203
<b>Total Assets Under Construction</b>	<b>12,660</b>	<b>4,203</b>
<b>TOTAL</b>	<b>447,635</b>	<b>433,545</b>

**Note 4.2: Property, Plant and Equipment continued**

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

	Land	Land - Right of use	Buildings	Buildings - Right of use	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Plant & Equipment - Right of use	Assets Under Construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2019</b>	64,371	9,898	310,124	2,791	31,194	7,949	1,808	1,723	1,870	431,728
Additions	-	-	3,592	4,563	5,325	1,597	2,263	-	2,333	19,673
Disposals	-	-	-	-	-	-	(338)	-	-	(338)
Transfer to Asset Held for Sale	-	-	-	-	-	-	(86)	-	-	(86)
Assets received free of charge	-	-	-	-	1,193	-	-	-	-	1,193
Transfers from Assets Under Construction	-	-	4	-	(4,279)	36	-	-	-	40
Asset reclassification	-	-	-	-	-	-	-	-	-	-
Revaluation increments/(decrements)	6,448	-	(8,669)	(1,310)	(7,065)	(3,011)	(300)	(479)	-	(6,448)
Depreciation (Note 4.4)	-	-	-	-	-	-	-	-	-	(20,834)
<b>Balance at 30 June 2020</b>	<b>70,819</b>	<b>9,898</b>	<b>305,051</b>	<b>6,044</b>	<b>26,368</b>	<b>6,571</b>	<b>3,347</b>	<b>1,244</b>	<b>4,203</b>	<b>433,545</b>
Additions	-	-	2,239	5,390	5,364	561	1,032	1,321	8,474	24,371
Disposals	-	-	-	-	-	-	(329)	-	-	(329)
Transfer out of Asset Held for Sale	-	-	-	-	-	-	86	-	-	86
Assets received free of charge	-	-	-	-	503	160	-	-	-	663
Transfers from Assets Under Construction	-	-	-	-	-	-	-	-	(23)	(23)
Asset reclassification	-	-	-	-	(370)	(2,354)	-	-	6	(2,718)
Revaluation increments/(decrements)	12,698	-	(8,923)	(1,828)	(6,847)	(1,595)	(731)	(744)	-	12,698
Depreciation (Note 4.4)	-	-	-	-	-	-	-	-	-	(20,668)
<b>Balance at 30 June 2021</b>	<b>83,517</b>	<b>9,898</b>	<b>298,367</b>	<b>9,606</b>	<b>25,018</b>	<b>3,343</b>	<b>3,405</b>	<b>1,821</b>	<b>12,660</b>	<b>447,635</b>

**Peninsula Health Annual Financial Statements 2021**

Notes to The Financial Statements for the financial year ended 30 June 2021

**Note 4.2: Property, Plant & Equipment continued**

**How we recognise property, plant and equipment**

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

**Initial Recognition**

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

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

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

**Subsequent measurement**

Items of property, plant and equipment (excluding right-of-use assets) are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable. Fair value is determined with reference to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset). Further information regarding fair value measurement is disclosed below.

**Revaluation**

Fair value is based on periodic valuations by independent valuers, which normally occur once every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate a material change in fair value has occurred. Where an independent valuation has not been undertaken at balance date, Peninsula Health perform a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

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

An independent valuation of Peninsula Health's property, plant and equipment was performed by the VGV on 30 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.

Subsequently, a managerial assessment of fair value of land and buildings as at 30 June 2021 indicated an increase in fair value of land of 15.73%, and accordingly a managerial revaluation adjustment of \$12.7m was required.

As the cumulative movement was greater than 10% for land and buildings since the last revaluation a managerial revaluation adjustment was required as at 30 June 2021.

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 in equity to the asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, the increment is recognised as income in the net result.

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

Revaluation decrements are recognised in 'other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. Revaluation surplus is not transferred to accumulated funds on de-recognition of the relevant asset, except where an asset is transferred via contributed capital.

**Impairment**

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

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

**Note 4.2: Property, Plant & Equipment continued**

**How we recognise right-of-use assets**

Where Peninsula 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 for further information), the contract gives rise to a right-of-use asset and corresponding lease liability. Peninsula 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 40 years
Leased buildings	2 to 10 years
Leased plant, equipment, furniture, fittings and vehicles	2 to 5 years

**Presentation of right-of-use assets**

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

**Initial recognition**

When a contract is entered into, Peninsula 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.

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.

Peninsula Health's plant and equipment lease agreements contain purchase options which the health service is reasonably certain to exercise at the completion of the lease.

Peninsula Health holds lease agreements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. The health service 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 Peninsula Health's dependency on such lease arrangements.

**Subsequent measurement**

Right-of-use assets are subsequently measured at fair value (per FRD 1031) 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).

**Impairment**

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

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

**Note 4.2: Property, Plant & Equipment continued**

**(c) Fair value measurement hierarchy for assets as at 30 June 2021**

	Carrying amount as at 30 June 2021	Fair value measurement at end of reporting period using:		
		Level 1 <sup>(i)</sup>	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
<b>Land at fair value</b>				
- Specialised land	83,517	-	-	83,517
<b>Right of use concessionary land at fair value</b>				
- Right of use concessionary land at fair value	9,898	-	-	9,898
<b>Buildings at fair value</b>				
- Specialised buildings	298,367	-	-	298,367
<b>Right of use buildings at fair value</b>				
- Right of use buildings at fair value	9,606	-	-	9,606
<b>Plant and equipment at fair value</b>				
- Plant and equipment	25,018	-	-	25,018
<b>Furniture and Fittings at fair value</b>				
- Office furniture, computers and leasehold improvements	3,343	-	-	3,343
<b>Motor Vehicles at fair value</b>				
- Vehicles	3,405	-	-	3,405
<b>Right of use PPE-furniture &amp; fittings and vehicles</b>				
	<b>433,154</b>	-	-	<b>433,154</b>

**(c) Fair value measurement hierarchy for assets as at 30 June 2020**

	Carrying amount as at 30 June 2020	Fair value measurement at end of reporting period using:		
		Level 1 <sup>(i)</sup>	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
<b>Land at fair value</b>				
- Specialised land	70,819	-	-	70,819
<b>Right of use concessionary land at fair value</b>				
- Right of use concessionary land at fair value	9,898	-	-	9,898
<b>Buildings at fair value</b>				
- Specialised buildings	305,051	-	-	305,051
<b>Right of use buildings at fair value</b>				
- Right of use buildings at fair value	6,044	-	-	6,044
<b>Plant and equipment at fair value</b>				
- Plant and equipment	26,368	-	-	26,368
<b>Furniture and Fittings at fair value</b>				
- Office furniture, computers and leasehold improvements	6,571	-	-	6,571
<b>Motor Vehicles at fair value</b>				
- Vehicles	3,347	-	-	3,347
	<b>428,098</b>	-	-	<b>428,098</b>

*Note*

*(i) Classified in accordance with the fair value hierarchy*

There have been no transfers between levels during the period.

**Note 4.2: Property, Plant & Equipment continued**

**How we measure fair value**

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

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

In addition, Peninsula 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.

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

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

**Valuation hierarchy**

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

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

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

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

**Identifying unobservable inputs (level 3) fair value measurements**

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

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

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

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

In accordance with paragraph 29 of *AASB 13 Fair Value Measurement*, Peninsula Health has assumed the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset. Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

**Non-specialised land and 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 the valuation was 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, Peninsula 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 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 Peninsula Health, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of Peninsula Health's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation was 30 June 2019.

**Vehicles**

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

**Note 4.2: Property, Plant & Equipment continued**

**Plant and Equipment**

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

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

Note 4.2: Property, Plant & Equipment continued

(d) Reconciliation of Level 3 fair value at 30 June 2021 <sup>(i)</sup>	Land	Buildings	Plant & Equipment	Furniture & Fittings	Motor Vehicles
<b>Opening Balance at 1 July 2020</b>	70,819	305,051	26,368	6,571	3,347
<b>Additions/(Disposals)</b>	-	2,239	5,867	721	789
<b>Transfers in/(out) of Level 3</b>	-	-	-	-	-
Gains or losses recognised in net result					
- Depreciation	-	(8,923)	(6,847)	(1,595)	(731)
- Impairment loss	-	-	(370)	(2,354)	-
<b>Subtotal</b>	70,819	298,367	25,018	3,343	3,405
Items recognised in other comprehensive income					
- Revaluation	12,698	-	-	-	-
<b>Subtotal</b>	12,698	-	-	-	-
	83,517	298,367	25,018	3,343	3,405
<b>Closing Balance at 30 June 2021</b>	<b>83,517</b>	<b>298,367</b>	<b>25,018</b>	<b>3,343</b>	<b>3,405</b>

(d) Reconciliation of Level 3 fair value at 30 June 2019 <sup>(i)</sup>	Land	Buildings	Plant & Equipment	Furniture & Fittings	Motor Vehicles
<b>Opening Balance at 1 July 2019</b>	64,371	310,124	31,194	7,949	1,808
<b>Additions/(Disposals)</b>	-	3,596	1,046	1,633	1,839
<b>Transfers in/(out) of Level 3</b>	-	-	1,193	-	-
Gains or losses recognised in net result					
- Depreciation	-	(8,669)	(7,065)	(3,011)	(300)
- Impairment loss	-	-	-	-	-
<b>Subtotal</b>	64,371	305,051	26,368	6,571	3,347
Items recognised in other comprehensive income					
- Revaluation	6,448	-	-	-	-
<b>Subtotal</b>	6,448	-	-	-	-
	70,819	305,051	26,368	6,571	3,347
<b>Closing Balance at 30 June 2020</b>	<b>70,819</b>	<b>305,051</b>	<b>26,368</b>	<b>6,571</b>	<b>3,347</b>

Note

<sup>(i)</sup> Classified in accordance with the fair value hierarchy, see Note 4.2 (c)

Note 4.2: Property, Plant & Equipment continued

e) Fair Value Determination

Asset class	Likely valuation approach	Significant inputs (Level 3 only) <sup>(i)</sup>
Specialised land	Market approach	Community Service Obligation (CSO)
Specialised buildings	Depreciated replacement cost	Direct cost per square metre Useful life of specialised buildings
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life
Vehicles	Depreciated replacement cost	Cost per unit Useful life

<sup>(i)</sup> A community Service Obligation (CSO) adjustment of 20% was applied to reduce the market approach value for the Health Service's specialised land.

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

(f) Property, Plant and Equipment Revaluation Surplus	2021	2020
	\$'000	\$'000
<b>Opening Balance at 1 July</b>	<b>158,333</b>	151,885
<b>Revaluation Increment</b>		
- Land	12,698	6,448
- Buildings	-	-
<b>Closing Balance at 30 June</b>	<b>171,031</b>	158,333
<b>Represented by:</b>		
- Land	65,832	53,134
- Buildings	105,199	105,199
	<b>171,031</b>	<b>158,333</b>

**Note 4.3: Depreciation and Amortisation**

	2021	2020
	\$'000	\$'000
<b>Depreciation</b>		
Buildings	8,923	8,669
Plant & Equipment	6,847	7,065
Furniture & Fittings	1,595	3,011
Motor Vehicles	731	300
Right of use assets		
- Right of use buildings	1,828	1,310
- Right of use plant, equipment and vehicles	744	479
<b>Total Depreciation</b>	<b>20,668</b>	<b>20,834</b>
<b>Amortisation</b>		
Software	4,391	4,160
<b>Total Amortisation</b>	<b>4,391</b>	<b>4,160</b>
<b>Total Depreciation and Amortisation</b>	<b>25,059</b>	<b>24,994</b>

**How we recognise depreciation**

All buildings, plant and equipment and other non-financial physical assets (excluding 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 a rate that allocates the asset 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 (in years) of non-current assets on which the depreciation and amortisation charges are based.

	2021	2020
Buildings		
- Structure Shell Building Fabric	45-60	45-60
- Site Engineering Services and Central Plant	20-30	20-30
Plant & Equipment	3-10	5-10
Furniture and Fitting	7-10	7-10
Motor Vehicles	3-4	4
Software	3-7	3-7
Right of use assets	2-10	2-10

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

**Note 5: Other Assets and Liabilities**

This section sets out those assets and liabilities that arise from Peninsula Health's operations

Structure

5.1 Receivables and contract assets

5.2 Payables and contract liabilities

**Covid-19 Impact**

The measurement of other assets and liabilities were impacted during the financial year which was partially attributable to the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

The following other assets and liabilities were impacted:

- Contract liabilities has increased due to the timing of the ability to provide the necessary services associated with the funding provided to Peninsula Health throughout the financial year.

**Key judgements and estimates**

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	Peninsula Health uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward- looking information to determine expected credit loss rates.
Measuring deferred capital grant income	Where Peninsula 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. Peninsula Health applies significant judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.
Measuring contract liabilities	Peninsula 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, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

**Note 5.1: Receivables and Contract Assets**

**a) Receivables and contract assets**

	2021 \$'000	2020 \$'000
<b>CURRENT RECEIVABLES AND CONTRACT ASSETS</b>		
<b>Contractual</b>		
Inter Hospital Debtors	188	134
Trade Debtors	10,191	10,065
Patient Fees	4,196	4,683
Contract Assets	2,128	1,922
Less Allowance for impairment losses of contractual receivables	(237)	(397)
<b>Total Contractual Receivables</b>	<b>16,466</b>	<b>16,407</b>
<b>Statutory</b>		
Long Service Leave - Department of Health	12,661	12,849
GST Receivable	1,901	1,564
<b>Total Statutory Receivables</b>	<b>14,562</b>	<b>14,413</b>
<b>TOTAL CURRENT RECEIVABLES</b>	<b>31,028</b>	<b>30,820</b>
<b>NON CURRENT RECEIVABLES AND CONTRACT ASSETS</b>		
<b>Contractual</b>		
Debtors	630	1,260
<b>Statutory</b>		
Long Service Leave - Department of Health	26,655	24,010
<b>TOTAL NON-CURRENT RECEIVABLES</b>	<b>27,285</b>	<b>25,270</b>
<b>TOTAL RECEIVABLES</b>	<b>58,313</b>	<b>56,090</b>

(i) Financial assets classified as receivables and contract assets (Note 7.1(a))

Total receivables and contract assets	58,313	56,090
Provision for impairment	237	397
Contract assets	(2,128)	(1,922)
GST receivable	(1,901)	(1,564)
Long service leave - Department of Health	(39,316)	(36,859)
<b>Total financial assets</b>	<b>15,205</b>	<b>16,142</b>

**(b) Movement in Allowance for impairment losses of contractual receivables**

	2021 \$'000	2020 \$'000
<b>Balance at beginning of year</b>	<b>(397)</b>	<b>(322)</b>
Amounts written off during the year	111	171
Increase/(decrease) in allowance recognised in net result	49	(246)
<b>Balance at end of year</b>	<b>(237)</b>	<b>(397)</b>

**How we recognise receivables**

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

**Statutory receivables**, which mostly includes 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. Peninsula 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.

Peninsula Health does not have 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.

**How we recognise contract assets**

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

**Note 5.1: Receivables and Contract Assets continued**

**(c) Contract assets**

	2021 \$'000	2020 \$'000
Contract assets		
Opening balance brought forward	1,922	111
Add: Additional costs incurred that are recoverable from the customer	2,128	1,922
Less: Transfer to trade receivable or cash at bank	(1,922)	(111)
<b>Total contract assets</b>	<b>2,128</b>	<b>1,922</b>
<i>Represented by</i>		
Current contract assets	2,128	1,922
<b>Total contract assets</b>	<b>2,128</b>	<b>1,922</b>

**Note 5.2: Payables and contract liabilities**

	2021 \$'000	2020 \$'000
<b>Current Payables and contract liabilities</b>		
<b>Contractual</b>		
Trade Creditors <sup>(i)</sup>	4,974	2,015
Salary Packaging	3,951	1,361
Accrued Salaries and Wages	5,878	20,929
Accrued Expenses	30,073	11,906
Deferred capital grant revenue	7,666	1,967
Contract Liabilities-income received in advance	12,210	2,108
<b>Total contractual payables</b>	<b>64,752</b>	<b>40,286</b>

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

	2021 \$'000	2020 \$'000
<b>Total payables and contract liabilities</b>	<b>64,752</b>	<b>40,286</b>
Deferred grant income	(7,666)	(1,967)
Contract liabilities	(12,210)	(2,108)
Department of Health	(3,323)	(4,950)
Deposits	(3,027)	(1,503)
<b>Total financial liabilities</b>	<b>38,526</b>	<b>29,758</b>

**How we recognise payables and contract liabilities**

Payables consist of:

- Contractual payables classified as financial instruments and measured at amortised cost. Accounts Payable and salaries and wages payable represent liabilities for goods and services provided to the Peninsula Health prior to the end of the financial year that are unpaid; and
- 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 a contract.

The normal credit terms for accounts payable are usually Net 30 days

**(a) Deferred capital grant revenue**

	2021 \$'000	2020 \$'000
Opening balance of deferred grant consideration received for capital works	1,967	65
Grant consideration for capital works received during the year	10,815	10,994
Revenue recognised as due to completion of capital works	(5,116)	(9,092)
<b>Closing balance of deferred grant consideration received for capital works</b>	<b>7,666</b>	<b>1,967</b>

**How we recognise deferred capital grant revenue**

Grant consideration was received from DoH to support the construction of PPE. Capital grant revenue is recognised progressively as the asset is constructed, since this is the time when Peninsula Health satisfies its obligations. The progressive percentage of costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result, Peninsula Health has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Peninsula Health expects to recognise all of the remaining deferred capital grant revenue for capital works by 30 June 2022

**Note 5.2: Payables and contract liabilities continued**

**(b) Contract liabilities - income received in advance**

	2021	2020
	\$'000	\$'000
Opening balance of contract liabilities	2,108	-
Payments received for performance obligations not yet fulfilled	672,203	608,725
Revenue recognised for the completion of a performance obligation	(662,100)	(606,617)
<b>Total contract liabilities</b>	<b>12,210</b>	<b>2,108</b>

**How we recognise contract liabilities**

Contract liabilities include consideration received in advance from customers in respect of healthcare services to be provided by Peninsula Health. The balance of contract liabilities was significantly higher than the previous reporting period due to the inability to provide services due to Covid-19 related delays.

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 7.1(b) for the financial liabilities maturity analysis

**Note 6: How We Finance Our Operations**

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

**Covid-19 Impact**

Our finance and borrowing arrangements were not materially impacted by the COVID-19 coronavirus pandemic because the health service's response was funded by Government.

**Key judgements and estimates**

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	Peninsula 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>
Determining if a lease meets the short-term or low value asset lease exemption	Peninsula Health applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	Peninsula 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, Peninsula Health uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Peninsula Health is reasonably certain to exercise such options. Peninsula Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: <ul style="list-style-type: none"> <li>• If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease.</li> <li>• If any leasehold improvements are expected to have a significant remaining value, Peninsula Health is typically reasonably certain to extend (or not terminate) the lease.</li> <li>• The Peninsula Health considers historical lease durations and the costs and business disruption to replace such leased assets.</li> </ul>

**Note 6.1: Borrowings**

	2021 \$'000	2020 \$'000
<b>CURRENT</b>		
Treasury Corporation of Victoria Borrowings	1,295	1,232
Lease liability	4,116	3,754
DH Loan	1,662	1,662
Cash Received in advance	-	25,480
	<b>7,073</b>	<b>32,128</b>
<b>NON CURRENT</b>		
Treasury Corporation of Victoria Borrowings	18,581	19,887
Lease liability	11,090	7,102
DH Loan	3,323	4,950
	<b>32,994</b>	<b>31,939</b>
<b>TOTAL BORROWINGS</b>	<b>40,067</b>	<b>64,067</b>

The terms and conditions of the 2 TCV interest bearing borrowings are:

- 15 year repayment period at a fixed interest rate of 4.80%
- 20 year repayment period at a fixed interest rate of 3.83%

The DHHS Loan is interest free with a 6 year repayment period.

Leases are secured by the assets leased. Leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Finance costs of the Peninsula Health incurred during the year are accounted for as follows:

	2021 \$'000	2020 \$'000
- Interest on long term borrowings (recognised as a finance cost - self funded activity)	848	952

**(a) Maturity analysis of borrowings**

Please refer to Note 7.1(b) for the Financial Liabilities Maturity Analysis.

**(b) Defaults and breaches**

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

**Lease Liabilities**

	Minimum future lease payments		Present value of minimum future lease payments	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Not later than one year	4,372	3,378	4,116	3,163
Later than 1 year and not later than 5 years	9,269	7,958	9,008	7,679
Later than 5 years	2,125	14	2,082	14
Minimum lease payments	<b>15,766</b>	<b>11,350</b>	<b>15,206</b>	<b>10,856</b>
Less future finance charges	(560)	(494)	-	-
<b>TOTAL</b>	<b>15,206</b>	<b>10,856</b>	<b>15,206</b>	<b>10,856</b>

Included in the financial statements as:

	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current borrowings - lease liability	-	-	4,116	3,163
Non-current borrowings - lease liability	-	-	11,090	7,693
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>15,206</b>	<b>10,856</b>

The weighted average interest rate implicit in the finance lease is 3.7% (2020: 4.5%).

**Note 6.1: Borrowings continued**

**How we recognise borrowings**

Borrowings refer to interesting 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 Peninsula 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'.

**How we recognise lease liabilities**

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

To apply this definition, Peninsula 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 Peninsula Health and for which the supplier does not have substantive substitution rights
- Peninsula 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 Peninsula Health has the right to direct the use of the identified asset throughout the period of use and
- Peninsula Health has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Peninsula Health's lease arrangements consist of the following:

Type of lease asset leased	Lease term
Leased land	2 to 10 years
Leased building	2 to 10 years
Leased plant, equipment, furniture, fittings and vehicles	2 to 4 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 lease asset leased	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	Computer equipment
Short-term lease payments	Leases with a term of 12 months or less	Property leases

**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 Peninsula Health's incremental borrowing rate. Our lease liability has been discounted by rates of between 1% to 5%.

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.
- The following types of lease arrangements, contain extension and termination options:
- Printer and copier lease asset

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.

**Note 6.1: Borrowings continued**

**Subsequent measurement**

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

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

**Leases with significantly below market terms and conditions**

Peninsula Health holds lease arrangements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. These are commonly referred to as a peppercorn or concessionary lease arrangement. The nature and terms of such lease arrangements, including Peninsula Health's dependency on such lease arrangements is described below:

Description of leased asset	Our dependence on lease	Nature and terms of lease
Land and buildings located at 17-23 Yullie Street Frankston, 87-91 Beach Street Frankston and 185 High Street Hastings	The lease of land and buildings are the premises from which Peninsula Health provides a part of its healthcare services. Peninsula Health's dependence on this lease is high. This level of dependency stems from the inability for Peninsula Health to source an equivalent substitute site with equal facilities and amenities within a comparable area for the given value.	These leases are leased from the Department of Health under the arrangement of Peninsula Health continuing to provide healthcare services to the community.

**Note 6.2: Cash and Cash Equivalents**

	2021 \$'000	2020 \$'000
Cash on Hand	23	25
Cash at Bank - CBS	44,176	38,798
<b>TOTAL</b>	<b>44,200</b>	<b>38,823</b>
<b>Represented by:</b>		
Cash for Health Service Operations	41,155	37,303
Patient Monies	18	17
Accommodation Deposits	3,027	1,503
<b>TOTAL</b>	<b>44,200</b>	<b>38,823</b>

**How we recognise cash and cash equivalents**

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and highly liquid investments (with an original maturity 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 with an insignificant risk of changes in value.

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

**Note 6.3: Commitments for Expenditure**

	2021 \$'000	2020 \$'000
<b>Capital Expenditure Commitments</b>		
Not later than one year	10,158	-
<b>Total Capital commitments inclusive of GST</b>	<b>10,158</b>	<b>-</b>
Less GST recoverable from the Australian Tax Office	923	-
<b>Total Capital commitments exclusive of GST</b>	<b>9,235</b>	<b>-</b>
<b>Operating Expenditure and Short Term and Low Value Lease Commitments</b>		
<b>Non-Cancellable</b>		
Not later than one year	13,537	10,817
Later than one year and not later than 5 years	16,528	28,394
Later than 5 years	25	1,414
<b>Total Operating commitments inclusive of GST</b>	<b>30,090</b>	<b>40,625</b>
Less GST recoverable from the Australian Tax Office	2,735	3,693
<b>Total Operating commitments exclusive of GST</b>	<b>27,355</b>	<b>36,932</b>

**How we disclose our commitments**

Our commitments relate to expenditure, 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 individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

Peninsula 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 6.2 for further information.

Peninsula Health has entered into commercial leases on certain medical equipment, computer equipment and property where it is not in the interest of Peninsula Health to purchase these assets. These leases have an average life of between 1 and 5 years with renewal terms included in the contracts. Renewals are at the option of Peninsula Health. There are no restrictions placed upon the lessee by entering into these leases.

**Note 7: Risks, Contingencies and Valuation Uncertainties**

Peninsula 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 risk) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for Peninsula Health is related mainly to fair value determination.

**Structure**

- 7.1 Financial Instruments
- 7.2 Financial risk management objectives and policies

**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 Peninsula 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.

**(a) Categorisation of financial instruments**

2021	Note	Financial Assets at Amortised Cost	Financial Assets at Fair Value Through Net Result	Financial Liabilities at Amortised Cost	\$'000
<b>Financial Assets</b>					
Cash and Cash Equivalents	6.2	44,200	-	-	44,200
Receivables	5.1	15,205	-	-	15,205
Other Financial Assets	4.1	-	14,724	-	14,724
<b>Total Financial Assets (i)</b>		<b>59,405</b>	<b>14,724</b>	<b>-</b>	<b>74,129</b>
<b>Financial Liabilities</b>					
Payables	5.2	-	-	38,526	38,526
Borrowings	6.1	-	-	40,067	40,067
Accommodation Bonds		-	-	3,047	3,047
<b>Total Financial Liabilities (ii)</b>		<b>-</b>	<b>-</b>	<b>81,640</b>	<b>81,640</b>
<b>2020</b>					
2020	Note	Financial Assets at Amortised Cost	Financial Assets at Fair Value Through Net Result	Financial Liabilities at Amortised Cost	\$'000
<b>Financial Assets</b>					
Cash and Cash Equivalents	6.2	38,823	-	-	38,823
Receivables	5.1	16,142	-	-	16,142
Other Financial Assets	4.1	-	12,839	-	12,839
<b>Total Financial Assets (i)</b>		<b>54,965</b>	<b>12,839</b>	<b>-</b>	<b>67,804</b>
<b>Financial Liabilities</b>					
Payables	5.2	-	-	29,758	29,758
Borrowings	6.1	-	-	64,067	64,067
Accommodation Bonds		-	-	1,503	1,503
Other Liabilities		-	-	17	17
<b>Total Financial Liabilities (ii)</b>		<b>-</b>	<b>-</b>	<b>95,345</b>	<b>95,345</b>

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. GST input tax credit recoverable)  
(ii) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes payable/receivable)

**How we categorise financial instruments**

**Categories of financial assets**

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through net result, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted.

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

**Financial assets at amortised cost**

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

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

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

Peninsula Health recognises the following assets in this category:

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

**Peninsula Health Annual Financial Statements 2021**

Notes to The Financial Statements for the financial year ended 30 June 2021

**Note 7.1: Financial Instruments continued**

**Financial assets at fair value through net result**

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

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

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

Peninsula Health recognises has designated all managed investment schemes as fair value through net result.

**Categories of financial liabilities**

Financial liabilities are recognised when Peninsula 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 at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

**Financial liabilities at amortised cost**

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

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

**Offsetting financial instruments:** Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, Peninsula Health has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously

**Derecognition of financial assets**

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

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

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

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

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

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

**Derecognition of financial liabilities**

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

**Reclassification of financial instruments**

A financial asset is required to be reclassified between fair value between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, Peninsula Health's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

**Peninsula Health Annual Financial Statements 2021**

Notes to The Financial Statements for the financial year ended 30 June 2021

**Note 7.2: Financial risk management objectives and policies**

As a whole, Peninsula 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.

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

**(a) Credit risk**

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

Credit risk associated with Peninsula Health's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, the health service is exposed to credit risk associated with patient and other debtors. In addition, Peninsula 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, Peninsula 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 Peninsula 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 Peninsula Health's maximum exposure to credit risk without taking account of the value of any collateral obtained.

2020	Note	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
Expected loss rate		0.4%	2.9%	6.6%	8.2%	44.6%	
Gross carrying amount of contractual receivables	5.1	11,384	1,502	2,986	820	112	16,804
<b>Loss allowance</b>		<b>41</b>	<b>43</b>	<b>196</b>	<b>67</b>	<b>50</b>	<b>397</b>

2021	Note	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
Expected loss rate		0.3%	1.2%	2.5%	4.3%	37.5%	
Gross carrying amount of contractual receivables	5.1	10,282	3,425	1,766	1,001	229	16,703
<b>Loss allowance</b>		<b>33</b>	<b>40</b>	<b>44</b>	<b>43</b>	<b>77</b>	<b>237</b>

There has been no material change to Peninsula Health's credit risk profile in 2020-21

**Impairment of financial assets under AASB 9 Financial Instruments**

Peninsula 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 the health service's contractual 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**

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

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

**Reconciliation of the movement in the loss allowance for contractual receivable**

	Note	2021	2020
<b>Balance at beginning of the year</b>			-
<b>Opening Loss Allowance</b>	5.1	(397)	(322)
Modification of contractual cash flows on finance assets			-
Increase/(Decrease) in provision recognised in the net result		49	(246)
Reversal of provision of receivables written off during the year as uncollectable		111	171
Reversal of unused provision recognised in the net result			-
<b>Balance at end of the year</b>	5.1	<b>(237)</b>	<b>(397)</b>

**Peninsula Health Annual Financial Statements 2021**

Notes to The Financial Statements for the financial year ended 30 June 2021

**Note 7.2: Financial risk management objectives and policies continued**

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

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

**Statutory receivables at amortised cost**

The Peninsula 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 Financial Instruments* requirements as if those receivables are financial instruments.

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses.

**(b) Liquidity risk**

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

Peninsula 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. The health service manages its liquidity risk by:

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

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

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

**Maturity analysis of Financial Liabilities as at 30 June**

	Note	Carrying Amount \$'000	Nominal Amount \$'000	Maturity Dates			
				Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000
<b>2021</b>							
<b>Financial Liabilities</b>							
<i>At amortised cost</i>							
Payables	5.2	38,526	38,526	34,575	1,975	1,975	-
Borrowings	6.1	40,067	48,590	-	1,353	5,720	41,517
Other Financial Liabilities							
- Accommodation Deposits		3,027	3,027	3,027	-	-	-
- Other		18	18	18	-	-	-
<b>Total Financial Liabilities</b>		<b>81,638</b>	<b>90,161</b>	<b>37,620</b>	<b>3,328</b>	<b>7,696</b>	<b>41,517</b>
<b>2020</b>							
<b>Financial Liabilities</b>							
<i>At amortised cost</i>							
Payables	5.2	29,758	29,758	27,582	1,294	882	-
Borrowings	6.1	64,067	65,363	-	1,247	30,882	33,235
Other Financial Liabilities							
- Accommodation Deposits		1,503	1,503	1,503	-	-	-
- Other		17	17	17	-	-	-
<b>Total Financial Liabilities</b>		<b>95,345</b>	<b>96,641</b>	<b>29,102</b>	<b>2,541</b>	<b>31,764</b>	<b>33,235</b>

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

**(c) Market risk**

Peninsula Health's exposures to market risk are primarily through interest rate risk, foreign currency risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

**Sensitivity disclosure analysis and assumptions**

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

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

**Peninsula Health Annual Financial Statements 2021**

Notes to The Financial Statements for the financial year ended 30 June 2021

**Note 7.2: Financial risk management objectives and policies continued**

**Interest rate risk**

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

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

**Foreign currency risk**

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period.

Peninsula Health has minimal exposure to foreign currency risk

**Note 8: Other Disclosures**

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

**Structure**

- 8.1 Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities
- 8.2 Responsible persons disclosure
- 8.3 Remuneration of Executives Officers
- 8.4 Related Parties
- 8.5 Remuneration of Auditors
- 8.6 Ex Gratia Payments
- 8.7 Events Occurring after the Balance Sheet Date
- 8.8 Equity
- 8.9 Economic Dependency

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

	2021	2020
	\$'000	\$'000
<b>Net Result for the Year</b>	<b>(6,303)</b>	<b>(25,911)</b>
<b>Non-cash movements</b>		
Depreciation & Amortisation	25,059	24,994
Non-Cash Revaluation of Long Service Leave	(2,048)	347
Assets received free of charge	(8,031)	(1,192)
Net Loss/(Gain) of Financial Instruments	1,899	783
<b>Movements included in investing and financing activities</b>		
Net (Gain)/Loss from Sale of Plant and Equipment	(314)	(398)
<b>Movements in Assets &amp; Liabilities</b>		
- Increase/(Decrease) in Payables and Contract Liabilities	5,053	3,134
- Increase/(Decrease) in Provisions	6,256	10,994
- (Increase)/Decrease in Inventories	(391)	(682)
- (Increase)/Decrease in Receivables and Contract Assets	4,103	(5,681)
- (Increase)/Decrease in Prepayments	(1,480)	(415)
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>23,803</b>	<b>5,973</b>

**Note 8.2: Responsible persons disclosures**

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

	Period	
<b>The Honourable Martin Foley:</b>		
Minister for Mental Health	1-Jul-2020	29-Sep-2020
Minister for Health	26-Sep-2020	30-Jun-2021
Minister for Ambulance Services	26-Sep-2020	30-Jun-2021
Minister for the Coordination of Health and Human Services: COVID-19	26-Sep-2020	9-Nov-2020
<b>The Honourable Jenny Mikakos:</b>		
Minister for Health	1-Jul-2020	26-Sep-2020
Minister for Ambulance Services	1-Jul-2020	26-Sep-2020
Minister for the Coordination of Health and Human Services: COVID-19	1-Jul-2020	26-Sep-2020
<b>The Honourable Luke Donnellan:</b>		
Minister for Child Protection	1-Jul-2020	30-Jun-2021
Minister for Disability, Ageing and Carers	1-Jul-2020	30-Jun-2021
<b>The Honourable James Merlino:</b>		
Minister for Mental Health	29-Sep-2020	30-Jun-2021
<b>Governing Board</b>		
Ms Diana Heggie	1-Jul-2020	30-Jun-2021
Dr Alison Dwyer	1-Jul-2020	30-Jun-2021
Dr Nathan Pinskiar	1-Jul-2020	30-Jun-2021
Ms Rita Cincotta	1-Jul-2020	30-Jun-2021
Ms Allison Smith	1-Jul-2020	30-Jun-2021
Ms Kirsten Mander	1-Jul-2020	30-Jun-2021
Mr Hamish Park	1-Jul-2020	30-Jun-2021
Ms Karen Corry	1-Jul-2020	30-Jun-2021
Ms Sylvia Hadjiantoniou	1-Jul-2020	30-Jun-2021
<b>Accountable Officer</b>		
Felicity Topp	1-Jul-2020	30-Jun-2021

**(b) Remuneration of Responsible Persons & Accountable Officer**

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

	2021 No.	2020 No.
<b>Income Band</b>		
\$0 - \$10,000	1	1
\$40,000 - \$49,999	7	7
\$80,000 - \$89,999	1	1
\$370,000 - \$379,999	0	1
\$450,000 - \$459,999	1	0
<b>Total Numbers</b>	<b>10</b>	10
	<b>\$'000</b>	<b>\$'000</b>
Total remuneration for the reporting period for Responsible Persons included above amounted to:	<b>825</b>	780

Amounts relating to Responsible Ministers are reported in the financial statements of the Department of Parliamentary Services' Financial Report.

**Note 8.3: Remuneration of Executives**

**Executive Officer Remuneration**

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

	2021 \$'000	2020 \$'000
<b>Remuneration</b>		
Short term employee benefits	1,909	1,698
Post-employment benefits	136	136
Other long-term benefits	62	52
Termination benefits	176	0
<b>Total remuneration (i)</b>	<b>2,283</b>	1,886
<b>Total number of executives</b>	<b>8</b>	10
<b>Total annualised employee equivalent (ii)</b>	<b>6.0</b>	5.7

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

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

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

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

**Short-term Employee Benefits**

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

**Post-employment Benefits**

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

**Other Long-term Benefits**

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

**Termination Benefits**

Termination of employment payments, such as severance packages.

**Other factors**

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated, and a number of executive officers retired, resigned or were retrenched in the past year. This has had a significant impact on remuneration figures for the termination benefits category.

**Peninsula Health Annual Financial Statements 2021**

Notes to The Financial Statements for the financial year ended 30 June 2021

**Note 8.4: Related Parties**

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

- All key management personnel (KMP) and their close family members;
- All cabinet ministers and their close family members; and
- All hospitals and public sector entities that are controlled and consolidated into the State of Victoria consolidated financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of Peninsula Health directly or indirectly. Key management personnel (KMP) of Peninsula Health include the Portfolio Ministers and Cabinet Ministers and KMP as determined by Peninsula Health. The Board of Directors and the Executive Directors of Peninsula Health are deemed to be KMPs.

The compensation detailed below is reported in \$'000 and excludes the salaries and benefits the Portfolio Ministers received. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968*, and is reported within the Department of Parliamentary Services' Financial Report.

	2021	2020
	\$'000	\$'000
<b>Compensation</b>		
Short term employee benefits	2,701	2,413
Post-employment benefits	156	90
Other long-term benefits	75	63
Termination benefits	176	-
<b>Total Key Management Personnel Compensation</b>	<b>3,108</b>	<b>2,666</b>
<b>Total Number of Key Management Personnel</b>	<b>18</b>	<b>20</b>

KMPs are also reported in Note 8.3 Responsible Persons Disclosures and 8.4 Executive Officer Disclosures.

**Significant transactions with Government related entities**

All related party transactions have been entered into on an arm's length basis. Peninsula Health recorded the following major expenditure transactions with other Government Entities:

Related entity	Nature of transaction	Category	Note	2021	2020
				\$'000	\$'000
	Government Grants	Income	2.1	673,432	578,086
	Inventory for no Consideration	Income	2.1	7,368	581
	Long Service Leave	Debtors	5.1	39,316	36,859
<b>Department of Health</b>	EPC Project loan	Borrowings	6.1	4,985	6,612
<b>Alfred Health</b>	Payment for Renal Dialysis Services	Expenses	3.1	2,439	2,422
		Payables	5.2	385	419
<b>Monash Health</b>	Payment for Food Supplies	Expenses	3.1	2,246	2,114
		Payables	5.2	129	124
<b>Ambulance Victoria</b>	Payment for Patient Transport	Expenses	3.1	1,890	1,947
		Payables	5.2	173	149
<b>TCV</b>	Payment of Interest on Loan	Expenses	3.1	850	907
	TCV Borrowings	Borrowings	6.1	19,876	21,119
<b>VMIA</b>	Medical indemnity insurance	Expenses	3.1	10,802	9,974
<b>VicFleet</b>	Lease liability	Borrowings	6.1	3,426	3,441

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the Public Administration Act 2004 and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with Peninsula Health, there were no other 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 2019. There were no related party transactions required to be disclosed for Peninsula Health Board of Directors, Chief Executive Officer and Executive Directors in 2019.

**Peninsula Health Annual Financial Statements 2021**

Notes to The Financial Statements for the financial year ended 30 June 2021

**Note 8.5: Remuneration of Auditors**

	2021	2020
	\$'000	\$'000
<b>Victorian Auditor-General's Office</b>		
Audit of the Financial Statements	103	103
<b>Total Remuneration of auditors</b>	<b>103</b>	<b>103</b>

**Note 8.6: Ex Gratia Payments**

	2021	2020
	\$'000	\$'000
Peninsula Health has made the following ex gratia payments:		
- Ex gratia payments	4	8
<b>Total Paid</b>	<b>4</b>	<b>8</b>

**Note 8.7: Events Occurring after the Balance Sheet Date**

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Peninsula Health at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Peninsula Health, its operations, its future results and financial position. This event does not affect amounts recognised in the 2020/21 financial statements. At this stage, it is not possible to estimate what affect this will have on the Peninsula Health's financial performance during 2021/22. Any future changes to Peninsula Health's operations in to response to COVID-19 will be directed by the Victorian Government.

**Note 8.8: 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 Peninsula 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.

**Specific restricted purpose reserves**

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

**Note 8.9: Economic Dependency**

Peninsula 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 Peninsula Health adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to 30 September 2022. On that basis, the financial statements have been prepared on a going concern basis.

Peninsula Health's current asset ratio continues to be below an adequate short term position (2021: 0.47 and 2020: 0.47) while cash generated from operations has improved from a \$5.9 m surplus in 2020 to a \$23.8m surplus in 2021 and cash reserves have moved from \$38.8 m in 2020 to \$44.2 m in 2021.



**Peninsula  
Health**



We are proudly inclusive.



Peninsula Health is child safe.



**Peninsula Health**

ABN 52 892 860 159  
Hastings Road, PO Box 52,  
Frankston VIC 3199  
Ph (03) 9784 7777  
[peninsulahealth.org.au](http://peninsulahealth.org.au)

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PO Box 52, Frankston VIC 3199.