



Peninsula  
Health



Frankston Public Surgical Centre

Annual  
Report  
**2023**

# Our Strategic Priorities

We aim to achieve our purpose by focusing on five strategic priorities:



## OUR CARE

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.



## OUR PEOPLE

We will create remarkable opportunities for the development and wellbeing of our people who together contribute to improving the health of our community.



## OUR COMMUNITY

We will work together with our community and partners to become the leader for integrated health care.



## OUR IDEAS

We will harness the great ideas from our people to help us to learn, improve, innovate and deliver exceptional care.



## OUR WORKPLACE

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

We would like to acknowledge Aboriginal and Torres Strait Islander people as the First Peoples and Traditional Owners and Custodians of this Land. We pay our respects to the ancestors of this country, Elders, Knowledge Holders and Leaders, past, present and emerging. We extend that respect to all Aboriginal and Torres Strait Islander people. We at Peninsula Health acknowledge the local Traditional Owners the Bunurong and the Boon Wurrung and the people of the Kulin Nation.

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**99,686**

people attended our  
Emergency Departments



**20,877**

surgeries were performed  
by surgeons



**94,060**

people were treated  
in our hospitals



**39,753**

people were admitted  
to hospital from our  
emergency departments



**2,502**

babies were born



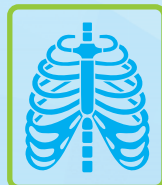
**21,608**

children were cared for in our  
Emergency Departments



**99,713**

prescription items were  
dispensed from our Pharmacy



**157,059**

x-rays and scans  
were performed



**14,175**

patients were treated in our  
Dental Clinics



Over **47,864**

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



**3,312**

people received care  
in their home with our  
At Home services



**4,760**

sole workers were kept safe by  
MePACS in the community

Data may include some patients who were treated more than once.

## Introduction

We are pleased to present the 2023 Annual Report to our community, staff, volunteers, partners and the Government. This Report provides detail on Peninsula Health's strategic, operational and financial performance for the year ended 30 June 2023.

While the COVID-19 pandemic has once again challenged us over the last 12 months, we have enjoyed many highlights for the service, including the opening of two new significant facilities for Peninsula Health: Frankston Public Surgical Centre and Tarnbuk Centre. Work on the Frankston Hospital Redevelopment has continued, with many of the internal design components now confirmed, alongside the initial construction foundations on the site.

Two of our staff members have been recognised with significant professional appointments during the reporting period, demonstrating the high level of expertise and leadership that is prevalent in our people. We were also delighted to see a long-serving member of our consumer advisor group awarded a much-deserved Medal of the Order of Australia (OAM) in the King's Birthday honours in June.

We have enjoyed another successful period in delivering large aspects of our Strategic Plan 2019-2023. Throughout our Annual Report, you will find details of how our people are innovating with new models of care, exploring new opportunities for research, and how we are continuing to meet the demands of our community both now and in the years ahead.



We have enjoyed another successful period in delivering large aspects of our *Strategic Plan 2019-2023*.

*Patient Jennifer receiving clinical care in her home from patient-liaison cancer nurse, Nathan Dorembus*

# Capital Works, Services and Planning

One of the most significant events of the year occurred just metres down the road from Frankston Hospital, when Peninsula Health took over the Frankston Private Hospital from Healthscope, creating the Frankston Public Surgical Centre.

Working with the Victorian Government, we were able to maintain the staff working in the hospital, and welcome them to Peninsula Health, when the facility was opened by the Premier and the Minister for Health in September. Two additional theatres have been developed over the last 12 months, with these scheduled to open in the coming weeks. Once fully operational, 9,000 elective surgeries and endoscopies will be performed annually at the new public surgical campus.

Despite the difficulties faced with the COVID-19 pandemic and the associated interruptions, we have continued to make significant progress with the redevelopment of Frankston Hospital. Working closely with our partners Exemplar Health and the Victorian Health Building Authority, we are moving closer to delivering the new hospital and the expansion in capacity and services that the community needs.

From a capital perspective, much of the last year has involved piling and foundation works on the area of the old tennis courts, adjacent to the Emergency Department, Mental Health building and Surgical Services suite on Yuille Street. In November, a piling rig fell onto the roof of the Mental Health building, causing some significant damage, although thankfully no-one was injured. While the incident is still under investigation by WorkSafe Victoria, it was extraordinary to witness the incredible response of our people in dealing with such an emergency. Within minutes, everyone had been evacuated and was safe. Over the next few months, the Mental Health team provided services from different sites, while rectification work was completed on the building. As we near the end of June, all our clients and staff are back in the repaired building which is a great testament to the resilience and professionalism of everyone in the Mental Health team.

Two additional theatres have been developed over the last 12 months, with these scheduled to open in July 2023.



*A surgery team conducting a procedure at the Frankston Public Surgical Centre*

In February, construction on the new multi-storey car park commenced, which we plan to open in May 2024; this will be the first significant part of the redevelopment to be completed. We have also begun major work on transforming our Emergency Department including the creation of an area specifically for our paediatric patients and the development of an alcohol and other drug area within this department. We remain on track to complete the hospital redevelopment in late 2025, opening early 2026.

Our new co-located Alcohol and Other Drugs and Community Mental Health and Wellbeing facility, the Tarnbuk Centre, officially opened in August 2022 with the then Minister for Mental Health, Gabrielle Williams in attendance, alongside executive, senior staff and local Indigenous elders. The opening of this new site has allowed us to close our old building at Davey Street, Frankston, with staff and clients now enjoying the vastly improved amenity at the Tarnbuk Centre.

In another significant, but separate development at Frankston Hospital, a new dedicated Mammography suite is under construction. The new suite will house a public diagnostic breast-imaging service, including mammography services, ultrasound and biopsy. This service will operate five days per week, providing a calm and welcoming environment for our community. A new Simulation Centre for training and education is also being built for staff and consumer use, as part of the project that will be completed in the coming months.

## Celebrating Our People

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In May, we were visited by the assessment team from the Australian Council on Healthcare Standards. The short-notice survey assessment program (SNAP) gives our teams 24 hours' notice of a visit, to ensure that health services are always accreditation-ready.

For the first time in Victoria, the SNAP accreditation visit assessed us on all eight national healthcare standards, matching our accomplishment in being the first health service to undergo a short-notice assessment in 2019. Our Clinical Governance Framework, Peninsula Care, is the driver of the care we deliver, and our people's commitment to Peninsula Care is as steadfast as their commitment to delivering great care to our community. The assessors were impressed by what they witnessed first-hand across the health service, and re-accredited us against all eight national standards with no recommendations. This was a huge vote of confidence, not only in our people, but also in the processes, policies and procedures that we have in place.

Two senior members of staff have been recognised this year with significant professional appointments. Consultant Psychiatrist, Dr Astha Tomar, has been appointed President-Elect of the Royal Australian and New Zealand College of Psychiatrists. Astha's term began in May and will conclude in May 2025, when she will assume the role of President of the college for the following two years. Astha is the first woman of colour to be the President of any medical specialist college in Australia, and the first Indian woman to be the President of any psychiatric specialist college in the world, outside of India. Our Clinical Director of Obstetrics and Gynaecology, Dr Nisha Khot, has been appointed the Vice President of The Royal Australian and New Zealand College of Obstetricians and Gynaecologists. Nisha will take up her appointment in November.

In August, Dr Stephanie Than won the **Australian and New Zealand Society of Geriatric Medicine Career Investigator** prize at the annual Scientific Meeting in Perth. Stephanie was recognised for her oral presentation entitled 'Cognitive trajectories during the menopausal transition'. This is part of her PhD work at the National Centre for Healthy Ageing and the Peninsula Clinical School.

Our Family Violence team was a finalist in the Victorian Public Healthcare Awards in October, which was significant recognition for the excellent work the social work group has done in this difficult area of healthcare. Also in October, Frankston Hospital was recognised for its excellence in caring and treating patients with stroke, at the 2022 National Stroke Quality Improvement Workshop in Melbourne. The awards recognise hospitals that achieve best-practice stroke clinical care across a number of indicators.

Eight staff members were recognised at our quarterly Service Awards during the year for their long tenure at Peninsula Health over 40, 45 and even, in the case of senior paediatric nurse, Helen Hutchins, 50 years. We congratulate the extraordinary commitment of these staff members in serving both their local community and Peninsula Health over such a long period of time.

We were delighted to see one of our dedicated and long-serving consumer advisors, Pauline D'Astoli, awarded the Medal of the Order of Australia in the King's Birthday Honours in June. Pauline has been an extraordinary, longstanding consumer advisor at Peninsula Health, volunteering her time to advocate for others, particularly in relation to mental health services and bringing the consumer voice to the future direction of our services in all elements of planning, development and evaluation. Pauline's leadership of the Community Advisory Committee in recent years, and her ability to listen, engage and act has resulted in organisational improvements towards a more person-centred approach.

## Community Engagement

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It has been a source of great joy to see so many of our volunteers and consumer advisors return to their roles at our hospitals and healthcare sites across our region.

The Pink Ladies Auxiliary café at Frankston Hospital has enjoyed its first full year of providing for our staff and community since 2019, much to the delight of Peninsula Health staff members, visitors and patients. There is no doubt about the joy that the presence of teams like the Pink Ladies brings to everyone in our health service.

Throughout the year, staff members have had to pivot between online and face-to-face meetings, and this has been the same for our consumer advisors, meeting as Community Advisory Groups and the Community Advisory Committee. Despite these interruptions, all our consumer advisors remain dedicated to their roles, and we thank and acknowledge them for their continued efforts.

For our visitors too, there is nothing like a friendly welcome from a volunteer, whether it is at the main entrance, in one of our Emergency Departments, or on the wards. Being in hospital at any time is tough on families and patients, so to have such a dedicated group of volunteers, so giving of their time, is quite remarkable and we are very grateful to them. We were delighted to celebrate this commitment by holding the Volunteer and Consumer Advisor Appreciation Day Luncheon in May, and we look forward to continuing to work with our consumer advisors and volunteers over the next 12 months.

In February, we were pleased to host our first in-person Annual General Meeting (AGM) for more than three years. Around 200 people joined us at Mornington Racecourse to hear of some of the achievements of our health service over the previous 12 months, including a key note address from our Professor of Medicine, and Director of the National Centre for Healthy Ageing, Velandai Srikanth. There were many familiar faces from our consumer advisor and volunteer teams, as we recognised all our people who had volunteered for 10 years with Life Governorship at Peninsula Health.





... every staff member at Peninsula Health is responsible for ensuring we create and maintain a culturally safe environment

*Staff members Robyn Holmes, Mackenzie Pierce, Belinda Berry and Kunal Mahajan wearing Peninsula Health's new uniforms, which have been designed by local First Nations artist, Eamon Roberts*

Significant work was undertaken with consumers during the year, culminating in our inaugural Consumer Experience Month in June, run by our team in the Safer Care Unit. In October, we launched our Multicultural and Deaf Action Plan at Frankston Hospital, with executive, senior staff and members of the Community Advisory Group in attendance. One of the first goals articulates our commitment as an organisation to cultural safety and focuses on ensuring that every staff member at Peninsula Health is responsible for ensuring we create and maintain a culturally safe environment.

The reporting period also saw the launch of Peninsula Health's Consumer Framework in December; this document outlines how we will continue to build and strengthen our consumer engagement program. The framework demonstrates our commitment to further embed consumer engagement, participation and consultation into everything we do. The Consumer and Community Engagement Framework and the Multicultural and Deaf Action Plan are both available on our website.

We were also delighted to re-commence our Work Experience program for students in the final years of secondary school in 2023. The program had been suspended through the pandemic, but between June to September this year, Peninsula Health will welcome Year 10 and 11 students back to a range of different occupations, including nursing and midwifery, physiotherapy, pharmacy and human resources.

## Proudly Inclusive

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One of the most exciting initiatives of the past 12 months was the launch of our Aboriginal and Torres Strait Islander-designed staff uniforms.

Local artist Eamon Roberts designed the new garments, which recognise and celebrate the rich cultural heritage of the Indigenous community, while helping to establish a stronger connection between Aboriginal patients and healthcare providers, thereby improving outcomes. We launched the new scrubs and shirts during our celebrations for National Reconciliation Week in May.

May also saw us recognise the International Day Against Homophobia, Biphobia, Interphobia and Transphobia (IDAHOBIT Day), with a flag-raising at the front of Frankston Hospital. Members of the executive and senior staff were in attendance for IDAHOBIT Day, as consumers and staff shared personal stories about how the inclusivity of the health service remains critically important to the health and wellbeing of the LGBTIQ+ community. The Allies program has now been running for just over a year at Peninsula Health. We are delighted to be working closely with our LGBTIQ+ Community Advisory Group, to further develop this important program, showcasing equality in access to high-quality healthcare, without stigma or discrimination.

## Innovation, Recognition, Wellbeing

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Over the last four years, Peninsula Health has led a consortium of 20 health services on a project aimed at proactively addressing the mental health and wellbeing of healthcare workers.

*Thriving in Health* was funded by WorkSafe Victoria's WorkWell program and was designed to respond to a recognised need to address work-related factors that present risks to healthcare workers. Leveraging the strength of industry partnerships, over 9,000 journal articles were reviewed to understand best practice in workplace mental health and wellbeing. One thousand healthcare workers contributed to the consultation, giving voice to those healthcare workers at the frontline. The project has put psychological health and safety on an equal footing with physical health and safety; these are both critically important factors in supporting a healthy and engaged workforce.

Peninsula Health led the research, development and trials of four strategies based on a preventative approach, through collaborative partnerships between Victorian health services and workplace mental health and design experts.



### **LEADING IN HEALTH**

Enhancing leadership capability to improve the mental health and wellbeing



### **JOB CONTROL AND MENTAL HEALTH**

A pilot study to examine the feasibility and acceptability of strategies to enhance job control for nurses



### **CRITICAL INCIDENT RESPONSE MODEL**

The development and trial of an evidenced-based model for managing exposure to potentially traumatic events in the workplace



### **SAFETY SENSESCAPING**

Exploration of innovative workplace design solutions to address how we prevent mental injury in healthcare workers

Alongside our partners, WorkSafe Victoria, Black Dog Institute, RMIT University, FBG Group and future ensemble, we launched these resources at an event in Fitzroy in June. A number of the resources and strategies are already in use at Peninsula Health, and some of the design elements are being incorporated into the new Frankston Hospital, set to open over the coming months. Safer Care Victoria will make these resources available for all health services across the state from July 2023.

Peninsula Health has worked closely with Deakin University over the last year on the Centre for Refugee Employment, Advocacy, Training and Education (CREATE) program. This innovative project aims to support people from a refugee background to rebuild their careers through meaningful employment, vocational training and education. We have been delighted to partner with Deakin University to help facilitate this important pathway for refugees, and have employed two doctors from Afghanistan in clinical assistant roles, while supporting them to transfer their medical skills to Australian standards and become qualified doctors in our health service. It is humbling to hear of the challenges that refugees face and we are proud to support them and Deakin University in this work. We are continuing to support the program and hope to take on more skilled healthcare workers who find themselves in this situation over the coming months and years.

Our At Home services have continued their growth trend over the past 12 months, as increasing numbers of community members have benefited from having care delivered in their home, avoiding unnecessary hospital stays and keeping them out of hospital. During 2022, we provided more than 1,800 patients with care in the comfort of their homes. We have also grown our home-based cancer care, giving local people the opportunity to avoid days spent in the chemotherapy unit, swapping those for the relative comfort of their own home. The overwhelming feedback from the patients and families involved in receiving care at home was extremely positive. More detail on our At Home services can be found in the Strategic Priorities section of this Annual Report.

In collaboration with our health service partners, Alfred Health and Monash Health, we played a leading role in the operations of the Virtual Emergency Department (VED) in Melbourne's south-east. This pre-hospital telehealth service helps to divert around 85 percent of participating patients away from travelling to hospital, which reduces wait times in our Emergency Departments. All VED operations were transferred to a statewide service based at the Northern Hospital at the end of June.

To support children and families in the Frankston and Hastings areas, we have worked closely with the Government and Queen Elizabeth Centre to provide a new venue for an Early Parenting Centre. The new facility will be funded by the state government, operated by the Queen Elizabeth Centre, and built on land adjacent to the Hastings Community Health building. The centre will offer great support to those people in and around Hastings and Frankston, and will be conveniently located for families and children from birth to the age of four, many of who already use our services in Hastings.

In Frankston, we have partnered with Wellways and Mentis Assist to address the ever-increasing challenges that mental health issues pose for members of the community.



*Chief Executive Felicity Topp, with then Minister for Mental Health, Gabrielle Williams, Member for Frankston, Paul Edbrooke and representatives of Wellways and Mentis Assist at the opening of the Locals in Frankston.*

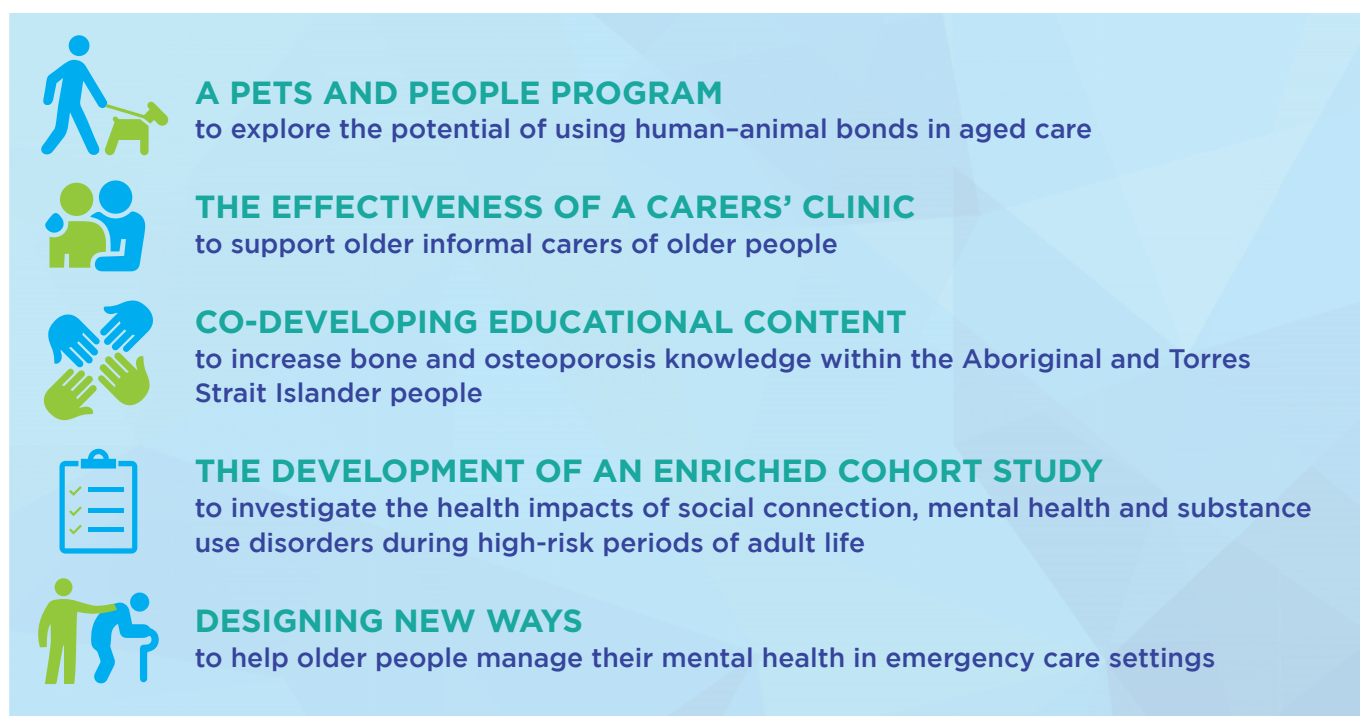
The wellbeing of our people is of the utmost priority to us as a health service. Our People, Workplace Safety and Wellbeing team has worked closely with the Schwartz Centre for Compassionate Healthcare over the last year to deliver Schwartz Rounds® at Peninsula Health. These rounds or meetings, give staff the opportunity to talk first-hand about their experiences in healthcare, to learn from each other and to focus on the social and emotional issues that arise from caring for patients. Schwartz Rounds® is an evidence-based program that enhances compassion towards patients and families, improves teamwork and reduces caregiver stress and isolation. We delivered our inaugural Schwartz Round® in May in the Ngarnga Centre on the Frankston Hospital campus, with more than 60 staff members attending. The focus of the first round was ‘the patient I will never forget’, which provoked some insightful and compassionate stories from the staff in attendance. These meetings are conducted by a trained psychiatrist, with assistance on hand for any staff member who may need support.





Funded by the Victorian Government, the Mental Health Locals have brought together specialist groups and health services to make mental healthcare more accessible in the community. In Frankston, we have partnered with Wellways and Mentis Assist to address the ever-increasing challenges that mental health issues pose for members of the community. After starting the program in December, the then Minister for Mental Health, Gabrielle Williams, joined representatives from all the partners to officially open the facility on the Nepean Highway in May.

# Research

Our research profile has continued to grow over the last 12 months, both across many areas of our health service, and also in partnership with Monash University, in particular at the National Centre for Healthy Ageing.

More than \$4 million was awarded to 13 collaborative research projects spearheaded by the National Centre for Healthy Ageing through its Living Labs program. The major grant portfolio marked round three of the Living Labs program. The funding supported projects including those listed in the box below.



- **A PETS AND PEOPLE PROGRAM**  
to explore the potential of using human-animal bonds in aged care
- **THE EFFECTIVENESS OF A CARERS' CLINIC**  
to support older informal carers of older people
- **CO-DEVELOPING EDUCATIONAL CONTENT**  
to increase bone and osteoporosis knowledge within the Aboriginal and Torres Strait Islander people
- **THE DEVELOPMENT OF AN ENRICHED COHORT STUDY**  
to investigate the health impacts of social connection, mental health and substance use disorders during high-risk periods of adult life
- **DESIGNING NEW WAYS**  
to help older people manage their mental health in emergency care settings

The funded projects address the importance of priority populations, the complexity of health in ageing, the complexity of systems and care integration, and lived experience. These projects address challenges that local people face in a variety of settings, including the community, residential aged care and in hospitals. This is a significant step for the National Centre for Healthy Ageing, Peninsula Health and Monash University, towards creating a real and national impact in the field of healthy ageing. This investment in applied research will not only improve the health and wellbeing of older Australians, it will also grow the capacity and capability of our research teams on the Mornington Peninsula in tackling critical issues in healthy ageing.

Peninsula Health and Monash University have jointly been awarded one million dollars in funding from the Medical Research Future Fund (MRFF) Dementia, Ageing and Aged Care Mission, for a project to improve access to rehabilitation treatments for people living with dementia in the community. Associate Professor Michele Callisaya, in the Peninsula Clinical School at Peninsula Health and Monash University, is the lead investigator on the MRFF-funded project.

Our research teams continue to see their work published in internationally recognised journals. A study led by Professor Velandai Srikanth, Associate Professor Michele Callisaya and Dr Oshadi Jayakody from the Albert Einstein College of Medicine in New York, was published in the *Journal of Ageing and Physical Activity*. The National Centre for Healthy Ageing research used daily step counts as a predictor of those most at risk of falling, allowing for preventative measures to be put in place. The results could have a significant impact on the large number of older Australians who end up in hospital following a fall. A study undertaken by Peninsula Health intensive care specialists and researchers Mallikarjuna Ponnappa Reddy and Ashwin Subramaniam that focused on Acute Respiratory Distress Syndrome (ARDS) as a result of COVID-19 infection was published in the *Lancet*. The study reviewed over 11,300 patients from 51 different studies, as part of a multinational project with Peninsula Health, Monash University, the University of Queensland, Griffith University, National University Hospital, Singapore, and the University of Toronto. Research led by David Snowdon and Associate Professor Nadine Andrew focusing on patient-led outcome measures and their impact on changes to service provision, was published in the *Disability and Rehabilitation* international multidisciplinary journal.

## COVID-19 Pandemic

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It has been another challenging period for many people in the health service, despite restrictions being eased in most parts of daily life in the community.

Throughout the reporting period, many restrictions remained in place across the health service, including the wearing of masks at all our sites. As we begin to navigate to the next period of the pandemic, it is pleasing to see some of these necessary impositions over the last three years being lifted for our staff, volunteers, consumer advisors and visitors.

While much of our COVID care has been in the hospital setting, an enormous amount of work has been undertaken in the community. The COVID-positive pathways team met an extraordinary milestone in August 2022, when it cared for its 100,000th patient. Since starting in March 2020, the team operated seven days per week, giving medication, advice and reassurance in isolation, as well as monitoring patients directly and using telehealth appointments to ensure a full recovery. The COVID Positive Pathways program demonstrated the great value of monitoring teams in community based care. This has facilitated the development of models that will serve our community in managing other conditions at home in the future. The team saw its last patient at the end of December, treating more than 110,000 people over nearly three years.

We are enormously proud of the role that we played in rolling out the vaccination program across the Frankston and Mornington Peninsula region. Working closely with Frankston City Council and Mornington Peninsula Shire, our teams successfully vaccinated more than 250,000 people, helping to ensure that lockdowns were no longer necessary, and the path of the virus was restricted sufficiently. After an extraordinary period in the history of Peninsula Health, the Frankston Community Vaccination Hub closed at the end of September. It would be remiss not to mention and acknowledge every one of our people who worked tirelessly in this satellite site in the Bayside Centre in Frankston to ensure our community was kept safe and well, alongside our dedicated teams who staffed our additional sites and mobile clinics across the Peninsula.

# Thank You to Our People and Community

We continue to benefit from the generosity of many local people, business and community groups who support Peninsula Health to provide the very best care.

The funds that support us come from a wide range of people, businesses, trusts, foundations and estates, and they are invaluable in funding world-class equipment, research, wellbeing programs and education. We were delighted to welcome the Flinders Lions Club to The Mornington Centre in April to open a new sensory garden funded by a generous donation from the club. The new garden will help our staff care for our patients with cognitive impairment, for whom this garden will provide significant stimulation and distraction. Our community in the southern Peninsula was extraordinarily generous in funding an entire new fleet of state-of-the-art trolleys for our Emergency Department in Rosebud. We held a 'thank-you' event at Rosebud in May, where our donors had the opportunity to hear from the leadership team in Rosebud, as well as seeing a demonstration of the impact these trolleys will have for our staff and patients. We are enormously grateful for the continued support given to us by groups, businesses and community across Frankston and the Mornington Peninsula.

On behalf of the Board and Executive team, we would once again like to say thank you to our people. The delivery of safe, personal, effective and connected care is everyone's responsibility at Peninsula Health and we are proud to acknowledge the role that all our people have played in caring for the community over the last 12 months. We would also like to take this opportunity to recognise and thank our dedicated consumer advisors, volunteers, partners and community, for their continued support of our service and for the partnership and collaboration you bring. Our focus remains ensuring we continue to provide exceptional care for the Mornington Peninsula and Frankston community.

As a final note, Diana Heggie ended her six years as Chair of the Board at Peninsula Health on 30 June 2023. On behalf of everyone in the organisation, we would like to thank Diana for her extraordinary contribution and dedication to Peninsula Health since 2017 - a period that has been the most challenging in living memory in public health. Diana's leadership of Peninsula Health during this period has been invaluable, and we would like to thank her for her counsel and expertise. Please join us in wishing Diana all the best for the future.

You will find further detail about our successes and achievements with our strategic priorities throughout this publication. Please enjoy reading our 2023 Annual Report.



Mr Michael Gorton AM  
Chairperson  
Peninsula Health



Ms Felicity Topp  
Chief Executive  
Peninsula Health

August 2023

## 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 five major hospitals: Frankston Hospital, Rosebud Hospital, Golf Links Road Rehabilitation Centre, The Mornington Centre and Frankston Public Surgical Centre. We also have 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:

- 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 care, where and when it is needed to respond to the needs of children, people with mental health issues, and elderly residents.

With over 7,500 staff and 550 volunteers, consumer advisors 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 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

GEM @ Home (as part of Better @ Home)

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

Geriatric Medicine Clinic

Cognitive, Dementia and Memory Service (CDAMS)

Falls Prevention Service

Continence and Urodynamics

Chronic Wound Clinic

Lymphoedema Service

### Community

Aged Care Assessment Service (MEACAS)

## ALLIED HEALTH

Audiology

Diversional Therapy

Exercise Physiology

Music Therapy

Neuropsychology

Nutrition and 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 and Assessment
- Non-residential Withdrawal Services
- Counselling
- Care and 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

COVID-19 Response

- COVID Positive Pathways
- High Risk Accommodation Response (HRAR)

Advance Care Planning

Early Intervention in Chronic Disease Services

- Cancer Rehabilitation Program
- Cardiac Rehabilitation Program
- Heart Failure Rehabilitation
- Pulmonary Rehabilitation
- Diabetes Education

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

Mobile Integrated (M.I.) Health Program  
(Community Connections Homeless Program)

Supporting Vulnerable Victorians in Residential  
Services (SAVVI) and Pension Level Project (PLP)

Carer Support Program

NDIS Services

- Adult Services
- Children's Services
- Support Coordination

## Volunteers

### 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 and Reproductive Health Service

### Counselling

## EMERGENCY MEDICINE

### Frankston Hospital Emergency Department

### Rosebud Hospital Emergency Department

## INTENSIVE CARE MEDICINE

## MEDICAL SERVICES

### Acute Care of the Elderly

### Cardiology

- Cardiac Angiography
- Cardiac Investigation Unit

### Endocrinology and Diabetes

### Gastroenterology

### General and Peri-operative Medicine

### Haematology

### Hospital in the Home

### Infectious Diseases

### Infusion Centre

### Medical Oncology

### 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)

### Adult Community Mental Health Frankston

- Case Management Team
- GP Shared Care Team
- Wellness Clinic incorporating dietician, music therapy, exercise physiology and nursing

### Adult Community Mental Health Mornington

- Case Management Team
- GP Shared Care Team
- Wellness Clinic incorporating dietician, music therapy, exercise physiology and nursing

### HOPE Suicide Prevention Team

### Crisis Assessment Treatment Team

### Intensive Recovery 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 and Recovery Care Service (A-PARC)

### Youth Prevention and 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 and Adolescent Health

Home and Community Care based Services

Paediatric Hospital in the Home

OPD: general paediatrics and developmental/behavioural clinics – Frankston and Hastings

MDT Diabetes OPD Service

Specialist Outpatient Clinics, including respiratory, neurology, dermatology, cardiology and paediatric gynaecology specialties

School-based Clinics

Asthma Education

## PAIN MEDICINE

- Peninsula Health Integrated Pain Services
- Persistent Pain Management Service
- Pain Medicine Outpatient Clinic
- Pain Medicine Inpatient Consult Service

## PATHOLOGY

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

Medicines Dispensing and Distribution

Medicines Procurement

Aseptic Manufacturing

Clinical Trials Support

Cancer Pharmacy Services

Clinical Pharmacy Services

Antimicrobial Stewardship

Medication Protocol Maintenance

Formulary Management

## RADIOLOGY AND IMAGING

Angiography

CT

Cardiac US

Fluoroscopy

General X-ray

Interventional Radiology

MRI

Nuclear Medicine

Ultrasound

DEXA

Dental OPG

## REHABILITATION

### Inpatient Services

Amputee Rehabilitation

General and Reconditioning Rehabilitation

Stroke and Neuro-rehabilitation

Orthopaedic Rehabilitation

Rehab at Home

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

@home Rehab/GEM/Palliative Care Program

Community Rehabilitation Program (Frankston, Mornington, Rosebud)

Amputee Rehabilitation Clinic

@home Orthopaedic Program

General Community Rehabilitation

Movement Disorders Clinic

Neuro-rehabilitation Clinic

Spasticity Clinic

Movement Disorders Program

@home Neurological Program

## SUPPORTIVE AND PALLIATIVE CARE

Inpatient Palliative Care Unit  
Palliative Care Consult Service  
Supportive and Palliative Care Clinic  
Palliative Care at Home

## SURGICAL AND ANAESTHETIC SERVICES

Anaesthesia, Acute Pain Management and Perioperative Medicine  
Breast and Endocrine Surgery  
Colorectal Surgery  
Ear, Nose and Throat Surgery  
Gastrointestinal Endoscopy  
General Surgery  
HepatoPancreatoBiliary and Upper Gastrointestinal Surgery  
Maxillo Facial Surgery  
Multidisciplinary Cancer Services  
Neurosurgery Outpatient Clinic  
Orthopaedic Surgery  
Otolaryngology and Head and Neck Surgery  
Plastic and 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  
Early Pregnancy and Perinatal Assessment Service  
Specialist Obstetrics and Midwifery Pregnancy Care  
Fetal Diagnostic Unit  
Complex Pregnancy Clinic  
Continuity of Midwifery Care (Midwifery Group Practice)  
Maternity and Newborn Care  
Special Care Nursery (Premature and Sick Newborn Babies)  
Maternity Hospital in the Home and Midwifery Home Care  
Neonatal Hospital in the Home

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

# 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* (Vic) 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 and Ambulance Services, the Hon. Mary-Anne Thomas MP and Victoria's Minister for Mental Health, (who for the reporting period was the Hon. Gabrielle Williams MP) through Victoria's Department of Health. 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.

**Peninsula Health employs over 7,500 staff members and is supported by 550 volunteers, consumer advisors and auxiliary members.**

## 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
- dedicated surgery care at Frankston Public Surgical Centre
- 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).

## 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 2022–23, the Minister for Health and the Chair of Peninsula Health signed a Statement of Priorities of agreed funding, activity and service performance. The Board held 11 meetings in the financial year 1 July 2022 to 30 June 2023. At these meetings, members of the Peninsula Health executive presented reports on their areas of responsibility as required.

# Board of Directors

## As at 30 June 2023

### MS DIANA HEGGIE (Chair) MAICD, MCSP, Grad Dip Human Services Research

**Appointed: 1 July 2017 to 30 June 2023**

**Member:** Audit and Risk Committee, Digital Health and Capital Projects Committee, Finance and Resources Committee, People and Culture Committee, Primary Care & Population Health 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.

### MS ALLISON SMITH B Acc, GAICD, CA (Australia and Scotland)

**Appointed: 26 April 2016 to current**

**Chair:** Finance and Resources Committee, Frankston Private Hospital Working Group (until September 2023)

**Member:** Audit and Risk Committee, Digital Health and Capital Projects 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 and New Zealand Institute of Chartered Accountants and is a Graduate of the Australian Institute of Company Directors.

### ASSOCIATE PROFESSOR ALISON DWYER MBBS, MBA, FRACMA, FCHSM, GAICD

**Appointed: 1 July 2017 to 30 June 2023**

**Chair:** Quality and Safety Committee

**Member:** Primary Care and Population Health Committee

Associate Professor Dwyer has 15 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.

Associate Professor 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 Australian Council of Health Standards Surveyor, with strengths in clinical governance and medical engagement in quality and safety.

Associate Professor Dwyer 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, and the role of the Medical Administrator in health services.

## MS KIRSTEN MANDER LL.M, FAICD, FGIA

**Appointed: 22 August 2017 to current**

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

**Member:** Frankston Private Hospital Working Group (until September 2023)

Ms Mander is an experienced non-executive director, currently serving as Chair of Legalsuper. 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, FCA, FAICD

**Appointed: 22 August 2017 to current**

**Chair:** Digital Health and Capital Projects Committee

**Member:** Finance and Resources Committee, MePACS Advisory Committee, Frankston Private Hospital Working Group (until September 2022)

Ms Corry is an experienced board director and business leader with a career in digital health, technology and finance. Previously a partner at KPMG, she is a Fellow of the Institute of Chartered Accountants and has worked globally, including KPMG London. Ms Corry is a non-executive director at Holmesglen Institute, ACMI (Australian Centre for the Moving Image), Chair of the Australian Community Support Organisation (ACSO), Global Health Limited (ASX:GLH) and the Cultural Development Network. She chairs the Finance, Audit and Risk Management committees at Holmesglen, ACMI and GLH. She is a Fellow of the Australian Institute of Company Directors (AICD) and in 2020 was privileged to participate in the AICD Chair's Mentoring Program. Her experience leverages strategy and growth with a strong balance between innovation, governance, finance and risk.

## MR HAMISH PARK B.COM, BA, ALM, GAICD

**Appointed: 1 July 2020 to current**

**Member:** Quality and Safety Committee, Community Advisory Committee, MePACS 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, Quality and Safety 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.

## MS SYLVIA HADJANTONIOU EMBA, B.COMM., GAICD

**Appointed: 1 July 2019 to current**

**Member:** Digital Health and Capital Projects Committee, Finance and Resources Committee, Audit and Risk Committee

Ms Hadjiantoniou has expertise in strategic planning, and leading transformational programs that ensure the long-term success of organisations.

She is an executive with experience across the public, private and for-purpose sectors. In these roles, she has collaborated with multi-sector partners to deliver large-scale complex capital and digital projects, develop precincts and improve the quality and efficiency of services. Ms Hadjiantoniou is committed to work that increases access to health, education and infrastructure and improves the lives of those in our community.

## PROFESSOR MARK FRYDENBERG MBBS, FRACS, FAICD

**Appointed: 1 July 2021**

**Member:** Quality and Safety Committee, Finance and Resources Committee

Professor Frydenberg was awarded the Fellowship of the Royal Australasian College of Surgeons in 1990, and then completed a formal clinical urological oncology fellowship at the Mayo Clinic, Minnesota, United States.

Upon his return to Australia, Professor Frydenberg was appointed as an urologist at Monash Health and the Royal Melbourne Hospital, and in 1997 was promoted to Associate Professor in the Department of Surgery, Faculty of Medicine, Nursing and Health Sciences, Monash University, and became the Chairman of the Department of Urology, Monash Health, a position he held until 2017. He currently holds Professorial positions within the Department of Surgery, Faculty of Anatomy and Developmental Biology, and the School of Public Health and Preventative Medicine, at Monash University.

Professor Frydenberg has been involved in many leadership roles within Australia, and is a past president and current board member of the Urological Society of Australia and New Zealand (USANZ). He is a member of the Council of the Royal Australasian College of Surgeons and is the Chair of the Health Policy and Advocacy Committee. He also holds the position of the Academic Chair of Urology, Cabrini Institute, Cabrini Health.



# Board Committees

## As at 30 June 2023

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Ten committees provide specialist advice and support to the Board of Directors. 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, Mark Frydenberg

### AUDIT AND RISK COMMITTEE

The role of 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, 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), Diana Heggie, Allison Smith, Sylvia Hadjiantoniou

### 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), Hamish Park, Professor Mark Frydenberg, Rita Cincotta

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

### DIGITAL HEALTH AND CAPITAL PROJECTS COMMITTEE

The role of the Digital Health and Capital Projects 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 and digital health 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



*Allied Health researcher Laura Joliffe with patient Janice at Golf Links Road Rehabilitation Centre*

## 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, Hamish Park

**Consumer members** Pauline D'Astoli (Chair until February 2023), Sally Bird (Chair from April 2023), Dawn Ross (until November 2022), Norman Jones, Dinka Jakovac, Julian Conlon (until December 2022), Ann Urch, Graeme Prowd, Michael Forry (from August 2022) John Clark Kennedy, Shamala Jones, Mieke Breman-Mertens, Naomi Lawless, Jake Miller-Randle (from February 2023)

## 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, workforce policy, procedures 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 the 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* (Vic) 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.

In December 2022, the Board approved the establishment of a South East Metro Health Service Partnership (SEMHSP) Primary Care and Population Health Council. The functions of the Council will be managed by the SEMHSP with each health service partner (Peninsula Health, Monash Health and Alfred Health) to have equal representation including two board directors.

**Board members** Diana Heggie, Alison Dwyer

**External members** Representatives of the Primary Care Partnership, Primary Health Network, Community Health, local government, Department of Health, 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), Karen Corry, Hamish Park

**External members** Julie Smith

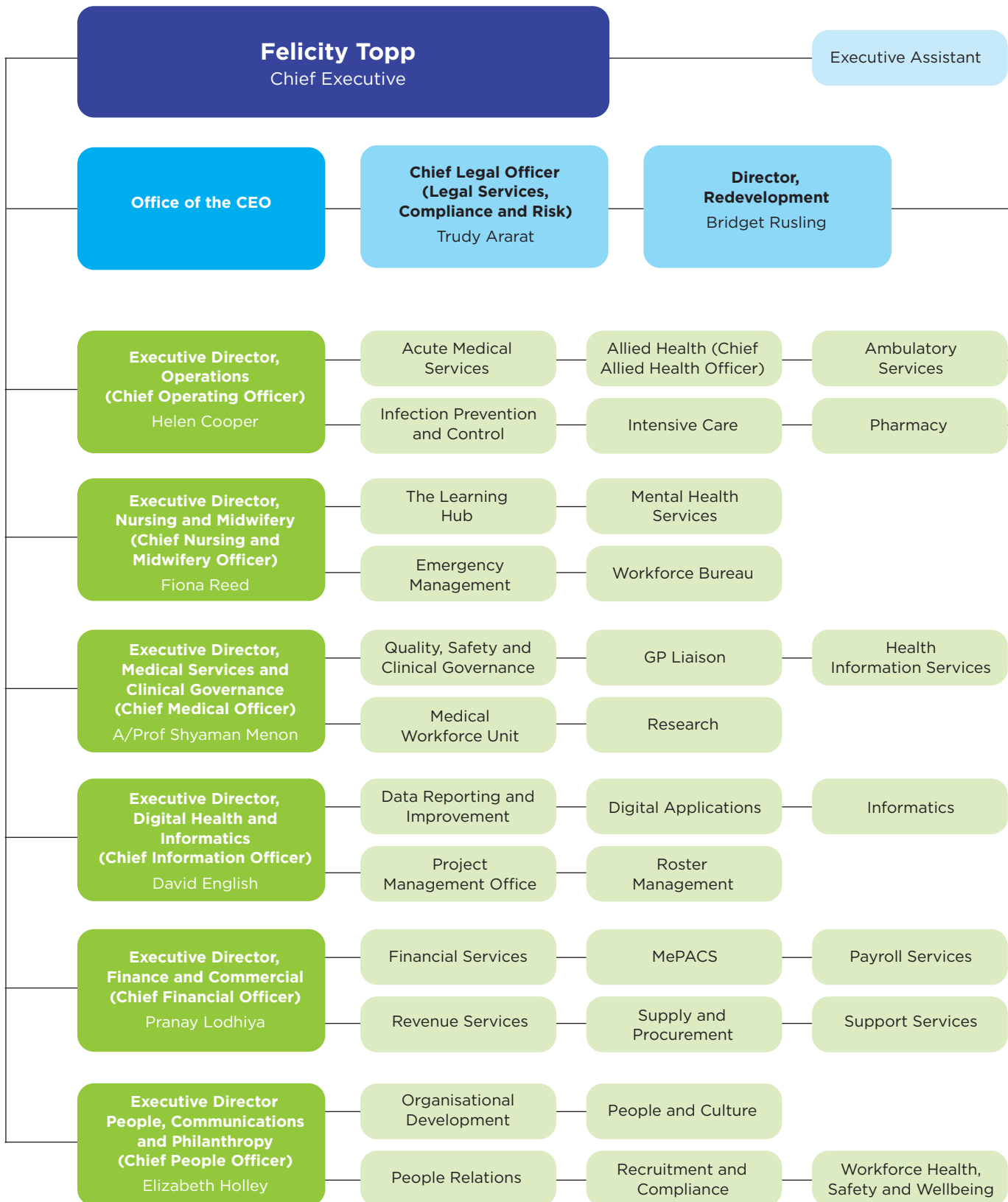
## FRANKSTON PRIVATE HOSPITAL WORKING GROUP

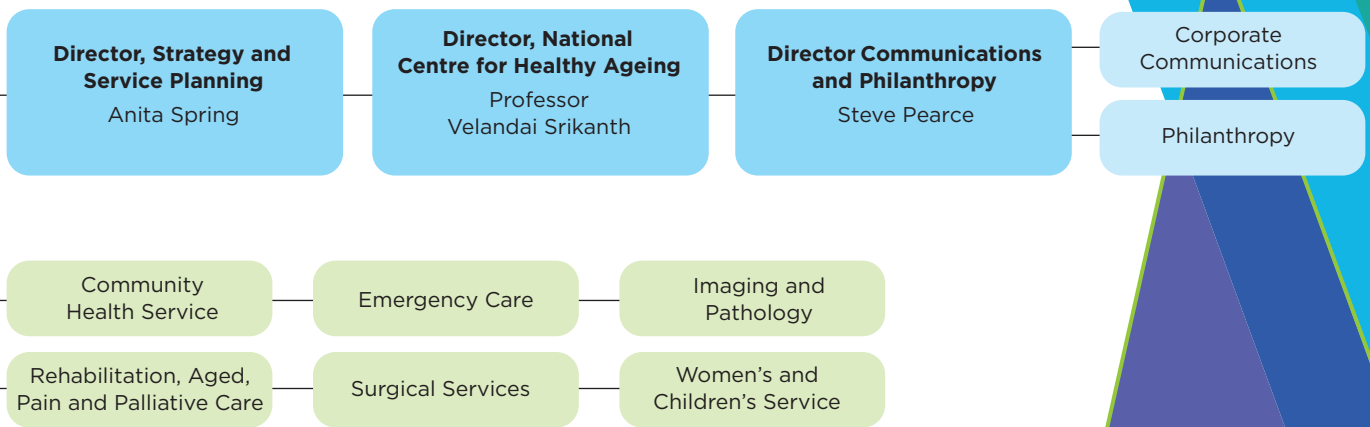
Established in April 2022, the Frankston Private Hospital Working Group was a short-term committee established to oversee and monitor the Frankston Private Hospital transition with a focus on strategy and risks (particularly workforce risks). This working group ceased operation in September 2022.

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

**External members** Representatives from PricewaterhouseCoopers

# Peninsula Health Organisational Structure (as at 30 June 2023)





- Organisational structure as at 30 June 2023
- Elizabeth Holley commenced in her role on 30 January 2023
- Amanda Armstrong left her role as Executive Director, People, Communications and Philanthropy on 29 July 2022

# Our Workforce

Peninsula Health employs over 7,500 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.



L-R Joan Thomas, Nurse Unit Manager, Chemotherapy; Dr Olivier Cotsaftis, RMIT University School of Design; Elisa Gallichio, FBG Group; Andy Hukin, Nurse Unit Manager, Frankston Emergency Department and Emily Rice, MC, at the Official Launch of Thriving in Health in June

## PENINSULA HEALTH EMPLOYEES 2022-23

| HOSPITALS LABOUR CATEGORY       | JUNE CURRENT MONTH FTE* |                 | AVERAGE MONTHLY FTE* |                 |
|---------------------------------|-------------------------|-----------------|----------------------|-----------------|
|                                 | 2022                    | 2023            | 2022                 | 2023            |
| Nursing                         | 2,059.79                | 2,120.45        | 1,931.09             | 2,073.44        |
| Administration and Clerical     | 722.60                  | 725.76          | 703.75               | 712.96          |
| Medical Support                 | 744.68                  | 764.85          | 634.83               | 737.72          |
| Hotel and Allied Services       | 427.51                  | 392.33          | 410.13               | 399.75          |
| Medical Officers                | 62.53                   | 57.70           | 60.99                | 62.15           |
| Hospital Medical Officers       | 393.35                  | 406.61          | 360.30               | 392.03          |
| Sessional Clinicians            | 122.64                  | 141.25          | 114.49               | 128.76          |
| Ancillary Staff (Allied Health) | 187.96                  | 198.81          | 248.80               | 192.08          |
| <b>Total</b>                    | <b>4,721.06</b>         | <b>4,807.77</b> | <b>4,464.38</b>      | <b>4,698.88</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 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 sexual harassment complaints, lost time injuries and lost time WorkCover Claim statistics.

Key focus areas for Peninsula Health are the prevention of Slips, Trips and Falls, Occupational Violence, Hazardous Manual Handling and Psychological Injury. These result in the highest incident numbers, WorkCover claims, and contribute the most in Workers Compensation Premium costs. Additionally, working in the new COVID normal environment continues to be a unique challenge of our staff. In response to these trends and areas of focus, several programs and safety campaigns have been, or are in the process of, being developed. These are described in the box below.

**SAFETY MANAGEMENT SYSTEM (SMS) ACTION PLAN:** This plan continues to progress according to the plan developed in 2022; the Action Plan was developed following an external audit to ISO 45001.

**'YOU FIRST: STOP, ASSESS, PLAN, LEARN' SAFETY CAMPAIGN:** This campaign continues to encourage our staff to consider themselves first before commencing a task. A 'Stop, Assess, Plan' learning package is available to all new starters via the eLearning platform. A You First learning package continues to be used across all Workplace Health and Safety initiatives.

**KNOW BETTER, BE BETTER:** We have continued to build tools and resources to support bullying and harassment awareness across the organisation. This includes the development of a suite of factsheets and an employee-manager toolkit, which is accessible via the intranet.

**MANUAL HANDLING AND ELECTRICAL SAFETY:** This updated training module is both role specific and includes the 'You First: Thinking Safety' branding. Modules have been made available via eLearning. Utilising the capabilities of the eLearning platform, assigned modules are now role-specific to the employee. The annual refresher module has a 79 percent completion rate.

**SCHWARTZ ROUNDS®:** Peninsula Health launched its first organisation-wide Schwartz Round in March 2023 with an opening topic of 'The patient I will never forget'. Schwartz Rounds® offer an opportunity to discuss the social and emotional issues staff face in caring for patients and families. Schwartz Rounds® allow for interdisciplinary conversation about some of the most complex and compelling dilemmas that health professionals face as they balance compassionate care with the strenuous demands of daily work. The initial round was followed in June with, 'Why I stay in healthcare, even in the face of a pandemic'. Evaluations were extremely positive with participants expressing high agreement with being able to reflect on their roles and believing the organisation is interested in their wellbeing. Staff members felt able to speak with honesty and valued increasing their understanding of the roles of their colleagues.

**THE EVERYDAY HEROES PROGRAM:** The Everyday HEROES program targeted 100 participants and focused on core components of emotional intelligence and strengths. The program provided participants with practical tools and strategies to incorporate hope, efficacy, resilience and optimism into their daily lives.

## OCCUPATIONAL HEALTH AND SAFETY DATA

| OCCUPATIONAL HEALTH AND SAFETY STATISTICS                                    | 2020-21  | 2021-22   | 2022-23   |
|--|----------|-----------|-----------|
| The number of reported hazards/incidents for the year per 100 FTE            | 54       | 30        | 35        |
| The number of 'lost time' standard WorkCover claims for the year per 100 FTE | 3.09     | 1.19      | 1.36      |
| The average cost per WorkCover claim for the year ('000)                     | \$79,496 | \$101,026 | \$116,826 |

## OCCUPATIONAL VIOLENCE

Occupational violence and aggression (OVA) continue to be a challenge for the organisation, as an occupational health and safety issue to which Peninsula Health takes a multi-faceted organisational approach. The Board, via the monthly Key Performance Indicator (KPI) dashboard, monitors statistics and trends relating to Occupational Violence.

As part of the commitment to ensuring the safety and welfare of consumers, employees, volunteers, contractors and the community, we have an integrated care and risk-management framework and a dedicated Risk identification, Safety, Communication and Environment (RiSCE) team. Our RiSCE framework consists of policies, procedures, education and clinical support. The RiSCE team runs cross-functional meetings, works with industry groups, and runs Occupational Violence staff forums to ensure best practice in the development and management of our strategies. The RiSCE team has reported the following data.

## OCCUPATIONAL VIOLENCE

| OCCUPATIONAL VIOLENCE STATISTICS   | 2022-23 |
|--|---------|
| 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 | 1.12    |
| Number of occupational violence incidents reported   | 815     |
| Number of occupational violence incidents reported per 100 FTE   | 11.11   |
| Percentage of occupational violence incidents resulting in a staff injury, illness or condition                          | 30.5%   |



## DEFINITIONS

For the purposes of the statistics on the previous page, 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 2022–23



**LOST TIME:** Time that is greater than one day



**INJURY, ILLNESS OR CONDITION:** This includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

## 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 is required in accordance with the employment contract; appropriate workforce conduct is reinforced by performance management and discipline processes. Over the last year, we have focused on leaders accessing updated Recruitment, Selection and Equal Employment Opportunity training, which has a focus on unconscious bias. This training supports the Peninsula Health Values, to ensure our staff members embrace being a role model, being the best, being compassionate and respectful, being collaborative and being open and honest. During this period, 130 leaders involved in the attraction and selection of new employees have undertaken this training.

# 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. The Project Manager, Support Services, supervised these. 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 (VIC)**

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
- 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
- probity principles embedded in procurement.

## **PUBLIC INTEREST DISCLOSURES 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.

## **SAFE PATIENT CARE ACT 2015 (VIC)**

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 2022-2023, Peninsula Health did not enter into any contracts under the *Local Jobs First Act 2003* (Vic) or Local Industry Development plans.

## **GENDER EQUALITY ACT 2020 (VIC)**

The inaugural Gender Equality Action Plan (GEAP) for Peninsula Health was developed in consultation with teams and employees across Peninsula Health and focuses on addressing the key findings of the Gender Equality Audit that was conducted and submitted to the Gender Equality Commission in late 2021. The GEAP builds on the already extensive equality and inclusion work being undertaken, especially in the areas of LGBTQIA+, Aboriginal and Torres Strait Islander and disability inclusive practices.

## **CAR PARKING FEES**

Peninsula Health complies with the relevant hospital circular on car parking fees and 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 2022-23**

### **FREEDOM OF INFORMATION ACT 1982 (VIC), PART II STATEMENT**

In accordance with Part II of the *Freedom of Information Act 1982* (Vic) (FOI Act), 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 links:

- [About us](#)
- [Board structure](#)
- [Organisational structure](#)
- [Services and clinics](#)
- [Our hospitals and 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 that 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.

Information relating to the application of the FOI Act at Peninsula Health is published in Peninsula Health's Annual Report. Please refer to the Publications page on Peninsula Health's website to access these documents. Further information about Peninsula Health's FOI activities is published in the Office of the Victorian Information Commissioner's (OVIC) Annual Report. This report can be accessed at Annual Reports: Office of the Victorian Information Commissioner ([ovic.vic.gov.au](http://ovic.vic.gov.au)).

## 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.

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 (<https://www.peninsulahealth.org.au/services/information-release/>)

Peninsula Health's FOI Officers can be contacted via email on [PIRU@phcn.vic.gov.au](mailto:PIRU@phcn.vic.gov.au) or by calling (03) 9784 7748. All requests for access to documents under the provisions of the FOI 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 2023, the FOI application fee is \$31.80 for all FOI requests. People suffering financial hardship may apply to have the application fee reduced or waived.

The Department of Treasury and Finance index 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 FOI Act

During the 1 July 2022 to 30 June 2023 reporting period, PIRU received 14,655 requests for information, 913 of which were processed under FOI, shown on the next page.

| Number | Outcome                           |
|--------|-----------------------------------|
| 755    | Access granted in full            |
| 28     | Access granted in part            |
| 5      | Access denied in full             |
| 21     | Withdrawn                         |
| 14     | Not proceeded with                |
| 37     | No documents exist                |
| 53     | Not finalised as of 30 June 2023  |
| 755    | Personal requests for information |

As required by the FOI Act and Professional Standards, we are required to process requests for information informally, at the lowest reasonable cost and outside the FOI Act wherever possible and as permitted by law. As identified above, we processed 913 of the 14,655 requests under the FOI Act. 93.7 percent of all requests were processed outside the FOI Act at no charge to the requestor.

Of the 913 FOI applications, 755 were personal, meaning that these were made by the individual (or their legal representative) for personal information about themselves. The requestors who are making non-personal requests vary, but are predominantly insurers, agents acting for insurers or lawyers acting for insurers.

## CONSULTANCIES INFORMATION

### DETAILS OF CONSULTANCIES (UNDER \$10,000)

In 2022–23, there were seven consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2022–23 in relation to these consultancies is \$29,175 (excluding GST).

### DETAILS OF CONSULTANCIES (VALUED AT \$10,000 OR GREATER)

In 2022–23, there were 11 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2022–23 in relation to these consultancies is \$1,735,151 (excluding GST).

### CONSULTANCIES OF \$10,000 OR GREATER

| CONSULTANT                                    | PURPOSE OF CONSULTANCY                                  | START DATE | END DATE       | TOTAL APPROVED PROJECT FEE (EXCL. GST) | EXPENDITURE 2022–23 (EXCL. GST) | FUTURE EXPENDITURE (EXCL. GST) |
|---|---|------------|----------------|--|---------------------------------|--------------------------------|
| SEMZ Property Advisory and Project Management | Project Management Advisory Services                    | July 2022  | March 2023     | \$88,740                               | \$88,740                        | NIL                            |
| Cogent Advisory                               | Workplace Wellbeing advice                              | April 2023 | June 2023      | \$79,200                               | \$79,200                        | NIL                            |
| Lehr Consultants International                | Engineering Consultancy Services                        | July 2022  | November 2022  | \$75,435                               | \$75,435                        | NIL                            |
| Procurement Australia                         | Procurement Process Review                              | July 2022  | March 2023     | \$48,725                               | \$48,725                        | NIL                            |
| A2M Consulting                                | Tender and Feasibility advice                           | July 2022  | January 2023   | \$19,362                               | \$19,362                        | NIL                            |
| Michel Group                                  | Frankston Private Integration advice                    | July 2022  | October 2022   | \$15,210                               | \$15,210                        | NIL                            |
| Pricewaterhouse Coopers                       | Frankston Public Surgical Centre Acquisition advice     | March 2022 | September 2022 | \$1,038,170                            | \$1,038,170                     | NIL                            |
| Alcidion Australia                            | Patient Flow advice                                     | April 2023 | June 2023      | \$75,000                               | \$75,000                        | NIL                            |
| Deloitte                                      | Advice in relation to financial and investment strategy | July 2022  | May 2023       | \$245,031                              | \$245,031                       | NIL                            |
| KPMG  | Financial Billing advice                                | June 2023  | June 2023      | \$50,278                               | \$50,278                        | NIL                            |
| <b>TOTAL</b>                                  |   |            |                | <b>\$1,735,151</b>                     | <b>\$1,735,151</b>              |                                |

## INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2022–23 was \$32,168,516 (excluding GST), with the details shown below.

### ICT EXPENDITURE

| BUSINESS AS USUAL (BAU) ICT EXPENDITURE | NON BUSINESS AS USUAL (NON BAU) ICT EXPENDITURE                            |  |  |
|---|--|--|--|
| (Total)<br>(excluding GST)              | (Total=Operational expenditure and Capital Expenditure)<br>(excluding GST) | Operational expenditure<br>(excluding GST) | Capital expenditure<br>(excluding GST) |
| \$25,979,177                            | \$6,189,339  | \$2,941,679                                | \$3,247,660                            |

## ENVIRONMENTAL PERFORMANCE

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

### SUSTAINABLE INITIATIVES COMPLETED OR WORK IN PROGRESS

**Solar Project:** Peninsula Health has received funding to install solar power at Golf Links Road Rehabilitation Centre and The Mornington Centre. The tender process is underway, with installation planned for late 2023.

**Procurement:** Environmental sustainability forms part of Hospital Purchasing Victoria and Peninsula Health tendering and evaluation process. Peninsula Health also incorporates Environmental Sustainability clauses within contracts.

**Infrastructure / Buildings / Plant and Equipment:** The Redevelopment department and Facilities Management department identify aged and redundant buildings, plants and equipment and seek funding for upgrades and replacements.

## NABERS RATINGS

National Australian Built Environment Rating System (NABERS) ratings were issued for Frankston Hospital, Rosebud Hospital and The Mornington Centre by the Victorian Health Building Authority (VHBA) in April 2023.

| SITE                  | WATER     | ENERGY    |
|-----------------------|-----------|-----------|
| Frankston Hospital    | 5 stars   | 5 stars   |
| Rosebud Hospital      | 5.5 stars | 5.5 stars |
| The Mornington Centre | 5.5 stars | 4 stars   |

NABERS' energy and water ratings examine the efficiency and environmental impact of the entire hospital campuses. The ratings are based on operational data over a 12-month period.

Unlike other NABERS ratings, NABERS data for public hospitals operates through a direct relationship with Victoria's Department of Health, in partnership with the Australasian Health Infrastructure Alliance (AHIA), rather than via third-party assessors. Ratings are conducted by trained assessors within the Department of Health, which are then certified and audited by NABERS.

## ENVIRONMENTAL REPORT

| ELECTRICITY USE  | 2022-23          | 2021-22          | 2020-21          |
|--|------------------|------------------|------------------|
| <b>EL1 Total electricity consumption segmented by source [MWh]</b>                 |                  |                  |                  |
| Purchased  | 17,772.77        | 18,022.34        | 17,575.56        |
| Self-generated   | 30.42            | 32.64            | 31.25            |
| <b>EL1 Total electricity consumption [MWh]</b>                                     | <b>17,803.19</b> | <b>18,054.98</b> | <b>17,606.81</b> |
| <b>EL2 On-site electricity generated [MWh] segmented by</b>                        |                  |                  |                  |
| <b>Consumption behind-the-meter</b>  |                  |                  |                  |
| Solar electricity  | 30.42            | 32.64            | 31.25            |
| <b>Total consumption behind-the-meter [MWh]</b>                                    | <b>30.42</b>     | <b>32.64</b>     | <b>31.25</b>     |
| <b>EL2 Total On-site electricity generated [MWh]</b>                               | <b>30.42</b>     | <b>32.64</b>     | <b>31.25</b>     |
| <b>EL3 On-site installed generation capacity [kW converted to MW] segmented by</b> |                  |                  |                  |
| Diesel generator   | 14.56            | 8.01             | 8.01             |
| Solar system   | 0.03             | 0.03             | 0.03             |
| <b>EL3 Total on-site installed generation capacity [MW]</b>                        | <b>14.59</b>     | <b>8.03</b>      | <b>8.03</b>      |

| STATIONARY ENERGY   | 2022-23              | 2021-22              | 2020-21              |
|---|----------------------|----------------------|----------------------|
| <b>F1 Total fuels used in buildings and machinery segmented by fuel type [MJ]</b>                         |                      |                      |                      |
| Natural gas   | 65,070,739.10        | 57,957,075.30        | 53,994,591.70        |
| Diesel  | 203,808.00           | 128,924.00           | 133,455.60           |
| <b>F1 Total fuels used in buildings [MJ]</b>  | <b>65,274,547.10</b> | <b>58,085,999.30</b> | <b>54,128,047.30</b> |
| <b>F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [Tonnes CO2-e]</b> |                      |                      |                      |
| Natural gas   | 3,353.10             | 2,986.53             | 2,782.34             |
| Diesel  | 14.31                | 9.05                 | 9.37                 |
| <b>F2 Greenhouse gas emissions from stationary fuel consumption [Tonnes CO2-e]</b>                        | <b>3,367.40</b>      | <b>2,995.58</b>      | <b>2,791.71</b>      |

| TRANSPORTATION ENERGY  | 2022-23             | 2021-22             | 2020-21             |
|--|---------------------|---------------------|---------------------|
| <b>T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type [MJ]</b> |                     |                     |                     |
| Non-executive fleet – Gasoline   | 3,577,891.10        | 3,017,295.10        | 3,097,264.90        |
| <b>Petrol</b>  | <b>3,577,891.10</b> | <b>3,017,295.10</b> | <b>3,097,264.90</b> |
| Non-executive fleet – E10  | 12,900.20           | 16,073.10           | 12,102.10           |
| <b>Petrol (E10)</b>  | <b>12,900.20</b>    | <b>16,073.10</b>    | <b>12,102.10</b>    |
| Non-executive fleet – Diesel   | 1,281,925.30        | 1,484,463.30        | 1,328,901.60        |
| <b>Diesel</b>  | <b>1,281,925.30</b> | <b>1,484,463.30</b> | <b>1,328,901.60</b> |
| <b>Total energy used in transportation (vehicle fleet) [MJ]</b>  | <b>4,872,716.60</b> | <b>4,517,831.50</b> | <b>4,438,268.60</b> |

| <b>TRANSPORTATION ENERGY</b>   | <b>2022-23</b> | <b>2021-22</b> | <b>2020-21</b> |
|--|----------------|----------------|----------------|
| <b>T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type [tonnes CO2-e]</b> |                |                |                |
| Non-executive fleet – Gasoline   | 241.94         | 204.03         | 209.44         |
| <b>Petrol</b>  | <b>241.94</b>  | <b>204.03</b>  | <b>209.44</b>  |
| Non-executive fleet – E10  | 0.79           | 0.98           | 0.74           |
| <b>Petrol (E10)</b>  | <b>0.79</b>    | <b>0.98</b>    | <b>0.74</b>    |
| Non-executive fleet – Diesel   | 90.26          | 104.52         | 93.57          |
| <b>Diesel</b>  | <b>90.26</b>   | <b>104.52</b>  | <b>93.57</b>   |
| <b>Total greenhouse gas emissions from transportation (vehicle fleet) [tonnes CO2-e]</b>                     | <b>332.98</b>  | <b>309.53</b>  | <b>303.74</b>  |

| <b>TOTAL ENERGY USE</b>  | <b>2022-23</b>       | <b>2021-22</b>       | <b>2020-21</b>       |
|--|----------------------|----------------------|----------------------|
| <b>E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]</b> |                      |                      |                      |
| Total energy usage from stationary fuels (F1) [MJ]   | 65,274,547.10        | 58,085,999.30        | 54,128,047.30        |
| Total energy usage from transport (T1) [MJ]  | 4,872,716.60         | 4,517,831.50         | 4,438,268.60         |
| <b>Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]</b>    | <b>70,147,263.70</b> | <b>62,603,830.80</b> | <b>58,566,315.90</b> |
| <b>E2 Total energy usage from electricity [MJ]</b>   |                      |                      |                      |
| Total energy usage from electricity [MJ]   | 64,091,498.68        | 64,997,940.73        | 63,384,513.92        |
| <b>E3 Total energy usage segmented by renewable and non-renewable sources [MJ]</b>                     |                      |                      |                      |
| Renewable  | 12,139,419.85        | 12,180,385.95        | 12,091,088.49        |
| Non-renewable (E1 + E2 - E3 Renewable)   | 122,099,342.53       | 115,421,385.58       | 109,859,741.33       |
| <b>E4 Units of Stationary Energy used normalised</b>   |                      |                      |                      |
| Energy per unit of Aged Care OBD [MJ/Aged Care OBD]  | 11,544.84            | 9,944.53             | 7,640.89             |
| Energy per unit of LOS [MJ/LOS]  | 231.47               | 228.77               | 213.97               |
| Energy per unit of Separations [MJ/Separations]  | 728.50               | 680.39               | 603.78               |
| Energy per unit of floor space [MJ/m2]   | 708.91               | 630.84               | 587.86               |

| <b>WATER USE</b>  | <b>2022-23</b>    | <b>2021-22</b>   | <b>2020-21</b>   |
|---|-------------------|------------------|------------------|
| <b>W1 Total units of metered water consumed by water source (kL)</b>  |                   |                  |                  |
| Potable water [kL]  | 96,673.33         | 85,355.73        | 84,108.62        |
| Reused water [kL]   | 10,436.73         | 9,831.67         | 1,709.76         |
| <b>Total units of water consumed [kL]</b>   | <b>107,110.06</b> | <b>95,187.40</b> | <b>85,818.38</b> |
| <b>W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity</b> |                   |                  |                  |
| Water per unit of Aged Care OBD [kL/Aged Care OBD]  | 18.94             | 16.30            | 12.11            |
| Water per unit of LOS [kL/LOS]  | 0.38              | 0.37             | 0.34             |
| Water per unit of Separations [kL/Separations]  | 1.20              | 1.11             | 0.96             |
| Water per unit of floor space [kL/m2]   | 1.16              | 1.03             | 0.93             |



| WASTE AND RECYCLING  | 2022-23             | 2021-22             | 2020-21             |
|--|---------------------|---------------------|---------------------|
| <b>WR1 Total units of waste disposed of by waste stream and disposal method [kg]</b> |                     |                     |                     |
| <b>Landfill (total)</b>  |                     |                     |                     |
| General waste  | 755,310.70          | 806,362.96          | 919,733.38          |
| <b>Offsite treatment</b>   |                     |                     |                     |
| Clinical waste - incinerated   | 7,954.43            | 10,628.67           | 12,298.68           |
| Clinical waste - sharps  | 14,323.84           | 21,309.46           | 20,439.34           |
| Clinical waste - treated   | 45,143.11           | 106,077.04          | 159,535.09          |
| <b>Recycling/recovery (disposal)</b>   |                     |                     |                     |
| Batteries  | 173.00              | 655.00              | 735.00              |
| Cardboard  | 186,575.91          | 193,671.62          | 198,192.52          |
| Commingled   | 138,079.04          | 162,148.80          | 161,821.44          |
| E-waste  | 9,241.00            | 1,101.36            | 3,068.11            |
| Fluorescent tubes  | 237.00              | 227.00              | 429.00              |
| Organics (food)  | 34,019.00           | 48,987.50           | 0.00                |
| Other recycling  |                     |                     | 500.00              |
| Paper (confidential)   | 96,788.68           | 74,244.08           | 105,308.61          |
| Paper (recycling)  | 7,923.46            | 39,661.10           | 69,209.93           |
| PVC  | 54.00               | 64.00               | 17.00               |
| Sterilisation wraps  | 167.00              | 1,447.00            | 336.00              |
| Toner and print cartridges   | 380.00              | 60.00               | 520.00              |
| <b>Total units of waste disposed [kg]</b>  | <b>1,296,370.17</b> | <b>1,466,645.59</b> | <b>1,652,144.10</b> |
| <b>WR1 Total units of waste disposed of by waste stream and disposal method [%]</b>  |                     |                     |                     |
| <b>Landfill (total)</b>  |                     |                     |                     |
| General waste  | 58.264%             | 54.980%             | 55.669%             |
| <b>Offsite treatment</b>   |                     |                     |                     |
| Clinical waste - incinerated   | 0.614%              | 0.725%              | 0.744%              |
| Clinical waste - sharps  | 1.105%              | 1.453%              | 1.237%              |
| Clinical waste - treated   | 3.482%              | 7.233%              | 9.656%              |
| <b>Recycling/recovery (disposal)</b>   |                     |                     |                     |
| Batteries  | 0.013%              | 0.045%              | 0.044%              |
| Cardboard  | 14.392%             | 13.205%             | 11.996%             |
| Commingled   | 10.651%             | 11.056%             | 9.795%              |
| E-waste  | 0.713%              | 0.075%              | 0.186%              |
| Fluorescent tubes  | 0.018%              | 0.015%              | 0.026%              |
| Organics (food)  | 2.624%              | 3.340%              | 0.000%              |
| Other recycling  |                     |                     | 0.030%              |
| Paper (confidential)   | 7.466%              | 5.062%              | 6.374%              |
| Paper (recycling)  | 0.611%              | 2.704%              | 4.189%              |
| PVC  | 0.004%              | 0.004%              | 0.001%              |
| Sterilisationwraps   | 0.013%              | 0.099%              | 0.020%              |
| Toner and print cartridges   | 0.029%              | 0.004%              | 0.031%              |

| WASTE AND RECYCLING  | 2022-23          | 2021-22          | 2020-21          |
|--|------------------|------------------|------------------|
| <b>WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method</b> |                  |                  |                  |
| Total waste to landfill per patient treated (kg general waste)/PPT   | 1.59             | 1.81             | 1.71             |
| Total waste to offsite treatment per patient treated (kg offsite treatment)/PPT  | 0.14             | 0.31             | 0.36             |
| Total waste recycled and reused per patient treated (kg recycled and reused)/PPT   | 1.00             | 1.17             | 1.01             |
| <b>WR4 Recycling rate [%]</b>  |                  |                  |                  |
| Weight of recyclable and organic materials [kg]  | 473,638.09       | 522,267.46       | 540,137.61       |
| Weight of total waste [kg]   | 1,296,370.17     | 1,466,645.59     | 1,652,144.10     |
| <b>Recycling rate [%]</b>  | <b>36.54%</b>    | <b>35.61%</b>    | <b>32.69%</b>    |
| <b>WR5 Greenhouse gas emissions associated with waste disposal [tonnes CO2e]</b>   |                  |                  |                  |
| tonnes CO2e  | 1,066.21         | 1,223.22         | 1,440.44         |
| GREENHOUSE GAS EMISSIONS   | 2022-23          | 2021-22          | 2020-21          |
| <b>G1 Total scope one (direct) greenhouse gas emissions [tonnes CO2e]</b>  |                  |                  |                  |
| Carbon Dioxide   | 3,690.42         | 3,296.11         | 3,087.03         |
| Methane  | 6.61             | 5.88             | 5.49             |
| Nitrous Oxide  | 3.35             | 3.11             | 2.93             |
| <b>Total</b>   | <b>3,700.39</b>  | <b>3,305.11</b>  | <b>3,095.45</b>  |
| GHG emissions from stationary fuel (F2) [tonnes CO2e]  | 3,367.40         | 2,995.58         | 2,791.71         |
| GHG emissions from vehicle fleet (T3) [tonnes CO2e]  | 332.98           | 309.53           | 303.74           |
| <b>Medical/refrigerant gases</b>   |                  |                  |                  |
| Nitrous oxide  | 304.88           | 1.27             |                  |
| Refrigerant - R134A  | 698.46           |                  |                  |
| Refrigerant - R22  | 132.17           |                  |                  |
| Refrigerant - R401A (MP39)   | 8.16             |                  |                  |
| Refrigerant - R402A (HP80)   | 6.41             |                  |                  |
| Refrigerant - R404A  | 16.32            |                  |                  |
| Refrigerant - R407A  | 43.81            |                  |                  |
| Refrigerant - R410A  | 109.28           |                  |                  |
| <b>Total scope one (direct) greenhouse gas emissions [tonnes CO2e]</b>   | <b>5,019.89</b>  | <b>3,306.38</b>  | <b>3,095.45</b>  |
| <b>G2 Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]</b>  |                  |                  |                  |
| Electricity  | 12,209.04        | 13,160.77        | 13,707.07        |
| <b>Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]</b>   | <b>12,209.04</b> | <b>13,160.77</b> | <b>13,707.07</b> |

| <b>GREENHOUSE GAS EMISSIONS</b>  | <b>2022-23</b>   | <b>2021-22</b>   | <b>2020-21</b>   |
|--|------------------|------------------|------------------|
| <b>G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO2e)</b> |                  |                  |                  |
| Commercial air travel  |                  |                  |                  |
| Waste emissions  | 1,066.21         | 1,223.22         | 1,440.44         |
| Indirect emissions from Stationary Energy  | 1,836.84         | 1,670.15         | 1,798.04         |
| Indirect emissions from Transport Energy   | 83.78            | 16.29            | 15.99            |
| Paper emissions  |                  |                  |                  |
| Any other Scope 3 emissions  | 163.75           | 160.33           | 211.81           |
| <b>Total scope three greenhouse gas emissions [tonnes CO2e]</b>  | <b>3,150.58</b>  | <b>3,069.98</b>  | <b>3,466.28</b>  |
| <b>G(Opt) Net greenhouse gas emissions (tonnes CO2e)</b>   |                  |                  |                  |
| <b>Gross greenhouse gas emissions (G1 + G2 + G3) [tonnes CO2e]</b>   | <b>20,379.51</b> | <b>19,537.14</b> | <b>20,268.80</b> |
| <b>Net greenhouse gas emissions [tonnes CO2e]</b>  | <b>20,379.51</b> | <b>19,537.14</b> | <b>20,268.80</b> |
| <b>NORMALISATION FACTORS</b>   | <b>2022-23</b>   | <b>2021-22</b>   | <b>2020-21</b>   |
| 1000km (corporate)   |                  |                  |                  |
| 1000km (non-emergency)   |                  |                  |                  |
| Aged care OBD  | 5,654.00         | 5,841.00         | 7,084.00         |
| ED departures  | 98,170.00        | 99,517.00        | 186,920.00       |
| FTE  | 4,807.00         | 4,223.00         | 4,025.00         |
| LOS  | 282,006.00       | 253,909.00       | 252,965.00       |
| OBD  | 287,660.00       | 259,750.00       | 260,049.00       |
| PPT  | 475,431.00       | 444,638.00       | 536,618.00       |
| Separations  | 89,601.00        | 85,371.00        | 89,649.00        |
| TotalAreaM2  | 92,077.00        | 92,077.00        | 92,077.00        |

## SOCIAL PROCUREMENT FRAMEWORK

Peninsula Health will commence reporting against the objectives in the Social Procurement Framework in the 2024 Annual Report.

# Additional Information Available on Request

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):

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by the entity about itself, and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by the 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
- 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
- a list of major committees sponsored by the health service, the purposes of each committee and the extent to which the purposes have been achieved and
- details of all consultancies and contractors including:
  - i. consultants/contractors engaged;
  - ii. services provided and
  - iii. expenditure committed for each engagement.

# Thank You to Our Supporters

During the 12-month period to 30 June 2023, 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
- Intensive Care Unit
- The Mornington Centre
- Emergency Services
- Mental Health
- Oncology Services



*Australian Lions Foundation Chairman Tony Benbow OAM, with Flinders Lions Club representatives Mark Holland, Monica Holland and Elaine Franklin, with Chief Executive, Felicity Topp, at the opening of the sensory garden at The Mornington Centre's Flinders ward.*

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:

- Patricia Allen
- Joyce Beckwith
- Normie Bydder
- Sally Cleary
- Don Clifton
- Stephen Crawford
- Geoffrey Delahoy
- Trevor Edwards
- Greg Shalit and Dr Miriam Faine
- Jean Gibbons
- Sue Guthrie
- Norman Kaye
- Robyn Keleher
- Nathan Kelley
- John Korsten
- Alan McKenna
- Noel McKinnon
- Brian Moss
- Graham Mouser
- Enrico Petrosino
- Rosemary Richardson
- Norma Roy
- Valerie Watson
- Byron Woods
- All Saints Anglican Opp Shop
- Australian Croatian Social Club
- Bagôt Gjergja Foundation
- Beretta's Langwarrin Hotel
- Blue Label Pty Ltd
- Bluescope Steel
- Collier Charitable Fund
- Country Women's Association Rosebud Branch
- Day Chemotherapy staff at Frankston Hospital
- Dr Owen Williams Mental Health Research Grant
- Dromana T.O.W.N. Club
- Edwards Foundation
- Estate of Christopher Robin Fewster
- Estate of Patricia and William Everitt
- Estate of Paul Douglas Daniel
- Estate of Phyllis Narelle Turner
- Frankston Hospital Men's Auxiliary
- Frankston Hospital Pink Ladies Auxiliary
- Giving Hope ATF The Pearson Charitable Trust
- Greenways Residents Committee
- Lifestyle Communities - Hastings
- Lifestyle Hastings Social Club
- Lions Club Dromana
- Lions Club Flinders District
- Lions Club of Frankston
- Lions Club Rye
- Menzies Caring for Kids
- Mornington Golf Club
- Order of the Eastern Star, Brighton Coronation
- Peninsula Boys Car Enthusiasts
- Peninsula Timber and Hardware Pty Ltd
- Red Hill Opportunity Shop Inc.
- Rosebud Hospital Pink Lady Group
- Rosebud Italian Club
- Rosebud Rock 'N' Rods Festival
- Rotary Club of Dromana
- Rotary Club of Frankston Peninsula 2.0
- RSL Dromana Red Hill
- RSL Rosebud Women's Auxiliary
- Rye and Peninsula Greek Women's Group
- Rye Opportunity Shop
- Senior Citizens Club Blairgowrie
- Southern Peninsula Indoor Bias Bowls Association
- Turosi Giving
- Uncle Bobs Club

## Strategic Priorities

In 2022–23, 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. KEEP PEOPLE HEALTHY AND SAFE IN THE COMMUNITY

#### MAINTAIN COVID-19 READINESS

Maintain a robust COVID-19 readiness and response, working with the department, Health Service Partnership and Local Public Health Unit (LPHU), to ensure effective responses to changes in demand and community pandemic orders. This includes, but is not limited to, participation in the COVID-19 streaming model, the Health Service Winter Response framework, and continued support of the COVID-19 vaccine immunisation program and community testing.

#### OUTCOME: COMPLETE

To address this priority for the health service and the local community, the following measures were put in place during the reporting period:

- Peninsula Health worked closely with our Health Service Partnership and the South East Public Health Unit to respond to fluctuating demand in care for people with COVID-19. We have integrated the COVID model of care into business as usual and Peninsula Health continues to deliver a surge model in response to fluctuating COVID demand whilst optimising usual operational capacity. COVID precautions remained in place to ensure staff, patient and visitor safety and were re-assessed frequently in line with changes to government directives.
- Peninsula Health continues to monitor COVID-19 readiness through our regular Incident Command structure enabling timely escalation of issues and response to changing demands.

## 2. CARE CLOSER TO HOME

Delivering more care in the home or virtually. Increase the provision of home-based or virtual care, where appropriate or preferred, by the patient, including via the Better at Home program

### OUTCOME: COMPLETE

To address this priority for the health service and the local community, the following measures were put in place during the reporting period:

- Peninsula Health has expanded home-based services and now delivers Hospital in the Home (HITH) for an increased number of patients including medical and post-surgical patients, cancer care, maternity, neonatal and paediatric care at home. Sub-acute services are also being delivered at home including rehab, GEM and palliative care services. The Virtual Emergency Department provided 1,300 consultations, supporting Ambulance Victoria, assisting these patients with the care they needed at home and reducing the need to attend the Emergency Department.
- HITH has seen its notional number of beds almost double from 35 to 60 in the past 18 months. New activity has been generated that was previously delivered in bed-based inpatient settings and several service model changes have been introduced to increase the diversity of conditions managed and increased patient acuity and complexity. HITH has introduced cancer treatments in the home with varying complexity levels aligned to the statewide Home Based Cancer Care Framework, enabling patients who would have normally needed to seek treatment in the Chemotherapy Day Unit (CDU) to have these treatments at home. Staff have been upskilled to undertake these new treatments and are well supported by a cancer-trained nurse and the CDU. The medical component has been increased to provide a greater level of robustness to the service model. This has also enabled the service to manage patients with higher medical acuity and hence take a greater diversity of patients home.

Paediatric HITH has also expanded. Key changes include a partnership with Monash Health and The Royal Children's Hospital to manage children with oncology issues at home. Peninsula Health provides the care on behalf of these two health services for patients in Frankston and on the Mornington Peninsula. Neo-natal HITH is supporting mothers and their babies with jaundice at home through the provision of new equipment and improved processes. The referral process has been made easier and there is improved information for patients to provide clarity of expectations.

- Sub-acute at home provides care for patients with sub-acute needs. Support includes rehabilitation, functional improvement and palliative care. Key changes include the transition of 23 sub-acute inpatient and palliative care beds to 23 home beds, creating a home-based rehabilitation and palliative care service incorporating nursing, medical, allied health and pharmacy. This service was subsequently combined with two smaller, existing diversion services for elective orthopaedics and stroke rehabilitation to create a single, large rehabilitation and palliative care team. This team provides care to a diverse range of patient cohorts with rehabilitation, GEM or palliative care needs, who can now receive care at home.
- Virtual Emergency Department (ED) is a pre-hospital telehealth emergency assessment service, providing access to urgent care, triage, and links for patients to an appropriate treatment pathway. The service is for Ambulance Victoria (AV) employees to access a physician consult at each ED within the south-eastern metropolitan health service partnership. The consultation helps patients and the AV employee determine alternative options to the ED for care, thereby avoiding the need for transport to a hospital. The service is offered 24 hours per day, seven days per week. Over the reporting period, the service saw a steady growth in numbers as it became better known to AV and a high rate of diversion was achieved from the ED. The service was proactive in linking patients to alternative options where the matter was urgent but not an emergency, and could be addressed outside bed-based care.



### 3. KEEP IMPROVING CARE

#### IMPROVE QUALITY AND SAFETY OF CARE

Work with Safer Care Victoria (SCV) in areas of clinical improvement to ensure the Victorian health system is safe and delivers best care, including working together on hospital-acquired complications, low-value care, and targeting preventable harm to ensure that limited resources are optimised without compromising clinical care and outcomes.

#### OUTCOME: COMPLETE

To address this priority for the health service and the local community, the following measures were put in place during the reporting period:

- Peninsula Health has joined a consortium of health services participating in the Hospital Acquired Complications (HACs) reducing patient harm project.
- The HACs pilot is a multicentre project supported by the Victorian Managed Insurance Authority, which aims to reduce the impact of harm from HACs in health services. The project aims to minimise potentially avoidable harm from HACs, through improving transparency of data, confidence and accuracy in workflows and robust reporting. The project will pilot the RISQ software for two years and use data and services provided by the platform to understand performance against peers and expected rates of HACs for the service. This will drive targeted quality improvement activities, and aims to reduce HACs at Peninsula Health.
- Peninsula Health has joined with other health services to participate in the Safer Care Victoria collaboratives, as part of the 'Saving 100,000 Lives' campaign. The current projects include the post-partum haemorrhage and the heart failure collaborative, and both projects continue to progress. The post-partum haemorrhage group is focusing on continuing to collect important data to measure haemorrhage more accurately, which is a key input to measuring positive change.
- The new model of care in the heart failure project provides a range of supports including individual support and education on safe heart failure discharge, telephone follow up and links to community support systems. A review of the first 200 patients has demonstrated a significant decrease in readmission rates (7 percent at 30 days and 10 percent at 90 days) with very positive feedback from patients. Safer Care Victoria has enabled the continuation of the project, which will ensure service development and growth, to improve the outcomes for heart failure patients.
- Two quality and safety staff are currently on secondments with Safer Care Victoria, and the Executive Director Medical Services is an active member of the Quality Signals group, and the Hip Fracture Community of Practice.

#### CONTRIBUTE TO A RESPONSIVE AND INTEGRATED MENTAL HEALTH AND WELLBEING SYSTEM

Continue to transform the Area Mental Health and Wellbeing Services that deliver wellbeing supports and are delivered through partnerships between public health services (or public hospitals) and non-government organisations.

Develop/refine services that will be provided across two aged-based streams: infant, child and youth (0-25), and adult and older adult (26+).

Provide integrated treatment, care and support to people living with mental illness and substance abuse or addiction.

Subject to the passage of the Mental Health and Wellbeing Bill 2022 (Vic), actively participate in the implementation of new legislative requirements and embed the legislation's rights-based objectives and principles.

## OUTCOME: IN PROGRESS

To address this priority for the health service and the local community, the following measures were put in place during the reporting period:

- Peninsula Health has developed a transformation plan in response to recommendations from the Royal Commission. The new Frankston Local Area Mental Health and Wellbeing Service commenced in partnership with Mentis Assist and Wellways, delivering integrated mental health services to the community.
- New models of care have been co-designed with consumers and their support people and people with lived experience for both the infant, child and youth (0–25 years) services and the adult and older adult service (26+ years).
- Community Mental Health and Alcohol and Other Drug services are integrated and co-located at the Tarnbuk Centre at 411 Nepean Hwy, Frankston. Integration of addiction services with Mental Health and Wellbeing services is a key component of the Peninsula Health Mental Health Transformation Plan; this aligns closely to recommendations from the Royal Commission.
- The Mental Health Transformation project is underway and the principles envisaged in the new legislation are included in the action plan. Peninsula Health is awaiting guidelines and directions from the Department of Health to support implementation prior to the 31 December, 2023 deadline.

## IMPROVE EMERGENCY DEPARTMENT ACCESS

Improve access to emergency services by implementing strategies to reduce bed access blockage to facilitate improved whole-of-system flow, reduce Emergency Department four-hour wait times, and improve ambulance-to-health-service handover times.

Ambulance Victoria (AV) will work with Safer Care Victoria to develop standards that reflect the need for health services and AV to work together to improve emergency care. Work will continue in parallel to the continued improvement initiatives and its interface with health service Emergency Departments.

## OUTCOME: IN PROGRESS

To address this priority for the health service and the local community, the following measures were put in place during the reporting period:

A number of initiatives were implemented during 2022–23 to support Emergency Department access and waiting times including:

- Virtual Emergency Department
- Ambulance Victoria off-load model
- two additional ICU beds
- all flex beds operationalised
- patient flow funding utilised to deliver pharmacy service and Allied Health out-of-hours service seven days a week
- timely Emergency Department Care Collaborative Project is mapping patient flow and implementing initiatives to release clinician time for care
- implementation of the Executive Patient Flow and Access Committee
- opening of the Priority Primary Care Centres
- further expansion of the Better at Home program.

## PLAN UPDATE TO NUTRITION AND FOOD-QUALITY STANDARDS

Develop a plan to implement nutrition and quality of food standards in 2022–23, implemented by December of 2023.

### OUTCOME: IN PROGRESS

To address this priority for the health service and the local community, the following measures were put in place during the reporting period:

- Peninsula Health is well underway in implementing the new nutrition and quality food standards in time for the December 2023 deadline.

## CLIMATE CHANGE COMMITMENTS

Contribute to enhancing health-system resilience by improving the environmental sustainability, including identifying and implementing projects and/or processes that will contribute to committed emissions-reductions targets through reducing or avoiding carbon emissions and/or implementing initiatives that will help the health system to adapt to the impacts of climate change.

### OUTCOME: IN PROGRESS

To address this priority for the health service and the local community, the following measures were put in place during the reporting period:

- Peninsula Health has an Environmental Management Plan that identifies and tracks key activities towards improving environmental sustainability, reducing emissions, water consumption and waste.

## ASSET MAINTENANCE AND MANAGEMENT

Improve health service and Department of Health Asset Management Accountability Framework (AMAF) compliance by collaborating with Health Infrastructure to develop policy and processes to review the effectiveness of asset maintenance and its impact on service delivery.

### OUTCOME: IN PROGRESS

To address this priority for the health service and the local community, the following measures were put in place during the reporting period:

- Peninsula Health has an Asset Management Plan in place that tracks and reports annually on compliance to the state through the Victorian Health Building Authority. Peninsula Health is also in the process of completing an Asset Management Strategy, which seeks to improve the maturity of the organisation's asset management approach away from a 'break-fix' model to a 'proactive planning' model, which also highlights funding risk and improves asset knowledge.

## 4. IMPROVE ABORIGINAL HEALTH AND WELLBEING

### IMPROVE ABORIGINAL CULTURAL SAFETY

Strengthen commitments to Aboriginal Victorians by addressing the gap in health outcomes by delivering culturally safe and responsive healthcare.

Establish meaningful partnerships with Aboriginal Community-Controlled Health Organisations

Implement strategies and processes to actively increase Aboriginal employment

Improve identification of Aboriginal people presenting for healthcare, and to address variances in healthcare and provide equitable access to culturally safe pathways and environments

Develop discharge plans for every Aboriginal patient.

### OUTCOME: IN PROGRESS

To address this priority for the health service and the local community, the following measures were put in place during the reporting period:

- Policies in relation to Aboriginal and Torres Strait Islander health inform expectations in providing culturally appropriate care to Aboriginal and Torres Strait Islander people. Cultural awareness to meet the needs of Aboriginal and Torres Strait Islander people begins for new employees with orientation. This includes information prepared by Aunty Helen Bnads, an Elder who is an employee of Peninsula Health, to provide information about local Aboriginal and Torres Strait Islander people who use Peninsula Health services, and the types of services and supports available for Aboriginal and Torres Strait Islander people and staff.
- Cultural awareness about the health and wellbeing of First Nations people is included in the mandatory training suite, and is available on the First Nations intranet page. Ninety-five percent of staff have completed this training.
- A regular newsletter 'Wirri Girri' is distributed to all staff, which includes information about Aboriginal and Torres Strait Islander people, celebrations, acknowledgements and activities.
- Peninsula Health supports and participates in the Bay Mob expo, which is a free community event that showcase's the health, education and wellbeing opportunities available for First Nations communities in Frankston and on the Mornington Peninsula.
- We work in partnership with our local gathering places, Nairm Marr Djambana in Frankston and Willum Warrain in Hastings, to deliver place-based healthcare in a culturally supportive environment.
- The Bunurong Land Council, our Recognised Aboriginal Party for our area, assists with sourcing a community Elder to participate in our interview panel for the recruitment of new staff who will provide services to the local First Nations community.
- The People, Workplace Safety and Wellbeing department has reviewed all recruitment policies to ensure we have removed any barriers for the employment of First Nations people.
- Peninsula Health is an equal opportunity employer that is committed to inclusion and diversity. We encourage applications from First Nations people and individuals from all cultural backgrounds.
- We have supported an Aboriginal trainee to complete qualification and apply for an Aboriginal Health Liaison Officer (AHLO) role in the organisation.

- We are part of the Aboriginal Employment Health Network with Monash Health and others, and we will be discussing the Graduate Employment Program as part of this network.
- When Indigenous-specific roles are advertised, these are featured in the *Koori Mail* and promoted in the community. As at 30 June 2023, we have 26 staff identifying as being Aboriginal and Torres Strait Islander.
- A local First Nations artist was engaged to provide artwork to promote cultural safety. This artwork has been used in the design of a new uniform. An additional 15 staff have identified as Aboriginal or Torres Strait Islanders as a result of ordering this uniform.
- A fresh campaign of 'Don't be Shy, Identify' utilising this artwork was launched in 2023, with promotional materials across all our sites used to promote Aboriginal and Torres Strait Islander consumers to identify when they are registered with our health service.
- All Aboriginal patients receive a discharge summary, which is sent electronically to their nominated General Practitioner when they have completed an episode of care.

## 5. MOVING FROM COMPETITION TO COLLABORATION

### FOSTER AND DEVELOP LOCAL PARTNERSHIPS

Strengthen cross-service collaboration, including through active participation in health service partnerships (HSP).

Work together with other HSP members on strategic system priorities where there are opportunities to achieve better and more consistent outcomes through collaboration, including the pandemic response, elective surgery recovery and reform, implementation of the Better at Home program and mental health reform.

#### OUTCOME: COMPLETE

To address this priority for the health service and the local community, the following measures were put in place during the reporting period:

- Peninsula Health has worked closely with all the members of the South East Metropolitan Health Service Partnership. Governance of the partnership has been established and a number of joint projects are underway.
- Key projects are progressing in collaboration with the South East Metro Health Service Partnership including growth of the Better at Home service, collaborative response to COVID-19 fluctuations in demand, and the elective surgery recovery and reform project, which has seen a substantial increase in the number of people receiving their elective surgery and reducing the number of people on the waiting list.

## PLANNED SURGERY RECOVERY AND REFORM PROGRAM

Maintain commitment to deliver goals and objectives of the Planned Surgery Recovery and Reform Program, including initiatives as outlined, agree and funded through the HSP work plan. Health services are expected to work closely with HSP members and the Department of Health throughout the implementation of this strategy and to collaboratively develop and implement future reform initiatives to improve the long-term sustainability of safe and high-quality planned surgical services to Victorians.

### OUTCOME: COMPLETE

To address this priority for the health service and the local community, the following measures were put in place during the reporting period:

- there has been enhanced communication with patients to improve experience
- the comprehensive Osteoarthritis and Arthroplasty project has commenced, assessing the patient journey from GP referral to post-surgery, with the aim to optimise patients pre-surgery, improve communication and preparation for surgery, patient experience and recovery post-surgery
- the current Osteoarthritis Hips and Knees Service (OAHKS) has been expanded to deliver an alternative pathway to surgery
- there is now a hand therapy-led service for acquired hand conditions
- a patient support unit has been established, which is improving waiting list management by contacting and reviewing patients who have been on the waiting list longer than recommended
- the Day Surgery Maximisation project has been focusing on identifying procedures that previously required an overnight inpatient bed for suitability as day case procedures; this concept has been successfully implemented with laparoscopic cholecystectomy and expanding to other procedures in 2024.

## SUPPORT MENTAL HEALTH AND WELLBEING

Support the implementation of recommendations arising from the Royal Commission into Victoria's Mental Health system, by improving compliance with legislative principles supporting self-determination and self-directed care.

Embed consumer, family, care and supporter lived experience at all levels: in leadership, governance, service design, delivery and improvement.

Work towards treatment, care, and support being person-centred, rights-based, trauma-informed, and recovery orientated, respecting the human rights and dignity of consumers, families, carers and supporters.

## OUTCOME: IN PROGRESS

To address this priority for the health service and the local community, the following measures were put in place during the reporting period:

Peninsula Health has developed a Mental Health Transformation Plan to implement the recommendations from the Royal Commission. The plan was co-designed with lived experience, families, support people and staff. The plan is structured to cover the following key sections: governance; infrastructure and planning; transformation planning; lived experience; service delivery; partnerships and integration; implementation planning timelines. Significant progress has been made in year one, including:

- the commencement of the Frankston Local Area Mental Health and Wellbeing Service in partnership with Mentis Assist and Wellways
- the co-location of a drug and alcohol team with Community Mental Health
- the introduction of a new model of care for Crisis Assessment and Treatment Team services
- the refurbishment of the Youth Prevention and Recovery Care building has commenced and the model of care is under review
- work is underway to meet compliance with the *Mental Health and Wellbeing Act 2022* (Vic) by December 2023.

## 6. A STRONGER WORKFORCE

### IMPROVE WORKFORCE WELLBEING

Participate in the occupational violence and aggression training that will be implemented across the sector in 2022-23.

Support the implementation of the Strengthening Hospital Responses to Family Violence (SHRFV) initiative deliverables including health service alignment to MARAM, the Family Violence Multi-Agency Risk Assessment and Management Framework.

Prioritise the wellbeing of healthcare workers and implement local strategies to address key issues.

## OUTCOME: COMPLETE

To address this priority for the health service and the local community, the following measures were put in place during the reporting period:

- Peninsula Health has well-established occupational violence and aggression (OVA) training and support programs. The management of OVA is embedded into practice.
- Implementation of the SHRFV has been established at Peninsula Health, with embedded systems that comply with statewide family violence reforms.
- This program has led the organisation's alignment to the Multiple Agency Risk and Assessment Management (MARAM) framework. This has been achieved through organisational-wide policies and guidelines, access to MARAM e-learning training at each level of responsibility, structures in place for inter-agency risk management and collaboration, and established systems in place for sharing relevant information under the Information Sharing Scheme.

- **Schwartz Rounds® Pilot:** Over the reporting period a number of key activities have been completed, including the launch of our Schwartz Rounds® program. This program provides opportunities for clinical and non-clinical employees to come together and share the social and emotional aspects of working in a complex healthcare environment. Participation in Schwartz Rounds® has been proven to enhance connection and teamwork between colleagues, while reducing feeling of stress and burnout. Feedback from the pilot has shown the program to be very successful and this will now be rolled out across the organisation.
- **Everyday Heroes / Wellbeing Champions:** These are now well embedded with over 40 employees regularly engaged in the special interest network. 16 of these members have completed the Everyday Heroes training to become program facilitators, and are now skilled to deliver the positive psychology based program across the organisation. The program has been configured to allow for a highly flexible mode of delivery, with in-person and virtual or hybrid models available. The program builds the capability of participants' psychological capital in key areas associated with positive wellbeing.
- **Moral Injury Program:** Our partnership with The Ethics Centre continues with a focus on developing a number of resources explaining the role of difficult decision-making on moral distress and injury. Importantly, the material aims to improve awareness of the issues and give healthcare workers tools to minimise the impact of difficult decision-making and reducing the stigma surrounding seeking help.
- **Psychosocial Hazard Program:** This program continues to develop and grow, with many resources for managers and individuals developed via our Thriving in Health program. The resources continue to be embedded in key learning touchpoints across the organisation like intern education and Associate New Unit Manager study days. All resources are also housed on our intranet and available to all employees. Psychosocial risk assessments are occurring under the expert guidance of the Work Health and Safety team and further refinement of the process is expected in the coming year, ensuring that all areas can proactively identify and mitigate psychosocial hazards in local areas.

## Performance Priorities

### HIGH-QUALITY AND SAFE CARE

| KEY PERFORMANCE MEASURE   | Target | Result |
|---|--------|--------|
| <b>Infection prevention and control</b>   |        |        |
| Compliance with the Hand Hygiene Australia program  | 85%    | 88%    |
| Percentage of healthcare workers immunised for influenza                                    | 92%    | 92%    |
| <b>Patient experience</b>   |        |        |
| Percentage of patients who reported positive experiences of their hospital stay - Quarter 1 | 95%    | 87%    |
| Percentage of patients who reported positive experiences of their hospital stay - Quarter 2 | 95%    | 90%    |
| Percentage of patients who reported positive experiences of their hospital stay - Quarter 3 | 95%    | 90%    |



| KEY PERFORMANCE MEASURE  | Target      | Result   |
|--|-------------|--|
| <b>Healthcare Associated Infections (HAIs)</b>   |             |  |
| Rate of surgical site infections for selected procedures (aggregate)   | No outliers | No outliers  |
| Rate of central line (catheter) associated bloodstream infection (CLABSI) in intensive care units, per 1,000 central line days                       | Zero        | Zero   |
| Rate of healthcare-associated S.aureus bloodstream infections per 10,000 bed days  | ≤ 0.7       | 0.4  |
| <b>Unplanned readmissions</b>  |             |  |
| Unplanned readmissions to any hospital following a hip replacement   | ≤6          | Frankston Hospital 8.6<br>Frankston Public Surgical Centre - 3.5 |
| <b>Mental health patient experience</b>  |             |  |
| Percentage of mental health consumers who rated their overall experience of care with a service in the last 3 months as positive                     | 80%         | 81%  |
| Percentage of mental health consumers reporting they 'usually' or 'always' felt safe using this service  | 90%         | 96%  |
| Percentage of families/carers reporting a positive experience of the service   | 80%         | 47%  |
| Percentage of families/carers who report they 'always' or 'usually' felt their opinions as a carer were respected                                    | 90%         | 70%  |
| <b>Closed community cases</b>  |             |  |
| Percentage of closed community cases re-referred within six months: CAMHS, adults and aged persons   | <25%        | 26%  |
| <b>Post-discharge follow-up</b>  |             |  |
| Percentage of consumers followed up within seven days of separation - Inpatient (adult)  | 88%         | 93%  |
| Percentage of consumers followed up within seven days of separation - Inpatient (older persons)  | 88%         | 93%  |
| <b>Seclusion</b>   |             |  |
| Rate of seclusion episodes per 1,000 occupied bed days - Inpatient (adult)   | ≤8          | 0  |
| Rate of seclusion episodes per 1,000 occupied bed days - Inpatient (older persons)   | ≤5          | 0  |
| <b>Readmission</b>   |             |  |
| Percentage of consumers readmitted within 28 days of separation - Inpatient (adult)  | <14%        | 18%  |
| Percentage of consumers readmitted within 28 days of separation - Inpatient (older persons)  | <7%         | 14%  |
| <b>Maternity and newborn</b>   |             |  |
| Percentage of full-term babies (without congenital anomalies) who are considered in poor condition shortly after birth (APGAR score <7 to 5 minutes) | <1.4%       | 1.5  |
| Percentage of singleton babies with severe fetal growth restriction (FGR) delivered at 40 or more weeks gestation                                    | <28.6%      | 30.8   |
| <b>Continuing care</b>   |             |  |
| Functional independence gain from an episode of rehabilitation admission to discharge, relative to length of stay                                    | >0.645      | 0.657  |

## STRONG GOVERNANCE, LEADERSHIP AND CULTURE

| KEY PERFORMANCE MEASURE   | Target | Result |
|---|--------|--------|
| <b>Organisational culture</b>   |        |        |
| People Matter Survey - Percentage of staff with an overall positive response to safety culture survey questions | 62%    | 66%    |

## 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%    | 63%    |
| 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%    | 66%    |
| Percentage of emergency patients with a length of stay in the Emergency Department of less than four hours   | 81%    | 40%    |
| 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%    | 75%    |
| 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%    | 81%    |
| Percentage of emergency patients with a length of stay in the Emergency Department of less than four hours   | 81%    | 61%    |
| Number of patients with a length of stay in the Emergency Department greater than 24 hours   | 0      | 0      |
| <b>Mental health</b>   |        |        |
| Percentage of triage episodes requiring an urgent response (triage scale C) where a face-to-face response was provided by the mental health service within eight hours | 80%    | 56%    |
| Percentage of mental health related Emergency Department presentations with a length of stay of less than four hours   | 81%    | 35%    |
| <b>Elective surgery</b>  |        |        |
| Percentage of urgency category 1 elective surgery patients admitted within 30 days   | 100%   | 100%   |
| Percentage of urgency category 1, 2 and 3 elective surgery patients admitted within clinically recommended time  | 94%    | 72%    |
| Number of patients on the elective surgery waiting list  | 3,750  | 2,923  |
| Number of patients admitted from the elective surgery waiting list   | 7,450  | 7,450  |
| Number of patients (in addition to base) admitted from the elective surgery waiting list   | 4,222  | 1,138  |

| KEY PERFORMANCE MEASURE   | Target   | Result |
|---|--|--------|
| <b>Elective surgery</b>   |  |        |
| 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 | 42%    |
| Number of hospital-initiated postponements per 100 scheduled elective surgery admissions  | <7   | 5      |
| <b>Specialist clinics</b>   |  |        |
| Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days                 | 100%   | 98%    |
| Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days                 | 90%  | 94%    |

## EFFECTIVE FINANCIAL MANAGEMENT

| KEY PERFORMANCE MEASURE   | Target  | 2022-23 Result |
|---|---|----------------|
| Operating result (\$m)  | \$0.00  | \$0.04         |
| Average number of days to paying trade creditors  | 60 days   | 53 days        |
| Average number of days to receiving patient fee debtors   | 60 days   | 24 days        |
| Adjusted current asset ratio  | 0.7 or 3% improvement from health service base target | 0.81           |
| 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   | 37 days        |
| Variance between forecast and actual Net Result from transactions (NRFT) for the current financial year ending 30 June                      | Variance ≤ \$250,000                                  | Not achieved   |

## ACTIVITY AND FUNDING PERFORMANCE

| FUNDING TYPE   | 2022-23 Activity Achievement |
|--|------------------------------|
| <b>Consolidated Activity Funding</b>                                     |                              |
| Acute admitted, subacute admitted, emergency services, non-admitted NWAU | 99,764                       |
| <b>Acute Admitted</b>  |                              |
| National Bowel Cancer screening program NWAU                             | 15.75                        |
| Acute admitted DVA   | 531.88                       |
| Acute admitted TAC   | 218.58                       |
| <b>Acute Non-Admitted</b>  |                              |
| Home Enteral Nutrition NWAU  | 36.09                        |
| Radiotherapy - other   | 230                          |
| <b>Sub-Acute/Non-Acute, Admitted and Non-Admitted</b>                    |                              |
| Sub-acute - DVA  | 230.1                        |
| Transition Care - Bed days   | 14,105                       |
| Transition Care - Home days  | 6,474                        |
| <b>Aged Care</b>   |                              |
| HACC   | 9,730                        |
| <b>Mental Health and Drug Services</b>                                   |                              |
| Mental Health Ambulatory   | 70,889                       |
| Mental Health Inpatient - Available bed days                             | 11,496                       |
| Mental Health Residential  | 5,126                        |
| Mental Health Service System Capacity                                    | 1                            |
| Mental Health Sub-acute  | 10,391                       |
| Drug Services  | 2,538                        |
| <b>Primary Health</b>  |                              |
| Community Health / Primary Care Programs                                 | 37,753                       |

\*NWAU is a National Weighted Activity Unit. NWAU data as reported in this publication is recorded as at Wednesday 26 July 2023. Final NWAU results will be completed in August 2023.

# Financial Summary

## FINANCIAL INFORMATION

|                                     | 2023<br>\$000 | 2022<br>\$000  | 2021<br>\$000   | 2020<br>\$000   | 2019<br>\$000   |
|-------------------------------------|---------------|----------------|-----------------|-----------------|-----------------|
| OPERATING RESULT*                   | 47            | 254            | 181             | (12,448)        | (5,792)         |
| Total revenue                       | 932,517       | 819,836        | 755,170         | 660,458         | 636,870         |
| Total expenses                      | 932,469       | 819,582        | 754,989         | 672,906         | 642,662         |
| <b>Net result from transactions</b> | <b>21,015</b> | <b>4,403</b>   | <b>(10,564)</b> | <b>(24,933)</b> | <b>(29,933)</b> |
| Total other economic flows          | (5,289)       | (6,630)        | 4,261           | (978)           | (2,991)         |
| <b>Net result</b>                   | <b>15,726</b> | <b>(2,227)</b> | <b>(6,303)</b>  | <b>(25,911)</b> | <b>(32,923)</b> |
| Total assets                        | 758,938       | 617,501        | 575,398         | 545,744         | 517,789         |
| Total liabilities                   | 400,659       | 310,507        | 258,532         | 242,601         | 195,979         |
| Net assets/total equity             | 358,279       | 306,994        | 316,866         | 303,143         | 321,810         |

\* 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

|   | 2022-23<br>(\$000) |
|---|--------------------|
| OPERATING RESULT*   | 4,395              |
| Capital Purpose Income  | 48,312             |
| Specific Income   | 0                  |
| COVID-19 State Supply Arrangements – assets received free of charge or for nil consideration under the State Supply | 5,889              |
| State supply items consumed up to 30 June 2023  | (5,949)            |
| Assets provided free of charge  | 0                  |
| Assets received free of charge  | 0                  |
| Expenditure for capital purpose   | 0                  |
| Depreciation and amortisation   | (27,887)           |
| Impairment of non-financial assets  | 0                  |
| Finance costs (other)   | (3,745)            |
| <b>Net Result from transactions</b>   | <b>21,015</b>      |

\*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 2022-23 showed an operating surplus (recorded before discontinued operations, capital income and depreciation) of \$47,106.

### In 2022-23, in comparison to the previous financial year:

- total revenue increased to \$933 million from \$820 million;
- total assets rose by \$149 million to \$759 million;
- liabilities increased by \$90 million to \$401 million;
- equity (the difference between assets and liabilities) increased by \$51 million to \$358 million.

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

### SUBSEQUENT EVENTS TO BALANCE DATE

There has been no event or matter that has arisen that has significantly affected or may significantly affect the operations or financial position of Peninsula Health between the end of the reporting period and the date of this report.

### EX-GRATIA PAYMENTS

Ex-gratia payments of \$8,674 were made by Peninsula Health during 2022-23. These payments relate to compensation payments or discretionary reimbursement of expenses.

## 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 it 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.

## COMPLIANCE WITH HEALTH SHARE VICTORIA (HSV) PURCHASING POLICIES

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



Felicity Topp  
Accountable Officer  
Peninsula Health  
August 2023

## FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

I, Michael Gorton, 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 (Vic)*, I am pleased to present the Report of Operations for Peninsula Health for the year ending 30 June 2023.



Mr Michael Gorton AM  
Chairperson  
Frankston  
August 2023

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 Charter and Purpose</b> |   |                |
| FRD 22   | Manner of establishment and the relevant Ministers                                    | 21             |
| FRD 22   | Purpose, functions, powers and duties   | 21             |
| FRD 22   | Nature and range of services provided   | 17-20          |
| FRD 22   | Activities, programs and achievements for the reporting period                        | 5-15           |
| FRD 22   | Significant changes in key initiatives and expectations for the future                | 5-15           |
| <b>Management and Structure</b>  |   |                |
| FRD 22   | Organisational structure  | 28-29          |
| FRD 22   | Workforce data/employment and conduct principles                                      | 30-31          |
| FRD 22   | Occupational Health and Safety  | 32             |
| <b>Financial Information</b>   |   |                |
| FRD 22   | Summary of the financial results for the year   | 61             |
| FRD 22   | Significant changes in financial position during the year                             | 62             |
| FRD 22   | Operational and budgetary objectives and performance against objectives               | 59-60          |
| FRD 22   | Subsequent events   | 63             |
| FRD 22   | Details of consultancies under \$10,000   | 37             |
| FRD 22   | Details of consultancies over \$10,000  | 37             |
| FRD 22   | Disclosure of ICT expenditure   | 38             |
| <b>Legislation</b>   |   |                |
| FRD 22   | Application and operation of <i>Freedom of Information Act 1982</i> (Vic)             | 35-36          |
| FRD 22   | Compliance with building and maintenance provisions of <i>Building Act 1993</i> (Vic) | 34             |
| FRD 22   | Application and operation of <i>Public Interest Disclosure Act 2012</i> (Vic)         | 35             |
| FRD 22   | Statement on National Competition Policy  | 34             |
| FRD 22   | Application and operation of <i>Carers Recognition Act 2012</i> (Vic)                 | 34             |
| FRD 24   | Environmental data reporting  | 38-43          |
| FRD 22   | Additional information available on request   | 44             |



| LEGISLATION                         | REQUIREMENT   | PAGE REFERENCE |
|-------------------------------------|---|----------------|
| <b>Legislation</b>                  |   |                |
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| SD 5.1.4                            | Financial Management Compliance Attestation                             | 63             |
| SD 5.2.3                            | Declaration in Report of Operations                                     | 63             |
| <b>Attestations</b>                 |   |                |
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|                                     | Attestation on Integrity, fraud and corruption                          | 63             |
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|                                     | Reporting of outcomes from Statement of Priorities 2022-23              | 47-60          |
|                                     | Occupational Violence reporting   | 32-33          |
|                                     | <i>Gender Equality Act 2020</i> (Vic)                                   | 35             |
|                                     | Reporting obligations under the <i>Safe Patient Care Act 2015</i> (Vic) | 35             |
|                                     | Reporting of compliance regarding Car Parking Fees                      | 35             |

## Annual Publications

Our 2023 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 corporate publication:**

- **Research Report, which highlights the achievements of our many researchers and their contribution to improving outcomes for our patients.**

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

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| 1.2 Impact of COVID-19 pandemic  | 74        | 5.4 Contract liabilities  | 105        |
| 1.3 Abbreviations and terminology used in the financial statements                 | 75        | 5.5 Other liabilities   | 106        |
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| 1.5 Accounting standards issued but not yet effective                              | 76        | 6.1 Borrowings  | 108        |
| 1.6 Goods and Services Tax (GST)   | 76        | 6.2 Cash and cash equivalents   | 111        |
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# Peninsula Health Financial Statements

## Financial Year ended 30 June 2023

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

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

We authorise the attached financial statements for issue on 3 October 2023.

#### Chairperson



Michael Gorton AM  
Chairperson  
Frankston  
3 October 2023

#### Chief Executive Officer



Felicity Topp  
Chief Executive Officer  
Frankston  
3 October 2023

#### Acting Chief Financial Officer



Osman Kasso  
Acting Chief Financial Officer  
Frankston  
3 October 2023

# 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 2023
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- 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 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *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.

---

**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.

---



Sanchu Chummar

*as delegate for the Auditor-General of Victoria*

MELBOURNE  
6 October 2023

# Peninsula Health

## Comprehensive Operating Statement

### For the Financial Year Ended 30 June 2023

|   | Note | 2023<br>\$'000   | 2022<br>\$'000   |
|---|------|------------------|------------------|
| <b>Revenue and income from transactions</b>                   |      |                  |                  |
| Operating activities  | 2.1  | 1,006,085        | 872,072          |
| Non-operating activities                                      | 2.1  | 4,916            | 1,305            |
| <b>Total revenue and income from transactions</b>             |      | <b>1,011,001</b> | <b>873,377</b>   |
| <b>Expenses from transactions</b>                             |      |                  |                  |
| Employee expenses   | 3.1  | (721,149)        | (639,023)        |
| Supplies and consumables                                      | 3.1  | (112,431)        | (98,564)         |
| Finance costs   | 3.1  | (3,833)          | (1,061)          |
| Depreciation and amortisation                                 | 4.6  | (27,887)         | (22,704)         |
| Other administrative expenses                                 | 3.1  | (58,943)         | (47,084)         |
| Other operating expenses                                      | 3.1  | (65,743)         | (60,537)         |
| <b>Total Expenses from transactions</b>                       |      | <b>(989,986)</b> | <b>(868,973)</b> |
| <b>Net result from transactions - net operating balance</b>   |      | <b>21,015</b>    | <b>4,404</b>     |
| <b>Other economic flows included in net result</b>            |      |                  |                  |
| Net (loss)/gain on sale of non-financial assets               | 3.2  | (8,632)          | 51               |
| Net gain/(loss) on financial instruments                      | 3.2  | 405              | (2,074)          |
| Other gain/(loss) from other economic flows                   | 3.2  | 2,938            | (4,607)          |
| <b>Total other economic flows included in net result</b>      |      | <b>(5,289)</b>   | <b>(6,630)</b>   |
| <b>Net result for the year</b>                                |      | <b>15,726</b>    | <b>(2,226)</b>   |
| <b>Other economic flows - other comprehensive income:</b>     |      |                  |                  |
| <b>Items that will not be reclassified to net result</b>      |      |                  |                  |
| Changes in property, plant, and equipment revaluation surplus | 4.4  | 34,236           | (7,645)          |
| <b>Total other comprehensive income</b>                       |      | <b>34,236</b>    | <b>(7,645)</b>   |
| <b>Comprehensive result for the year</b>                      |      | <b>49,962</b>    | <b>(9,871)</b>   |

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

# Peninsula Health

## Balance Sheet as at 30 June 2023

|  |        | 2023           | 2022           |
|--|--------|----------------|----------------|
|  | Note   | \$'000         | \$'000         |
| <b>Current assets</b>                              |        |                |                |
| Cash and cash equivalents                          | 6.2    | 94,230         | 80,626         |
| Receivables  | 5.1    | 20,303         | 30,948         |
| Contract assets                                    | 5.2    | 7,119          | 2,180          |
| Inventories  | 4.7    | 6,297          | 5,216          |
| Investments and other financial assets             | 4.1    | 13,056         | 12,650         |
| Prepaid expenses                                   |        | 2,201          | 6,600          |
| <b>Total current assets</b>                        |        | <b>143,206</b> | <b>138,220</b> |
| <b>Non-current assets</b>                          |        |                |                |
| Receivables and contract assets                    | 5.1    | 44,089         | 30,661         |
| Property, plant, and equipment                     | 4.2(a) | 471,448        | 425,079        |
| Right of use assets                                | 4.3(a) | 81,058         | 22,188         |
| Intangible assets                                  | 4.5(a) | 1,262          | 1,355          |
| <b>Total non-current assets</b>                    |        | <b>597,857</b> | <b>479,283</b> |
| <b>Total assets</b>                                |        | <b>741,063</b> | <b>617,503</b> |
| <b>Current liabilities</b>                         |        |                |                |
| Payables   | 5.3    | 100,597        | 107,264        |
| Borrowings   | 6.1    | 10,352         | 8,251          |
| Employee benefits                                  | 3.3    | 167,349        | 147,838        |
| Other liabilities                                  | 5.5    | 349            | 402            |
| <b>Total current liabilities</b>                   |        | <b>278,647</b> | <b>263,755</b> |
| <b>Non-current liabilities</b>                     |        |                |                |
| Borrowings   | 6.1    | 81,679         | 26,572         |
| Employee benefits                                  | 3.3    | 22,458         | 20,181         |
| <b>Total non-current liabilities</b>               |        | <b>104,137</b> | <b>46,753</b>  |
| <b>Total liabilities</b>                           |        | <b>382,784</b> | <b>310,508</b> |
| <b>Net assets</b>                                  |        | <b>358,279</b> | <b>306,995</b> |
| <b>Equity</b>                                      |        |                |                |
| Property, plant, and equipment revaluation surplus | 4.4    | 197,622        | 163,386        |
| Specific purpose reserve                           | SCE    | 18,413         | 10,956         |
| Contributed capital                                | SCE    | 196,803        | 195,484        |
| Accumulated (deficit)                              | SCE    | (54,559)       | (62,831)       |
| <b>Total equity</b>                                |        | <b>358,279</b> | <b>306,995</b> |

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

# Peninsula Health

## Cash Flow Statement

### For the Financial Year Ended 30 June 2023

|   | 2023             | 2022             |
|---|------------------|------------------|
| Note  | \$'000           | \$'000           |
| <b>Cash Flows from operating activities</b>           |                  |                  |
| Operating grants from State Government                | 817,159          | 771,756          |
| Operating grants from Commonwealth Government         | 39,390           | 33,717           |
| Capital grants from State Government                  | 48,140           | 10,077           |
| Capital receipts                                      | 3,362            | 9,603            |
| Patient and resident fees received                    | 36,636           | 31,011           |
| Donations and bequests received                       | 632              | 1,724            |
| GST received from ATO                                 | 21,434           | 18,722           |
| Other receipts  | 22,187           | 10,667           |
| <b>Total receipts</b>                                 | <b>988,940</b>   | <b>887,277</b>   |
| <br>  |                  |                  |
| Payments to employees                                 | (697,407)        | (609,075)        |
| Payments to contractors and consultants               | (13,158)         | (10,497)         |
| Payments for supplies and consumables                 | (192,770)        | (179,615)        |
| Payments for repairs and maintenance                  | (17,386)         | (16,373)         |
| Finance costs   | (3,687)          | (981)            |
| <b>Total payments</b>                                 | <b>(924,408)</b> | <b>(816,541)</b> |
| <br>  |                  |                  |
| <b>Net cash flows from operating activities</b>       | <b>64,532</b>    | <b>70,736</b>    |
| <br>  |                  |                  |
| <b>Cash Flows from investing activities</b>           |                  |                  |
| Proceeds from sale of non-financial assets            | 1,142            | 267              |
| Purchase of non-financial assets                      | (44,651)         | (26,715)         |
| <b>Net cash flows used in investing activities</b>    | <b>(43,509)</b>  | <b>(26,448)</b>  |
| <br>  |                  |                  |
| <b>Cash flows from financing activities</b>           |                  |                  |
| Capital contribution                                  | 1,250            | -                |
| Repayment of borrowings                               | (8,619)          | (5,212)          |
| Repayments of accommodation deposits                  | (50)             | (2,650)          |
| <b>Net cash flows used in financing activities</b>    | <b>(7,419)</b>   | <b>(7,862)</b>   |
| <br>  |                  |                  |
| <b>Net increase in cash and cash equivalents held</b> | <b>13,604</b>    | <b>36,426</b>    |
| Cash and cash equivalents at beginning of year        | 80,626           | 44,200           |
| <b>Cash and cash equivalents at end of year</b>       | <b>94,230</b>    | <b>80,626</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 2023

|  | Property,<br>Plant and<br>Equipment<br>Revaluation<br>Surplus<br>\$'000 | Restricted<br>Specific<br>Purpose<br>Reserve<br>\$'000 | Contributed<br>Capital<br>\$'000 | Accumulated<br>Surplus/<br>(Deficit)<br>\$'000 | Total<br>\$'000 |
|--|---|--|----------------------------------|--|-----------------|
| <b>Balance at 1 July 2021</b>                    | <b>171,031</b>  | <b>9,959</b>   | <b>195,484</b>                   | <b>(59,605)</b>                                | <b>316,869</b>  |
| Net result for the year                          | -   | -  | -                                | (2,226)  | (2,226)         |
| Other comprehensive income for the year          | (7,645)   | -  | -                                | -  | (7,645)         |
| Transfer from/(to) accumulated surplus/(deficit) | -   | 997  | -                                | (997)  | -               |
| <b>Balance at 30 June 2022</b>                   | <b>163,386</b>  | <b>10,956</b>  | <b>195,484</b>                   | <b>(62,828)</b>                                | <b>306,998</b>  |
| Net result for the year                          | -   | -  | -                                | 15,726   | 15,726          |
| Other comprehensive income for the year          | 34,236  | -  | -                                | -  | 34,236          |
| Transfer from/(to) accumulated surplus/(deficit) | -   | 7,457  | -                                | (7,457)  | -               |
| Capital contribution                             | -   | -  | 1,319                            | -  | 1,319           |
| <b>Balance at 30 June 2023</b>                   | <b>197,622</b>  | <b>18,413</b>  | <b>196,803</b>                   | <b>(54,559)</b>                                | <b>358,279</b>  |

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

## Note 1 Basis of preparation

These financial statements represent the audited general purpose financial statements for Peninsula Health for the year ended 30 June 2023. The report provides users with information about Peninsula Health's stewardship of the resources entrusted to it.

This section explains the basis of preparing the financial statements.

### Note 1.1 Basis of preparation of the financial statements

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

The financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the 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.

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 have been prepared on a going concern basis (refer to Note 8.9 Economic Dependency).

The financial statements are presented in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Peninsula Health on 3 October 2023.

### Note 1.2 Impact of COVID-19 pandemic

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

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

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

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

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

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

### Note 1.4 Key accounting estimates and judgements

Management makes estimates and judgements when preparing the financial statements.

These estimates and judgements are based on historical knowledge and best available current information and assume any reasonable expectation of future events. Actual results may differ. Revisions to key estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. The accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and relate to the following disclosures:

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits and related on-costs
- Note 4.2: Property, plant, and equipment
- Note 4.3: Right-of-use assets
- Note 4.5: Intangible assets
- Note 4.6: Depreciation and amortisation
- Note 4.9: Impairment of assets
- Note 5.1: Receivables
- Note 5.2: Contract assets
- Note 5.3: Payables
- Note 5.4: Contract liabilities
- Note 6.1(a): Lease liabilities
- Note 7.3: Fair value determination

During 2022–23 financial year, Peninsula Health entered into an agreement with Healthscope to acquire the Frankston Private Hospital for \$13.5 million. As part of this acquisition, Peninsula Health acquired assets and liabilities of Healthscope including medical equipment, leasehold improvements, ROU assets and associated liabilities, employees of Healthscope and their associated accrued employee entitlements.

Peninsula Health has identified an adjustment arising from a prior period. Peninsula Health was previously advised from the DH that it was required to recognise a capital work in progress amount in respect of construction of stage four of the Frankston Hospital redevelopment. However, in the 2023 financial year, the DH advised that it would be recognising the development costs of this project as part of its financial records. Accordingly, Peninsula Health was required to derecognise any amounts in respect of this construction. The effect of this derecognition is summarised in the following table:

| Capital Work in Progress Derecognised | Amount (\$'000) |
|---------------------------------------|-----------------|
| FY23                                  | \$6,960         |

### 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 2020-1: <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>                                  | Reporting periods beginning on or after 1 January 2023. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-9: <i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i>   | Reporting periods beginning on or after 1 January 2026. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-10: <i>Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i> | Reporting periods beginning on or after 1 January 2024. | Adoption of this standard is not expected to have a material impact. |

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

### Note 1.6 Goods and Services Tax (GST)

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

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

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

Commitments are presented on a gross basis.

### Note 1.7 Reporting Entity

The financial statements include all the controlled activities of Peninsula Health

Peninsula Health's principal address is:

2 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's overall objective is to provide exceptional health and community care through embracing a collaborative approach. Peninsula Health is predominantly funded by 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

### Telling the COVID-19 story

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

Additional funding was also provided to:

- connect COVID-19 patients with the right level of care
- fund the acquisition of assets, to provide continued support for patients in recovery from COVID-19
- vaccinate Victorians against COVID-19.

### 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 judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations.<br>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 the beneficiaries.<br>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 timing 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.  |
| Assets and services received free of charge or for nominal consideration | Peninsula Health applies significant judgement to determine the fair value of assets and services provided free of charge or for nominal value. Revenue is based on the market value of assets of the products received free of charge or for nominal consideration.  |

## Note 2.1 Revenue and income from transactions

|   | Note   | 2023<br>\$'000   | 2022<br>\$'000 |
|---|--------|------------------|----------------|
| <b>Operating activities</b>                                 |        |                  |                |
| <b>Revenue from contracts with customers</b>                |        |                  |                |
| Government grants (State) - Operating                       |        | 764,706          | 684,677        |
| Government grants (Commonwealth) - Operating                |        | 39,577           | 33,495         |
| Private Personal Alarm Monitoring Services                  |        | 9,792            | 8,448          |
| Patient and resident fees                                   |        | 31,466           | 23,555         |
| Commercial activities                                       |        | 8,012            | 10,130         |
| <b>Total revenue from contracts with customers</b>          |        | <b>853,553</b>   | <b>760,305</b> |
| <b>Other sources of income</b>                              |        |                  |                |
| Government grants (State) - Operating                       |        | 70,636           | 59,808         |
| Government grants (State) - Capital                         |        | 44,817           | 12,778         |
| Non-Cash Contributions from the Department of Health        |        | 14,910           | 3,780          |
| Other capital purpose income                                |        | -                | 7,987          |
| Capital donations   |        | 40               | 1,579          |
| Assets received free of charge or for nominal consideration | 2.1(a) | 5,889            | 11,260         |
| Other income from operating activities                      |        | 16,240           | 14,575         |
| <b>Total other sources of income</b>                        |        | <b>152,532</b>   | <b>111,767</b> |
| <b>Total revenue and income from operating activities</b>   |        | <b>1,006,085</b> | <b>872,072</b> |
| <b>Non-operating activities</b>                             |        |                  |                |
| <b>Income from other sources</b>                            |        |                  |                |
| Interest  |        | 2,992            | 201            |
| Dividends   |        | 1,332            | 960            |
| Other income from non-operating activities                  |        | 592              | 144            |
| <b>Total other sources of income</b>                        |        | <b>4,916</b>     | <b>1,305</b>   |
| <b>Total income from non-operating activities</b>           |        | <b>4,916</b>     | <b>1,305</b>   |
| <b>Total revenue and income from transactions</b>           |        | <b>1,011,001</b> | <b>873,377</b> |

## How we recognise revenue and income from operating activities

### Government operating grants

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

When both these conditions are satisfied, the health service:

- 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 a point in time or over time as and when services are rendered.

If a contract liability is recognised, Peninsula Health recognises revenue in the comprehensive operating statement as and when it satisfies its obligations under the contract.

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

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

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

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

| Government grant  | Performance obligation   |
|---|--|
| Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU) | NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid.<br>The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity.<br>Revenue is recognised at point in time, which is when a patient is discharged. |
| Financial Sustainability  | The financial sustainability funding supports the ongoing viability of the health service. Revenue is recognised at a point in time when funding is provided.  |

### 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.

### 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 Personal Alarm Monitoring Services

Personal alarm monitoring services are facilitated by MePACS, with personal in-home, mobile, watch and duress alarms.

### 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, ethics review fees, training and seminar fees and café charges. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

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

#### Dividend Income

Dividend income is recognised when the right to receive payment is established. Dividends represent the income arising from Peninsula Health's investments in financial assets.

#### Interest Income

Interest income is recognised on a time proportionate basis that considers the effective yield of the financial asset, which allocates interest over the relevant period.

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

|  | 2023           | 2022           |
|--|----------------|----------------|
|  | \$'000         | \$'000         |
| Peninsula Health disaggregates revenue by the timing of revenue recognition. |                |                |
| <b>Goods and services transferred to customers:</b>                          |                |                |
| At a point in time   | 824,989        | 736,139        |
| Over time  | 28,564         | 24,166         |
| <b>Total revenue from contracts with customers</b>                           | <b>853,553</b> | <b>760,305</b> |



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

|   | 2023         | 2022          |
|---|--------------|---------------|
|   | \$'000       | \$'000        |
| Plant and equipment   | -            | 386           |
| Personal protective equipment and other consumables   | 5,889        | 10,874        |
| <b>Total fair value of assets and services received free of charge or for nominal consideration</b> | <b>5,889</b> | <b>11,260</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, arrangements were put in place to centralise the purchasing of essential personal protective equipment (PPE) and other essential plant and equipment.

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

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

The DH 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 with the DH.  |

## Note 3 The cost of delivering our services

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

### Structure

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

### Telling the COVID-19 story

Expenses incurred to deliver our services increased during the financial year which was attributable to the COVID-19 Coronavirus pandemic. Specifically, additional costs were incurred to deliver additional services under Victoria's COVID Catch-Up Plan aimed at addressing Victoria's COVID-19 case load and restoring surgical capacity and activity.

This includes costs associated with:

- continued support for patients in recovery from COVID-19
- vaccination of Victorians against COVID-19.

### Key judgements and estimates

This section contains the following key judgements and estimates:

| Key judgements and estimates             | Description   |
|--|---|
| Classifying employee benefit liabilities | <p>Peninsula Health applies significant judgment when classifying its employee benefit liabilities.</p> <p>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.</p> <p>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.</p>   |
| Measuring employee benefit liabilities   | <p>Peninsula Health applies significant judgment when measuring its employee benefit liabilities.</p> <p>The health service applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.</p> <p>Expected future payments incorporate:</p> <ul style="list-style-type: none"> <li>▪ an inflation rate of 4.35%, reflecting the future wage and salary levels</li> <li>▪ durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 28% and 88%</li> <li>▪ discounting at the rate of 4.06%, as determined with reference to market yields on government bonds at the end of the reporting period.</li> </ul> <p>All other entitlements are measured at their nominal value.</p> |

### Note 3.1 Expenses from transactions

|  | Note | 2023<br>\$'000 | 2022<br>\$'000 |
|--|------|----------------|----------------|
| Salaries and wages                                   |      | 635,817        | 568,940        |
| On-costs   |      | 59,708         | 50,104         |
| Agency expenses                                      |      | 11,358         | 9,673          |
| Fee for service medical officer expenses             |      | 1,657          | 1,486          |
| Workcover premium                                    |      | 12,609         | 8,820          |
| <b>Total employee expenses</b>                       |      | <b>721,149</b> | <b>639,023</b> |
| Drug supplies  |      | 37,006         | 29,340         |
| Medical and surgical supplies (including Prostheses) |      | 40,889         | 37,669         |
| Diagnostic and radiology supplies                    |      | 27,195         | 25,216         |
| Other supplies and consumables                       |      | 7,341          | 6,339          |
| <b>Total supplies and consumables</b>                |      | <b>112,431</b> | <b>98,564</b>  |
| Finance costs  |      | 3,833          | 1,061          |
| <b>Total finance costs</b>                           |      | <b>3,833</b>   | <b>1,061</b>   |
| Advertising  |      | 1,549          | 1,413          |
| Consumable Equipment                                 |      | 6,463          | 3,739          |
| Housekeeping and Linen                               |      | 4,426          | 4,064          |
| Postage, Printing and Stationery                     |      | 1,609          | 1,915          |
| Staff Training                                       |      | 5,598          | 4,158          |
| Telecommunications                                   |      | 4,798          | 4,189          |
| Other Administrative Expenses                        |      | 34,500         | 27,606         |
| <b>Total other administrative expenses</b>           |      | <b>58,943</b>  | <b>47,084</b>  |
| Fuel, light, power, and water                        |      | 4,836          | 4,369          |
| Repairs and maintenance                              |      | 23,608         | 21,400         |
| Client Brokerage Costs                               |      | 12,587         | 10,224         |
| Medical indemnity insurance                          |      | 15,128         | 12,665         |
| Patient Transport                                    |      | 4,183          | 3,551          |
| Expenses related to leases of low value assets       |      | 1,323          | 704            |
| Security Services                                    |      | 4,078          | 7,624          |
| <b>Total other operating expenses</b>                |      | <b>65,743</b>  | <b>60,537</b>  |
| <b>Total operating expenses</b>                      |      | <b>962,099</b> | <b>846,269</b> |
| Depreciation and amortisation                        | 4.6  | 27,887         | 22,704         |
| <b>Total depreciation and amortisation</b>           |      | <b>27,887</b>  | <b>22,704</b>  |
| <b>Total non-operating expenses</b>                  |      | <b>27,887</b>  | <b>22,704</b>  |
| <b>Total expenses from transactions</b>              |      | <b>989,986</b> | <b>868,973</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
- Fee for service medical officer expenses
- Work cover premiums.

### Supplies and consumables

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

### Finance costs

Finance costs include:

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

### Other operating expenses

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

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

The DH also makes certain payments on behalf of 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, and assets and services provided free of charge or for nominal consideration.

### Note 3.2 Other economic flows

|  | 2023           | 2022           |
|--|----------------|----------------|
|  | \$'000         | \$'000         |
| Impairment of property plant and equipment (including intangible assets) | (2,313)        | -              |
| Net (loss)/gain on disposal of property plant and equipment              | (6,319)        | 51             |
| <b>Total net gain on non-financial assets</b>                            | <b>(8,632)</b> | <b>51</b>      |
| <br>   |                |                |
| Net Gain/(Loss) on Financial Instruments                                 | 405            | (2,074)        |
| <b>Total net gain/(loss) on financial instruments</b>                    | <b>405</b>     | <b>(2,074)</b> |
| <br>   |                |                |
| Net loss arising from revaluation of long service liability              | (1,217)        | (4,607)        |
| Other gains from other economic flows                                    | 4,155          | -              |
| <b>Total other gains/(losses) from other economic flows</b>              | <b>2,938</b>   | <b>(4,607)</b> |
| <br>   |                |                |
| <b>Total losses from other economic flows</b>                            | <b>(5,289)</b> | <b>(6,630)</b> |

### How we recognise other economic flows

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

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

### Note 3.3 Employee benefits and related on-costs

|   | 2023           | 2022           |
|---|----------------|----------------|
|   | \$'000         | \$'000         |
| <b>Current employee benefits and related on-costs</b>                         |                |                |
| <i>Accrued days off</i>   |                |                |
| Unconditional and expected to be settled wholly within 12 months <sup>i</sup> | 2,010          | 1,632          |
|   | <b>2,010</b>   | <b>1,632</b>   |
| <i>Annual leave</i>   |                |                |
| Unconditional and expected to be settled wholly within 12 months <sup>i</sup> | 42,826         | 35,939         |
| Unconditional and expected to be settled wholly after 12 months <sup>ii</sup> | 17,386         | 16,193         |
|   | <b>60,212</b>  | <b>52,132</b>  |
| <i>Long service leave</i>   |                |                |
| Unconditional and expected to be settled wholly within 12 months <sup>i</sup> | 8,188          | 7,261          |
| Unconditional and expected to be settled wholly after 12 months <sup>ii</sup> | 77,468         | 70,327         |
|   | <b>85,656</b>  | <b>77,588</b>  |
| <i>Provisions related to employee benefit on-costs</i>                        |                |                |
| Unconditional and expected to be settled within 12 months <sup>i</sup>        | 6,219          | 5,032          |
| Unconditional and expected to be settled after 12 months <sup>ii</sup>        | 13,252         | 11,454         |
|   | <b>19,471</b>  | <b>16,486</b>  |
| <b>Total current employee benefits and related on-costs</b>                   | <b>167,349</b> | <b>147,838</b> |
| <b>Non-current employee benefits and related on-costs</b>                     |                |                |
| Conditional long service leave  | 19,622         | 17,726         |
| Provisions related to employee benefit on-costs                               | 2,836          | 2,455          |
| <b>Total non-current employee benefits and related on-costs</b>               | <b>22,458</b>  | <b>20,181</b>  |
| <b>Total employee benefits and related on-costs</b>                           | <b>189,807</b> | <b>168,019</b> |

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

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

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

|   | 2023           | 2022           |
|---|----------------|----------------|
|   | \$'000         | \$'000         |
| <b>Current employee benefits and related on-costs</b>           |                |                |
| Unconditional accrued days off                                  | 2,010          | 1,812          |
| Unconditional annual leave entitlements                         | 67,408         | 57,868         |
| Unconditional long service leave entitlements                   | 97,931         | 88,158         |
| <b>Total current employee benefits and related on-costs</b>     | <b>167,349</b> | <b>147,838</b> |
| <b>Non-current employee benefits and related on-costs</b>       |                |                |
| Conditional long service leave entitlements                     | 22,458         | 20,181         |
| <b>Total non-current employee benefits and related on-costs</b> | <b>22,458</b>  | <b>20,181</b>  |
| <b>Total employee benefits and related on-costs</b>             | <b>189,807</b> | <b>168,019</b> |
| <b>Attributable to:</b>   |                |                |
| Employee benefits   | 167,500        | 149,078        |
| Provision for related on-costs                                  | 22,307         | 18,941         |
| <b>Total employee benefits and related on-costs</b>             | <b>189,807</b> | <b>168,019</b> |

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

|   | 2023           | 2022           |
|---|----------------|----------------|
|   | \$'000         | \$'000         |
| <b>Carrying amount at start of year</b>                     | 168,019        | 150,666        |
| Additional provisions recognised                            | 85,771         | 68,676         |
| Amounts incurred during the year                            | (65,200)       | (55,928)       |
| Net gain arising from revaluation of long service liability | 1,217          | 4,605          |
| <b>Carrying amount at end of year</b>                       | <b>189,807</b> | <b>168,019</b> |

## How we recognise employee benefits

### Employee benefit recognition

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

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

### Annual leave and accrued days off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because 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 the 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 or
- 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 e.g., bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows.

### Termination benefits

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

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

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

### Note 3.4 Superannuation

|   | Paid Contribution for the Year |               | Contribution Outstanding at Year End |            |
|---|--------------------------------|---------------|--------------------------------------|------------|
|   | 2023                           | 2022          | 2023                                 | 2022       |
|   | \$'000                         | \$'000        | \$'000                               | \$'000     |
| <b>Defined benefit plans:<sup>i</sup></b> |                                |               |                                      |            |
| Aware Superannuation Fund                 | 204                            | 263           | 3                                    | 2          |
| Government Superannuation Fund            | 76                             | 92            | -                                    | -          |
| <b>Defined contribution plans:</b>        |                                |               |                                      |            |
| Aware Superannuation Fund                 | 25,574                         | 22,659        | 337                                  | 236        |
| Hesta Superannuation Fund                 | 19,704                         | 15,992        | 264                                  | 175        |
| Other Funds                               | 13,888                         | 12,594        | 201                                  | 131        |
| <b>Total</b>                              | <b>59,446</b>                  | <b>51,600</b> | <b>805</b>                           | <b>544</b> |

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



### **How we recognise superannuation**

Employees of 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 provides benefits based on years of service and final average salary. The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by 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 DTF discloses the State's defined benefits liabilities in its disclosure for administered items. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of 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.

### **Defined contribution superannuation plans**

Defined contribution (i.e., accumulation) superannuation plan expenditure is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation plans are expensed when incurred. The name, details and amounts that have been expensed in relation to the major employee superannuation funds and contributions made by 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 & equipment

#### 4.3 Right-of-use assets

#### 4.4 Revaluation surplus

#### 4.5 Intangible assets

#### 4.6 Depreciation and amortisation

#### 4.7 Inventories

#### 4.8 Impairment of assets

### Telling the COVID-19 story

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

### Key judgements and estimates

This section contains the following key judgements and estimates:

| Key judgements and estimates                             | Description   |
|--|---|
| Estimating useful life of property, plant, and equipment | Peninsula Health assigns an estimated useful life to each item of property, plant, and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.  |
| Estimating useful life of right-of-use assets            | 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.<br>Peninsula Health applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options. |
| Estimating restoration costs at the end of a lease       | Where a lease agreement requires Peninsula Health to restore a right-of-use asset to its original condition at the end of a lease, the health service estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.   |
| 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.   |

| Key judgements and estimates         | Description   |
|--------------------------------------|---|
| Identifying indicators of impairment | <p>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.</p> <p>The health service considers a range of information when performing its assessment, including considering:</p> <ul style="list-style-type: none"> <li>▪ If an asset's value has declined more than expected based on normal use</li> <li>▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset</li> <li>▪ If an asset is obsolete or damaged</li> <li>▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life</li> <li>▪ If the performance of the asset is or will be worse than initially expected.</li> </ul> <p>Where an impairment trigger exists, the health service applies significant judgement and estimate to determine the recoverable amount of the asset.</p> |

#### Note 4.1 Investments and other financial assets

|  | Capital Fund   |                |
|--|----------------|----------------|
|  | 2023<br>\$'000 | 2022<br>\$'000 |
| <b>Current</b>   |                |                |
| <b>Financial assets at fair value through net result</b> |                |                |
| Managed Investments                                      | 13,056         | 12,650         |
| <b>Total current financial assets</b>                    | <b>13,056</b>  | <b>12,650</b>  |
| <br>   |                |                |
| <b>Total investments and other financial assets</b>      | <b>13,056</b>  | <b>12,650</b>  |
| <br>   |                |                |
| <b>Represented by:</b>                                   |                |                |
| Health service investments                               | 13,056         | 12,650         |
| <b>Total investments and other financial assets</b>      | <b>13,056</b>  | <b>12,650</b>  |

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

Peninsula 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.

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**

**Note 4.2(a) Gross carrying amount and accumulated depreciation**

|  | <b>2023</b>    | <b>2022</b>    |
|--|----------------|----------------|
|  | <b>\$'000</b>  | <b>\$'000</b>  |
| Land at fair value - Freehold                                    | 75,872         | 75,872         |
| <b>Total land at fair value</b>                                  | <b>75,872</b>  | <b>75,872</b>  |
| Buildings at fair value  | 388,653        | 339,193        |
| Less accumulated depreciation                                    | (37,385)       | (26,894)       |
| <b>Total buildings at fair value</b>                             | <b>351,268</b> | <b>312,299</b> |
| Works in progress at cost  | <b>7,398</b>   | <b>8,826</b>   |
| <b>Total land and buildings</b>                                  | <b>434,538</b> | <b>396,997</b> |
| Plant and equipment at fair value                                | 145,474        | 113,372        |
| Less accumulated depreciation                                    | (113,825)      | (89,593)       |
| <b>Total plant and equipment at fair value</b>                   | <b>31,649</b>  | <b>23,779</b>  |
| Furniture and fittings at fair value                             | 38,932         | 39,290         |
| Less accumulated depreciation                                    | (33,671)       | (34,987)       |
| <b>Total furniture and fittings at fair value</b>                | <b>5,261</b>   | <b>4,303</b>   |
| <b>Total plant, equipment, furniture, fittings at fair value</b> | <b>36,910</b>  | <b>28,082</b>  |
| <b>Total property, plant, and equipment</b>                      | <b>471,448</b> | <b>425,079</b> |

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

|                                |        | Land          | Buildings      | Building<br>works in<br>progress | Furniture<br>& Fittings | Plant &<br>equipment | Total          |
|--------------------------------|--------|---------------|----------------|----------------------------------|-------------------------|----------------------|----------------|
| Note                           |        | \$'000        | \$'000         | \$'000                           | \$'000                  | \$'000               | \$'000         |
| <b>Balance at 1 July 2021</b>  |        | <b>83,517</b> | <b>298,367</b> | <b>12,660</b>                    | <b>3,343</b>            | <b>25,018</b>        | <b>422,905</b> |
| Additions                      |        | -             | 5,233          | 14,168                           | 2,533                   | 4,961                | 26,895         |
| Disposals                      |        | -             | (1)            | -                                | (7)                     | (81)                 | (89)           |
| Assets received free of charge |        | -             | -              | -                                | -                       | 184                  | 184            |
| Revaluation (decrements)       |        | (7,645)       | -              | -                                | -                       | -                    | (7,645)        |
| Net transfers between classes  |        | -             | 18,002         | (18,002)                         | -                       | -                    | -              |
| Depreciation                   | 4.6    | -             | (9,302)        | -                                | (1,566)                 | (6,303)              | (17,171)       |
| <b>Balance at 30 June 2022</b> | 4.2(a) | <b>75,872</b> | <b>312,299</b> | <b>8,826</b>                     | <b>4,303</b>            | <b>23,779</b>        | <b>425,079</b> |
| Additions                      |        | -             | 12,865         | 10,452                           | 2,570                   | 15,189               | 41,076         |
| Impairment                     |        | -             | -              | -                                | (41)                    | (2,479)              | (2,520)        |
| Disposals                      |        | -             | (96)           | (7,280)                          | -                       | -                    | (7,376)        |
| Revaluation increments         |        | -             | 34,236         | -                                | -                       | -                    | 34,236         |
| Net Transfers between classes  |        | -             | 2,342          | (4,600)                          | 227                     | 1,964                | (67)           |
| Depreciation                   | 4.6    | -             | (10,378)       | -                                | (1,798)                 | (6,804)              | (18,980)       |
| <b>Balance at 30 June 2023</b> | 4.2(a) | <b>75,872</b> | <b>351,268</b> | <b>7,398</b>                     | <b>5,261</b>            | <b>31,649</b>        | <b>471,448</b> |

#### 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 are initially measured at cost. Where an asset is acquired for no or nominal cost, being far below the fair value of the asset, the deemed cost is its fair value at the date of acquisition. Assets transferred as part of an amalgamation/machinery of government change are transferred at their carrying amounts. The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

#### Subsequent measurement

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

Further information regarding fair value measurement is disclosed in Note 7.3.

#### 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

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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 land was performed by the VGV on 30 June 2022. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. As an independent valuation was not undertaken on 30 June 2023, a managerial assessment was performed at 30 June 2023, which indicated an overall:

- decrease in fair value of land of 4.23% (\$3,624,660)
- increase in fair value of buildings of 12.92% (\$34,235,769).

As the cumulative movement was less than 10% for land since the last revaluation, a managerial revaluation adjustment was not required as at 30 June 2023. However, as the cumulative movement was greater than 10% but less than 40% for buildings since the last revaluation, a managerial revaluation adjustment was required as at 30 June 2023

Revaluation increases (increments) arise when an asset's fair value exceeds its carrying amount. In comparison, revaluation decreases (decrements) arise when an asset's fair value is less than its carrying amount. Revaluation increments and revaluation decrements relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes. Revaluation increments are recognised in 'Other Comprehensive Income' and are credited directly to the property, plant, and equipment revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, in which case the increment is recognised as income in the net result. Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the property, plant, and equipment revaluation surplus in respect of the same class of property, plant, and equipment. Otherwise, the decrement is recognised as an expense in the net result.

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

### Note 4.3 Right-of-use assets

#### Note 4.3(a) Gross carrying amount and accumulated depreciation

|   | 2023          | 2022          |
|---|---------------|---------------|
|   | \$'000        | \$'000        |
| Right-of-use concessionary land at fair value                           | 9,898         | 9,898         |
| Less accumulated depreciation   | -             | -             |
| <b>Total right of use land at fair value</b>                            | <b>9,898</b>  | <b>9,898</b>  |
| Right-of-use buildings at fair value                                    | 78,259        | 13,005        |
| Less accumulated depreciation   | (11,772)      | (5,372)       |
| <b>Total right of use buildings at fair value</b>                       | <b>66,487</b> | <b>7,633</b>  |
| <b>Total right of use concessionary land and right of use buildings</b> | <b>76,385</b> | <b>17,531</b> |
| Right of use plant, equipment, and vehicles at fair value               | 9,727         | 8,894         |
| Less accumulated depreciation   | (5,054)       | (4,237)       |
| <b>Total right of use plant, equipment, and vehicles at fair value</b>  | <b>4,673</b>  | <b>4,657</b>  |
| <b>Total right of use plant, equipment, and vehicles at fair value</b>  | <b>4,673</b>  | <b>4,657</b>  |
| <b>Total right of use assets</b>  | <b>81,058</b> | <b>22,188</b> |

## Note 4.3(b) Reconciliations of carrying amount by class of asset

|                                |        | Right-of-use -<br>Concessionary<br>Land | Right-of-use -<br>Buildings | Right-of-use -<br>PE, & MV | Total         |
|--------------------------------|--------|---|-----------------------------|----------------------------|---------------|
| Note                           |        | \$'000                                  | \$'000                      | \$'000                     | \$'000        |
| <b>Balance at 1 July 2021</b>  |        | <b>9,898</b>                            | <b>9,606</b>                | <b>5,226</b>               | <b>24,730</b> |
| Additions                      |        | -                                       | 792                         | 1,067                      | 1,859         |
| Disposals                      |        | -                                       | -                           | (222)                      | (222)         |
| Depreciation                   | 4.6    | -                                       | (2,764)                     | (1,415)                    | (4,179)       |
| <b>Balance at 30 June 2022</b> | 4.3(a) | <b>9,898</b>                            | <b>7,634</b>                | <b>4,656</b>               | <b>22,188</b> |
| Additions                      |        | -                                       | 65,254                      | 2,132                      | 67,386        |
| Disposals                      |        | -                                       | -                           | (493)                      | (493)         |
| Depreciation                   | 4.6    | -                                       | (6,401)                     | (1,622)                    | (8,023)       |
| <b>Balance at 30 June 2023</b> | 4.3(a) | <b>9,898</b>                            | <b>66,487</b>               | <b>4,673</b>               | <b>81,058</b> |

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

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

### 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 15 years  |
| Leased plant, equipment, furniture, fittings, and vehicles | 1 to 5 years   |

### 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 holds lease agreements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. 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, with the exception of right-of-use assets arising from leases with significantly below-market terms and conditions, which are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses where applicable.

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

Further information regarding fair value measurement is disclosed in Note 7.3.

## Note 4.4 Revaluation surplus

|  | Note   | 2023<br>\$'000 | 2022<br>\$'000 |
|--|--------|----------------|----------------|
| Balance at the beginning of the reporting period   |        | 163,386        | 171,031        |
| <b>Revaluation increment</b>                       |        |                |                |
| - Land   | 4.2(b) | -              | (7,645)        |
| - Buildings  | 4.2(b) | 34,236         | -              |
| <b>Balance at the end of the Reporting Period*</b> |        | <b>197,622</b> | <b>163,386</b> |
| <b>* Represented by:</b>                           |        |                |                |
| - Land   |        | 58,187         | 58,187         |
| - Buildings  |        | 139,435        | 105,199        |
|  |        | <b>197,622</b> | <b>163,386</b> |

## Note 4.5 Intangible assets

### Note 4.5(a) Gross carrying amount and accumulated amortisation

|                                | 2023<br>\$'000 | 2022<br>\$'000 |
|--------------------------------|----------------|----------------|
| Software                       | 26,550         | 25,758         |
| Less accumulated amortisation  | (25,288)       | (24,403)       |
| <b>Total software</b>          | <b>1,262</b>   | <b>1,355</b>   |
| <b>Total intangible assets</b> | <b>1,262</b>   | <b>1,355</b>   |



## Note 4.5(b) Reconciliations of carrying amount by class of asset

|                                | Software     | Total        |
|--------------------------------|--------------|--------------|
| Note                           | \$'000       | \$'000       |
| <b>Balance at 1 July 2021</b>  | <b>2,076</b> | <b>2,076</b> |
| Additions                      | 633          | 633          |
| Amortisation                   | 4.6 (1,354)  | (1,354)      |
| <b>Balance at 30 June 2022</b> | <b>1,355</b> | <b>1,355</b> |
| Additions                      | 729          | 729          |
| Impairment                     | (6)          | (6)          |
| Net Transfers between classes  | 68           | 68           |
| Amortisation                   | 4.6 (884)    | (884)        |
| <b>Balance at 30 June 2023</b> | <b>1,262</b> | <b>1,262</b> |

## How we recognise intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software and car park revenue recognition rights.

### Initial recognition

Purchased intangible assets are initially recognised at cost.

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

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

### Subsequent measurement

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

## Note 4.6 Depreciation and amortisation

|  | 2023          | 2022          |
|--|---------------|---------------|
|  | \$'000        | \$'000        |
| <b>Depreciation</b>  |               |               |
| <b>Property, plant, and equipment</b>                                  |               |               |
| Buildings  | 10,378        | 9,302         |
| Plant and equipment  | 6,804         | 6,303         |
| Furniture and fittings   | 1,798         | 1,566         |
| <b>Total depreciation - property, plant, and equipment</b>             | <b>18,980</b> | <b>17,171</b> |
| <b>Right-of-use assets</b>   |               |               |
| Right-of-use buildings   | 6,416         | 2,764         |
| Right-of-use plant, equipment, furniture, fittings, and motor vehicles | 1,607         | 1,415         |
| <b>Total depreciation - right-of-use assets</b>                        | <b>8,023</b>  | <b>4,179</b>  |
| <b>Total depreciation</b>  | <b>27,003</b> | <b>21,350</b> |
| <b>Amortisation</b>  |               |               |
| Software   | 884           | 1,354         |
| <b>Total amortisation</b>  | <b>884</b>    | <b>1,354</b>  |
| <b>Total depreciation and amortisation</b>                             | <b>27,887</b> | <b>22,704</b> |

## How we recognise depreciation

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

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

## How we recognise amortisation

Amortisation is the systematic allocation of the depreciable amount of an asset over its useful life. The following table indicates the expected useful lives of non-current assets on which the depreciation and amortisation charges are based.

|   | 2023           | 2022           |
|---|----------------|----------------|
| Buildings                                     |                |                |
| - Structure shell building fabric             | 45 to 60 years | 45 to 60 years |
| - Site engineering services and central plant | 20 to 30 years | 20 to 30 years |
| Central plant                                 |                |                |
| - Fit out                                     | 20 to 30 years | 20 to 30 years |
| - Trunk reticulated building system           | 30 to 40 years | 30 to 40 years |
| Plant and equipment'                          | 3 to 20 years  | 3 to 20 years  |
| Medical equipment                             | 3 to 15 years  | 3 to 15 years  |
| Computers and communication                   | 2 to 9 years   | 2 to 9 years   |
| Furniture and fittings                        | 2 to 20 years  | 2 to 20 years  |
| Motor vehicles                                | 4 to 10 years  | 4 to 10 years  |
| Leasehold improvements                        | 2 to 10 years  | 2 to 10 years  |
| Intangible assets                             | 3 to 7 years   | 3 to 7 years   |

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

## Note 4.7 Inventories

|  | 2023         | 2022         |
|--|--------------|--------------|
|  | \$'000       | \$'000       |
| Medical and surgical consumables at cost | 4,750        | 4,014        |
| Pharmacy supplies at cost                | 1,547        | 1,202        |
| <b>Total inventories</b>                 | <b>6,297</b> | <b>5,216</b> |

## How we recognise inventories

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

Inventories are measured at the lower of cost and net realisable value.

## **Note 4.8 Impairment of assets**

### **How we recognise impairment**

At the end of each reporting period, Peninsula Health reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired. The assessment will include consideration of external sources of information and internal sources of information.

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

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

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

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

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

## Note 5 Other assets and liabilities

This section sets out those assets and liabilities that arose from Peninsula Health’s operations.

### Structure

- 5.1 Receivables
- 5.2 Contract assets
- 5.3 Payables
- 5.4 Contract liabilities
- 5.5 Other liabilities

### 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.  |
| Classifying a sub-lease arrangement as either an operating lease or finance lease | <p>Peninsula Health applies significant judgement to determine if a sub-lease arrangement, where the health service is a lessor, meets the definition of an operating lease or finance lease.</p> <p>The health service considers a range of scenarios when classifying a sub-lease. A sub-lease typically meets the definition of a finance lease if:</p> <ul style="list-style-type: none"> <li>▪ The lease transfers ownership of the asset to the lessee at the end of the term</li> <li>▪ The lessee has an option to purchase the asset for a price that is significantly below fair value at the end of the lease term</li> <li>▪ The lease term is for the majority of the asset’s useful life</li> <li>▪ The present value of lease payments amounts to the approximate fair value of the leased asset and</li> <li>▪ The leased asset is of a specialised nature that only the lessee can use without significant modification.</li> </ul> <p>All other sub-lease arrangements are classified as an operating lease.</p> |
| Measuring deferred capital grant income   | <p>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.</p> <p>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.</p>  |
| 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.  |
| Recognition of other provisions   | Other provisions include Peninsula Health’s obligation to restore leased assets to their original condition at the end of a lease term. The health service applies significant judgement and estimate to determine the present value of such restoration costs.  |

## Note 5.1 Receivables

|  |        | 2023          | 2022          |
|--|--------|---------------|---------------|
|  | Note   | \$'000        | \$'000        |
| <b>Current receivables</b>                                   |        |               |               |
| <b>Contractual</b>   |        |               |               |
| Inter hospital debtors                                       |        | 184           | 337           |
| Trade receivables  |        | 1,038         | 10,798        |
| Patient fees   |        | 3,296         | 6,606         |
| Allowance for impairment losses                              | 5.1(a) | (499)         | (230)         |
| Amounts receivable from governments and agencies             |        | 220           | -             |
| Long service leave - Department of Health                    |        | 11,910        | 11,456        |
| <b>Total contractual receivables</b>                         |        | <b>16,149</b> | <b>28,967</b> |
| <b>Statutory</b>   |        |               |               |
| GST receivable   |        | 4,154         | 1,981         |
| <b>Total statutory receivables</b>                           |        | <b>4,154</b>  | <b>1,981</b>  |
| <b>Total current receivables</b>                             |        | <b>20,303</b> | <b>30,948</b> |
| <b>Non-current receivables</b>                               |        |               |               |
| <b>Contractual</b>   |        |               |               |
| Long service leave - Department of Health                    |        | 44,089        | 30,661        |
| <b>Total contractual receivables</b>                         |        | <b>44,089</b> | <b>30,661</b> |
| <b>Total non-current receivables</b>                         |        | <b>44,089</b> | <b>30,661</b> |
| <b>Total receivables</b>                                     |        | <b>64,392</b> | <b>61,609</b> |
| (i) Financial assets classified as receivables (Note 7.1(a)) |        |               |               |
| Total receivables  |        | 64,392        | 61,609        |
| GST receivable   |        | (4,154)       | (1,981)       |
| <b>Total financial assets classified as receivables</b>      | 7.1(a) | <b>60,238</b> | <b>59,628</b> |

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

|   | 2023         | 2022         |
|---|--------------|--------------|
|   | \$'000       | \$'000       |
| <b>Balance at the beginning of the year</b> | (230)        | (237)        |
| Increase in allowance                       | (282)        | (28)         |
| Amounts written off during the year         | 13           | 35           |
| <b>Balance at the end of the year</b>       | <b>(499)</b> | <b>(230)</b> |

## How we recognise receivables

Receivables consist of:

- **Contractual receivables**, which mostly includes debtors in relation to goods and services. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Statutory receivables**, includes 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. The health service applies AASB 9 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*.

## Impairment losses of contractual receivables

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

## Note 5.2 Contract assets

|   | 2023         | 2022         |
|---|--------------|--------------|
|   | \$'000       | \$'000       |
| <b>Balance at the beginning of the year</b>                           | 2,180        | 2,128        |
| Add: Additional costs incurred that are recoverable from the customer | 7,119        | 2,180        |
| Less: Transfer to trade receivable or cash at bank                    | (2,180)      | (2,128)      |
| <b>Total contract assets</b>  | <b>7,119</b> | <b>2,180</b> |
| <b>* Represented by:</b>  |              |              |
| - Current assets  | 7,119        | 2,180        |
|   | <b>7,119</b> | <b>2,180</b> |

## 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 and at this time an invoice is issued. Contract assets are expected to be recovered during the next financial year.

## Note 5.3 Payables

|  | Note   | 2023<br>\$'000 | 2022<br>\$'000 |
|--|--------|----------------|----------------|
| <b>Current payables</b>  |        |                |                |
| <b>Contractual</b>   |        |                |                |
| Trade creditors  |        | 10,164         | 2,002          |
| Accrued salaries and wages                                     |        | 8,236          | 8,245          |
| Accrued expenses   |        | 36,712         | 52,419         |
| Deferred capital grant income                                  | 5.3(a) | 22,431         | 17,721         |
| Salary packaging   |        | 1,353          | 1,707          |
| Inter hospital creditors                                       |        | 357            | -              |
| Contractual liabilities  |        | 21,344         | 25,170         |
| <b>Total contractual payables</b>                              |        | <b>100,597</b> | <b>107,264</b> |
| <b>Total current payables</b>                                  |        | <b>100,597</b> | <b>107,264</b> |
| <b>Total payables</b>  |        | <b>100,597</b> | <b>107,264</b> |
| (i) Financial liabilities classified as payables (Note 7.1(a)) |        |                |                |
| Total payables   |        | 100,597        | 107,264        |
| Deferred grant income  |        | (22,431)       | (17,721)       |
| <b>Total financial liabilities classified as payables</b>      | 7.1(a) | <b>78,166</b>  | <b>89,543</b>  |

## How we recognise payables

Payables consist of:

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

The normal credit terms for accounts payable are usually Net 60 days.



### Note 5.3(a) Deferred capital grant income

|   | 2023          | 2022          |
|---|---------------|---------------|
|   | \$'000        | \$'000        |
| <b>Opening balance of deferred capital grant income</b>                               | 17,721        | 7,666         |
| Grant consideration for capital works received during the year                        | 43,597        | 32,235        |
| Deferred capital grant income recognised as income due to completion of capital works | (38,887)      | (22,180)      |
| <b>Closing balance of deferred capital grant income</b>                               | <b>22,431</b> | <b>17,721</b> |

### How we recognise deferred capital grant revenue

Grant consideration was received from the Department of Health to support the construction of various capital construction projects.

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 2024

### Note 5.4 Contract liabilities

|  | 2023          | 2022          |
|--|---------------|---------------|
|  | \$'000        | \$'000        |
| <b>Opening balance of contract liabilities</b>   | 25,170        | 12,211        |
| Grant consideration for sufficiently specific performance obligations received during the year | 566,427       | 532,172       |
| Revenue recognised for the completion of a performance obligation                              | (570,253)     | (519,213)     |
| <b>Total contract liabilities</b>  | <b>21,344</b> | <b>25,170</b> |

#### \* Represented by:

|                                |               |               |
|--------------------------------|---------------|---------------|
| - Current contract liabilities | 21,344        | 25,170        |
|                                | <b>21,344</b> | <b>25,170</b> |

### How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of funding provided by the Department of Health.

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

### Financial guarantees

Payments that are contingent under financial guarantee contracts are recognised as a liability, at fair value, at the time the guarantee is issued. Subsequently, should there be a material increase in the likelihood that the guarantee may have to be exercised, the liability is recognised at the higher of the amount determined in accordance with the expected credit loss model under AASB 9 *Financial Instruments* and the amount initially recognised less, when appropriate, cumulative amortisation recognised.

In the determination of fair value, consideration is given to factors including the overall capital management/prudential supervision framework in operation, the protection provided by the DH by way of funding should the probability of default increase, probability of default by the guaranteed party and the likely loss to the health service in the event of default.

## Maturity analysis of payables

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

### Note 5.5 Other liabilities

|   | 2023       | 2022       |
|---|------------|------------|
| Note                                      | \$'000     | \$'000     |
| <b>Current monies held in trust</b>       |            |            |
| Patient monies                            | 19         | 19         |
| Refundable accommodation deposits         | 330        | 383        |
| <b>Total current monies held in trust</b> | <b>349</b> | <b>402</b> |
| <b>* Represented by:</b>                  |            |            |
| - Cash assets                             | 6.2 349    | 402        |
|   | <b>349</b> | <b>402</b> |

## How we recognise other liabilities

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

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

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

## 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

### Key judgements and estimates

This section contains the following key judgements and estimates:

| Key judgements and estimates   | Description  |
|--|--|
| Determining if a contract is or contains a lease                               | <p>Peninsula Health applies significant judgement to determine if a contract is or contains a lease by considering if the health service:</p> <ul style="list-style-type: none"> <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 | <p>Peninsula Health applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>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.</p> <p>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.</p>   |
| Discount rate applied to future lease payments                                 | <p>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.</p> <p>For leased land and buildings, Peninsula Health estimates the incremental borrowing rate to be between 1.0% and 5.6%.</p> <p>For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 0.9% and 4.3%.</p> |

|                          |  |
|--------------------------|--|
| Assessing the lease term | <p>The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Peninsula Health is reasonably certain to exercise such options.</p> <p>Peninsula Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none"> <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, the health service is typically reasonably certain to extend (or not terminate) the lease.</li> <li>▪ The health service considers historical lease durations and the costs and business disruption to replace such leased assets.</li> </ul> |
|--------------------------|--|

## Note 6.1 Borrowings

|   | Note   | 2023<br>\$'000 | 2022<br>\$'000 |
|---|--------|----------------|----------------|
| <b>Current borrowings</b>                 |        |                |                |
| TCV loan <sup>(i)</sup>                   |        | 1,412          | 1,352          |
| Lease liability <sup>(ii)</sup>           | 6.1(a) | 7,277          | 5,237          |
| Advances from government <sup>(iii)</sup> |        | 1,663          | 1,662          |
| <b>Total current borrowings</b>           |        | <b>10,352</b>  | <b>8,251</b>   |
| <b>Non-current borrowings</b>             |        |                |                |
| TCV loan <sup>(i)</sup>                   |        | 15,793         | 17,227         |
| Lease liability <sup>(ii)</sup>           | 6.1(a) | 65,886         | 7,759          |
| Advances from government <sup>(iii)</sup> |        | -              | 1,586          |
| <b>Total non-current borrowings</b>       |        | <b>81,679</b>  | <b>26,572</b>  |
| <b>Total borrowings</b>                   | 7.1(a) | <b>92,031</b>  | <b>34,823</b>  |

<sup>i</sup> These are secured/unsecured loans with a weighted average interest rate of 4.7% (2022: 4.7%).

<sup>ii</sup> Secured by the assets leased.

<sup>iii</sup> These are unsecured loans which bear no interest.

## How we recognise borrowings

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

## Initial recognition

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs.

## Subsequent measurement

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

## Maturity analysis

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

## Defaults and breaches

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

## Note 6.1(a) Lease liabilities

Peninsula Health's lease liabilities are summarised below:

|                                      | <b>2023</b>   | <b>2022</b>   |
|--------------------------------------|---------------|---------------|
|                                      | <b>\$'000</b> | <b>\$'000</b> |
| Total undiscounted lease liabilities | 99,048        | 13,417        |
| Less unexpired finance expenses      | (25,885)      | (421)         |
| <b>Net lease liabilities</b>         | <b>73,163</b> | <b>12,996</b> |

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

|   | <b>2023</b>   | <b>2022</b>   |
|---|---------------|---------------|
|   | <b>\$'000</b> | <b>\$'000</b> |
| Not longer than one year                            | 10,672        | 5,412         |
| Longer than one year but not longer than five years | 39,109        | 7,552         |
| Longer than five years                              | 49,267        | 453           |
| <b>Minimum future lease liability</b>               | <b>99,048</b> | <b>13,417</b> |
| Less unexpired finance expenses                     | (25,885)      | (421)         |
| <b>Present value of lease liability</b>             | <b>73,163</b> | <b>12,996</b> |
| <b>* Represented by:</b>                            |               |               |
| - Current liabilities                               | 7,277         | 5,237         |
| - Non-current liabilities                           | 65,886        | 7,759         |
|   | <b>73,163</b> | <b>12,996</b> |

## 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 asset leased                                       | Lease term     |
|--|----------------|
| Leased land  | 10 to 40 years |
| Leased buildings   | 2 to 15 years  |
| Leased plant, equipment, furniture, fittings, and vehicles | 1 to 5 years   |

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

| Type of payment           | Description of payment   | Type of leases captured |
|---------------------------|--|-------------------------|
| Low value lease payments  | Leases where the underlying asset's fair value, when new, is no more than \$10,000 | Computer Equipment      |
| Short-term lease payments | Leases with a term less than 12 months   | 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 incremental borrowing rate. Our lease liability has been discounted by rates of between 1% to 6%.

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, and
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date

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

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

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

## Subsequent measurement

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

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: <ul style="list-style-type: none"> <li>- 17-23 Yullie Street, Frankston</li> <li>- 87-91 Beach Street, Frankston</li> <li>- 185 High Street, Hastings</li> </ul> | 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

|   | Note   | 2023<br>\$'000 | 2022<br>\$'000 |
|---|--------|----------------|----------------|
| Cash on hand (excluding monies held in trust)       |        | 20             | 24             |
| Cash at bank - CBS (excluding monies held in trust) |        | 93,861         | 80,200         |
| <b>Total cash held for operations</b>               |        | <b>93,881</b>  | <b>80,224</b>  |
| Cash at bank (monies held in trust)                 |        | 19             | 19             |
| Cash at bank - CBS (monies held in trust)           |        | 330            | 383            |
| <b>Total cash held as monies in trust</b>           |        | <b>349</b>     | <b>402</b>     |
| <b>Total cash and cash equivalents</b>              | 7.1(a) | <b>94,230</b>  | <b>80,626</b>  |

## How we recognise cash and cash equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks, deposits at call and highly liquid investments (with an original maturity date of three months or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. 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

|   | 2023          | 2022          |
|---|---------------|---------------|
|   | \$'000        | \$'000        |
| <b>Capital expenditure commitments</b>                      |               |               |
| Less than one year  | 16,557        | 8,883         |
| <b>Total capital expenditure commitments</b>                | <b>16,557</b> | <b>8,883</b>  |
| <b>Operating expenditure commitments</b>                    |               |               |
| Less than one year  | 26,638        | 23,652        |
| Longer than one year but not longer than five years         | 56,323        | 25,427        |
| Five years or more  | 92            | 140           |
| <b>Total operating expenditure commitments</b>              | <b>83,053</b> | <b>49,219</b> |
| <b>Total commitments for expenditure (inclusive of GST)</b> | <b>99,610</b> | <b>58,102</b> |
| Less GST recoverable from Australian Tax Office             | (9,055)       | (5,281)       |
| <b>Total commitments for expenditure (exclusive of GST)</b> | <b>90,554</b> | <b>52,821</b> |

### How we disclose our commitments

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

### Expenditure commitments

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



## **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 risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the health service is related mainly to fair value determination.

### **Structure**

#### **7.1 Financial instruments**

#### **7.2 Financial risk management objectives and policies**

#### **7.3 Fair value determination**

## Key judgements and estimates

This section contains the following key judgements and estimates:

| Key judgements and estimates                        | Description   |
|---|---|
| <p>Measuring fair value of non-financial assets</p> | <p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, Peninsula Health has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.</p> <p>Peninsula Health uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> <li>▪ Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Peninsula Health's specialised land, non-specialised land and non-specialised buildings are measured using this approach.</li> <li>▪ Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Peninsula Health's [specialised buildings, furniture, fittings, plant, equipment, and vehicles] are measured using this approach.</li> <li>▪ Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Peninsula Health does not use this approach to measure fair value.</li> </ul> <p>The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <p>Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none"> <li>▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Peninsula Health does not categorise any fair values within this level.</li> <li>▪ Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Peninsula Health categorises non-specialised land and right-of-use concessionary land in this level.</li> <li>▪ Level 3, where inputs are unobservable. Peninsula Health categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture, and fittings in this level.</li> </ul> |

## 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*.

| 30 June 2023                              | Note | Financial Assets at Amortised Cost<br>\$'000 | Financial Assets at Fair Value Through Net Result<br>\$'000 | Financial Liabilities at Amortised Cost<br>\$'000 | Total<br>\$'000 |
|---|------|--|---|---|-----------------|
| <b>Contractual Financial Assets</b>       |      |  |   |   |                 |
| Cash and Cash Equivalents                 | 6.2  | 94,230                                       | -   | -   | 94,230          |
| Receivables and contract assets           | 5.1  | 60,238                                       | -   | -   | 60,238          |
| Investments and other financial assets    | 4.1  | -  | 13,056  | -   | 13,056          |
| <b>Total Financial Assets<sup>i</sup></b> |      | <b>154,468</b>                               | <b>13,056</b>   | <b>-</b>  | <b>167,524</b>  |

### Financial Liabilities

|   |     |          |          |                |                |
|---|-----|----------|----------|----------------|----------------|
| Payables  | 5.3 | -        | -        | 78,166         | 78,166         |
| Borrowings  | 6.1 | -        | -        | 92,031         | 92,031         |
| Other Financial Liabilities - Refundable Accommodation Deposits | 5.5 | -        | -        | 330            | 330            |
| Other Financial Liabilities - Patient monies held in trust      | 5.5 | -        | -        | 19             | 19             |
| <b>Total Financial Liabilities<sup>i</sup></b>                  |     | <b>-</b> | <b>-</b> | <b>170,546</b> | <b>170,546</b> |

| 30 June 2022                              | Note | Financial Assets at Amortised Cost<br>\$'000 | Financial Assets at Fair Value Through Net Result<br>\$'000 | Financial Liabilities at Amortised Cost<br>\$'000 | Total<br>\$'000 |
|---|------|--|---|---|-----------------|
| <b>Contractual Financial Assets</b>       |      |  |   |   |                 |
| Cash and cash equivalents                 | 6.2  | 80,626                                       | -   | -   | 80,626          |
| Receivables and contract assets           | 5.1  | 59,628                                       | -   | -   | 59,628          |
| Investments and other financial assets    | 4.1  | -  | 12,650  | -   | 12,650          |
| <b>Total Financial Assets<sup>i</sup></b> |      | <b>140,254</b>                               | <b>12,650</b>   | <b>-</b>  | <b>152,904</b>  |

### Financial Liabilities

|   |     |          |          |                |                |
|---|-----|----------|----------|----------------|----------------|
| Payables  | 5.3 | -        | -        | 89,536         | 89,536         |
| Borrowings  | 6.1 | -        | -        | 34,823         | 34,823         |
| Other Financial Liabilities - Refundable Accommodation Deposits | 5.5 | -        | -        | 383            | 383            |
| Other Financial Liabilities - Patient monies held in trust      | 5.5 | -        | -        | 19             | 19             |
| <b>Total Financial Liabilities<sup>i</sup></b>                  |     | <b>-</b> | <b>-</b> | <b>124,768</b> | <b>124,768</b> |

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

## 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.

#### Financial assets at fair value through other comprehensive income

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

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

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

Peninsula Health recognises the following assets in this category:

- investments in equity instruments.

#### 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 listed equity securities as mandatorily measured at fair value through net result and has designated all managed investment schemes as well as certain 5-year government bonds 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 fair value through net result

A financial liability is measured at fair value through net result if the financial liability is:

- held for trading or
- initially designated as at fair value through net result.

Changes in fair value are recognised in the net results as other economic flows, unless the changes in fair value relate to changes in Peninsula Health's own credit risk. In this case, the portion of the change attributable to changes in Peninsula Health's own credit risk is recognised in other comprehensive income with no subsequent recycling to net result when the financial liability is derecognised.

#### 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.

Peninsula Health recognises the following liabilities in this category:

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

### 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.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where Peninsula Health does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency, or bankruptcy, they are reported on a gross basis.

### 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.

### **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 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.

## **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.

### **Note 7.2(a) Credit risk**

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. 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.

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.

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.

Contractual financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result. Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Peninsula Health's maximum exposure to credit risk without taking account of the value of any collateral obtained.

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

### Impairment of financial assets under AASB 9

Peninsula Health records the allowance for expected credit losses for the relevant financial instruments by 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. The 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:

|  | 30-Jun-23 | Note | Current     | Less than<br>1 month | 1-3<br>months | 3 months<br>- 1 year | 1-5<br>years | Total         |
|--|-----------|------|-------------|----------------------|---------------|----------------------|--------------|---------------|
| <b>Expected loss rate</b>                        |           |      | 0.1%        | 0.8%                 | 2.5%          | 3.2%                 | 27.2%        |               |
| Gross carrying amount of contractual receivables |           | 5.1  | 7,097       | 1,336                | 645           | 977                  | 1,582        | <b>11,637</b> |
| <b>Loss allowance</b>                            |           |      | <b>(10)</b> | <b>(11)</b>          | <b>(16)</b>   | <b>(31)</b>          | <b>(431)</b> | <b>(499)</b>  |

|  | 30-Jun-22 | Note | Current     | Less than<br>1 month | 1-3<br>months | 3 months<br>- 1 year | 1-5<br>years | Total         |
|--|-----------|------|-------------|----------------------|---------------|----------------------|--------------|---------------|
| <b>Expected loss rate</b>                        |           |      | 0.2%        | 0.6%                 | 2.5%          | 5.3%                 | 17.1%        |               |
| Gross carrying amount of contractual receivables |           | 5.1  | 12,487      | 3,722                | 2,100         | 1,293                | 316          | <b>19,918</b> |
| <b>Loss allowance</b>                            |           |      | <b>(31)</b> | <b>(24)</b>          | <b>(52)</b>   | <b>(69)</b>          | <b>(54)</b>  | <b>(230)</b>  |

## Note 7.2(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 requirements
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- holding investments and other contractual financial assets that are readily tradeable in the financial markets, and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

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 Dates  |                |                   |               |                   |               |               |
|---|------|-----------------|----------------|-------------------|---------------|-------------------|---------------|---------------|
|   |      | Carrying Amount | Nominal Amount | Less than 1 Month | 1-3 Months    | 3 months - 1 Year | 1-5 Years     | Over 5 years  |
| 30 June 2023  | Note | \$'000          | \$'000         | \$'000            | \$'000        | \$'000            | \$'000        | \$'000        |
| <b>Financial Liabilities at amortised cost</b>                  |      |                 |                |                   |               |                   |               |               |
| Payables  | 5.3  | 78,166          | 78,166         | 32,347            | 12,237        | 12,237            | 21,344        | -             |
| Borrowings  | 6.1  | 92,031          | 99,048         | 971               | 2,914         | 6,786             | 39,109        | 49,268        |
| Other Financial Liabilities - Refundable Accommodation Deposits | 5.5  | 330             | 330            | 330               | -             | -                 | -             | -             |
| Other Financial Liabilities - Patient monies held in trust      | 5.5  | 19              | 19             | 19                | -             | -                 | -             | -             |
| <b>Total Financial Liabilities<sup>i</sup></b>                  |      | <b>170,546</b>  | <b>177,563</b> | <b>33,667</b>     | <b>15,151</b> | <b>19,023</b>     | <b>60,453</b> | <b>49,268</b> |

|   |      | Maturity Dates  |                |                   |              |                   |               |              |
|---|------|-----------------|----------------|-------------------|--------------|-------------------|---------------|--------------|
|   |      | Carrying Amount | Nominal Amount | Less than 1 Month | 1-3 Months   | 3 months - 1 Year | 1-5 Years     | Over 5 years |
| 30 June 2022  | Note | \$'000          | \$'000         | \$'000            | \$'000       | \$'000            | \$'000        | \$'000       |
| <b>Financial Liabilities at amortised cost</b>                  |      |                 |                |                   |              |                   |               |              |
| Payables  | 5.3  | 89,536          | 89,536         | 60,920            | 1,751        | 1,695             | 25,170        | -            |
| Borrowings  | 6.1  | 34,823          | 37,871         | -                 | 1,381        | 5,525             | 30,965        | -            |
| Other Financial Liabilities - Refundable Accommodation Deposits | 5.5  | 383             | 383            | 383               | -            | -                 | -             | -            |
| Other Financial Liabilities - Patient monies held in trust      | 5.5  | 19              | 19             | 19                | -            | -                 | -             | -            |
| <b>Total Financial Liabilities<sup>i</sup></b>                  |      | <b>124,768</b>  | <b>127,809</b> | <b>61,322</b>     | <b>3,132</b> | <b>7,220</b>      | <b>56,135</b> | <b>-</b>     |

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



## Note 7.2(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 2% up or down and
- a change in the top ASX 200 index of 15% up or down.

### Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. 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 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.

### Equity risk

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

Peninsula Health's sensitivity to equity price risk is set out below.

|                              |                    | -15%            | +15%          |
|------------------------------|--------------------|-----------------|---------------|
|                              | Carrying<br>amount | Net result      | Net result    |
| 30 June 2023                 | \$'000             | \$'000          | \$'000        |
| Contractual financial assets | 60,238             | (9,036)         | 9,036         |
| Investments                  | 13,056             | (1,958)         | 1,958         |
| <b>Total impact</b>          | <b>73,294</b>      | <b>(10,994)</b> | <b>10,994</b> |

|                              |                    | -15%            | +15%          |
|------------------------------|--------------------|-----------------|---------------|
|                              | Carrying<br>amount | Net result      | Net result    |
| 30 June 2022                 | \$'000             | \$'000          | \$'000        |
| Contractual financial assets | 61,808             | (9,271)         | 9,271         |
| Investments                  | 12,650             | 1,898           | 1,898         |
| <b>Total impact</b>          | <b>74,458</b>      | <b>(11,169)</b> | <b>11,169</b> |

## Note 7.3 Fair value determination

### How we measure fair value

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

The following assets and liabilities are carried at fair value:

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

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

### Valuation hierarchy

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

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

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. There have been no transfers between levels during the period.

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

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

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

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

### Note 7.3(a) Fair value determination of investments and other financial assets

|   | Note | Carrying<br>amount<br>30 June 2023<br>\$'000 | Fair value measurement at end of<br>reporting period using: |                   |                   |
|---|------|--|---|-------------------|-------------------|
|   |      |  | Level 1<br>\$'000   | Level 2<br>\$'000 | Level 3<br>\$'000 |
| Managed investment schemes  | 4.1  | 13,056                                       | -   | 13,056            | -                 |
| <b>Total financial assets held at fair value<br/>through net result</b> |      | <b>13,056</b>                                | <b>-</b>  | <b>13,056</b>     | <b>-</b>          |
| <b>Total investments and other financial assets at fair value</b>       |      | <b>13,056</b>                                | <b>-</b>  | <b>13,056</b>     | <b>-</b>          |

|   | Note | Carrying<br>amount<br>30 June 2022<br>\$'000 | Fair value measurement at end of<br>reporting period using: |                   |                   |
|---|------|--|---|-------------------|-------------------|
|   |      |  | Level 1<br>\$'000   | Level 2<br>\$'000 | Level 3<br>\$'000 |
| Managed investment schemes  | 4.1  | 12,650                                       | -   | 12,650            | -                 |
| <b>Total financial assets held at fair value<br/>through net result</b> |      | <b>12,650</b>                                | <b>-</b>  | <b>12,650</b>     | <b>-</b>          |
| <b>Total investments and other financial assets at fair value</b>       |      | <b>12,650</b>                                | <b>-</b>  | <b>12,650</b>     | <b>-</b>          |

### How we measure fair value of investments and other financial assets

#### Management investment schemes

Peninsula Health invests in managed funds, which are not quoted in an active market, and which may be subject to restrictions on redemptions. Peninsula Health considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investment, to ensure they are reasonable and appropriate. The net asset value of these funds is used as an input into measuring their fair value, and is adjusted as necessary, to reflect restrictions and redemptions, future commitments, and other specific factors of the fund.

Peninsula Health classifies these funds as Level 2.

### Note 7.3(b) Fair value determination of non-financial physical assets

|  | Note   | Carrying amount | Fair value measurement at end of reporting period using: |                      |                      |
|--|--------|-----------------|--|----------------------|----------------------|
|  |        | 30 June 2023    | Level 1 <sup>i</sup>                                     | Level 2 <sup>i</sup> | Level 3 <sup>i</sup> |
|  |        | \$'000          | \$'000   | \$'000               | \$'000               |
| Specialised land   |        | 75,872          | -  | -                    | 75,872               |
| <b>Total land at fair value</b>                                      | 4.2(a) | <b>75,872</b>   | -  | -                    | <b>75,872</b>        |
| Specialised buildings  |        | 351,268         | -  | -                    | 351,268              |
| <b>Total buildings at fair value</b>                                 | 4.2(a) | <b>351,268</b>  | -  | -                    | <b>351,268</b>       |
| Plant and equipment  | 4.2(a) | 31,649          | -  | -                    | 31,649               |
| Furniture and fittings   | 4.2(a) | 5,261           | -  | -                    | 5,261                |
| <b>Total plant, equipment, furniture, and fittings at fair value</b> |        | <b>36,910</b>   | -  | -                    | <b>36,910</b>        |
| Right-of-use concessionary land                                      | 4.3(a) | 9,898           | -  | 4,044                | 5,854                |
| Right-of-use buildings   | 4.3(a) | 66,487          | -  | -                    | 66,487               |
| Right of use plant, equipment, and vehicles                          | 4.3(a) | 4,673           | -  | -                    | 4,673                |
| <b>Total right-of-use assets at fair value</b>                       |        | <b>81,058</b>   | -  | <b>4,044</b>         | <b>77,014</b>        |
| <b>Total non-financial physical assets at fair value</b>             |        | <b>545,108</b>  | -  | <b>4,044</b>         | <b>541,064</b>       |

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

|  | Note   | Carrying amount | Fair value measurement at end of reporting period using: |                      |                      |
|--|--------|-----------------|--|----------------------|----------------------|
|  |        | 30 June 2022    | Level 1 <sup>i</sup>                                     | Level 2 <sup>i</sup> | Level 3 <sup>i</sup> |
|  |        | \$'000          | \$'000   | \$'000               | \$'000               |
| Specialised land   |        | 75,872          | -  | -                    | 75,872               |
| <b>Total land at fair value</b>                                      | 4.2(a) | <b>75,872</b>   | -  | -                    | <b>75,872</b>        |
| Specialised buildings  |        | 312,299         | -  | -                    | 312,299              |
| <b>Total buildings at fair value</b>                                 | 4.2(a) | <b>312,299</b>  | -  | -                    | <b>312,299</b>       |
| Plant and equipment  | 4.2(a) | 23,779          | -  | -                    | 23,779               |
| Furniture and fittings   | 4.2(a) | 4,303           | -  | -                    | 4,303                |
| <b>Total plant, equipment, furniture, and fittings at fair value</b> |        | <b>28,082</b>   | -  | -                    | <b>28,082</b>        |
| Right-of-use concessionary land                                      | 4.3(a) | 9,898           | -  | 4,044                | 5,854                |
| Right-of-use buildings   | 4.3(a) | 7,633           | -  | -                    | 7,633                |
| Right of use plant, equipment, and vehicles                          | 4.3(a) | 4,657           | -  | -                    | 4,657                |
| <b>Total right-of-use assets at fair value</b>                       |        | <b>22,188</b>   | -  | <b>4,044</b>         | <b>18,144</b>        |
| <b>Total non-financial physical assets at fair value</b>             |        | <b>438,441</b>  | -  | <b>4,044</b>         | <b>434,397</b>       |

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

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

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

Judgements about highest and best use must take into account the characteristics of the assets concerned, including restrictions on the use and disposal of assets arising from the asset's physical nature and any applicable legislative/contractual arrangements. Peninsula Health has assumed the current use of a non-financial physical asset is its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

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

### Non-specialised land and buildings

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

### Specialised land and specialised buildings

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the assets are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best use.

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

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

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

### Furniture, fittings, plant, and equipment

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

## Reconciliation of level 3 fair value measurement

|                                 |        | Land          | Buildings      | Plant,<br>equipment,<br>furniture,<br>and fittings | Right-of-<br>use<br>buildings | Right-of-<br>use plant,<br>equipment,<br>and<br>vehicles |
|---------------------------------|--------|---------------|----------------|--|-------------------------------|--|
|                                 | Note   | \$'000        | \$'000         | \$'000   | \$'000                        | \$'000   |
| <b>Balance at 1 July 2021</b>   |        | <b>83,517</b> | <b>298,367</b> | <b>28,361</b>                                      | <b>9,606</b>                  | <b>5,226</b>   |
| Additions/(Disposals)           |        | -             | 5,232          | 7,590  | 792                           | 845  |
| Net Transfers between classes   |        | -             | 18,002         | -  | -                             | -  |
| - Depreciation and amortisation |        | -             | (9,302)        | (7,869)  | (2,764)                       | (1,415)  |
| - Revaluation                   |        | (7,645)       | -              | -  | -                             | -  |
| <b>Balance at 30 June 2022</b>  | 7.3(b) | <b>75,872</b> | <b>312,299</b> | <b>28,082</b>                                      | <b>7,634</b>                  | <b>4,656</b>   |
| Additions/(Disposals)           |        | -             | 12,769         | 17,759   | 65,254                        | 1,639  |
| Net Transfers between classes   |        | -             | 2,342          | 2,191  | -                             | -  |
| - Depreciation and amortisation |        | -             | (10,378)       | (8,602)  | (6,401)                       | (1,622)  |
| - Impairment loss               |        | -             | -              | (2,520)  | -                             | -  |
| - Revaluation                   |        | -             | 34,236         | -  | -                             | -  |
| <b>Balance at 30 June 2023</b>  | 7.3(b) | <b>75,872</b> | <b>351,268</b> | <b>36,910</b>                                      | <b>66,487</b>                 | <b>4,673</b>   |

<sup>i</sup> Classified in accordance with the fair value hierarchy, refer Note 7.3.

| Asset class                       | Likely valuation approach         | Significant inputs (Level 3 only)                        |
|-----------------------------------|-----------------------------------|--|
| Specialised land (Crown/freehold) | Market approach                   | Community Service Obligations Adjustments <sup>(i)</sup> |
| Specialised buildings             | Current replacement cost approach | - Cost persquare metre<br>- Useful life                  |
| Vehicles                          | Current replacement cost approach | - Cost per unit<br>- Useful life                         |
| Plant and equipment               | Current replacement cost approach | - Cost perunit<br>- Useful life                          |
| Infrastructure                    | Current replacement cost approach | - Cost per unit<br>- Useful life                         |
| Investments                       | Market approach                   | - Quoted market prices                                   |

<sup>(i)</sup> A community service obligation (CSO) of 25% was applied to the Peninsula Health's specialised land.

## Note 8 Other disclosures

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

### Structure

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

**Note 8.1 Reconciliation of net result for the year to net cash flows from operating activities**

|  | Note | 2023<br>\$'000 | 2022<br>\$'000 |
|--|------|----------------|----------------|
| <b>Net result for the year</b>                           |      | 15,726         | (2,226)        |
| <b>Non-cash movements:</b>                               |      |                |                |
| Loss/(gain) on sale or disposal of non-financial assets  |      | 8,632          | (51)           |
| Loss/(gain) on financial instruments                     |      | 405            | (2,074)        |
| Depreciation of non-current assets                       | 4.6  | 27,003         | 21,351         |
| Amortisation of non-current assets                       | 4.6  | 884            | 1,354          |
| Impairment of non-current assets                         |      | 2,312          | -              |
| Assets and services received free of charge              | 2.1  | (5,889)        | (11,261)       |
| Loss on revaluation of long service leave liability      |      | 1,217          | 4,607          |
| <b>Movements in Assets and Liabilities:</b>              |      |                |                |
| (Increase)/decrease in receivables and contract assets   |      | (2,783)        | 4,314          |
| (Increase) in inventories                                |      | (1,081)        | (1,083)        |
| Increase/(Decrease) in prepaid expenses                  |      | 4,399          | (2,389)        |
| (Decrease)/Increase in payables and contract liabilities |      | (7,009)        | 38,081         |
| Increase in other provisions                             |      | 20,716         | 20,113         |
| <b>Net cash inflow from operating activities</b>         |      | <b>64,532</b>  | <b>70,736</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.

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

|   | Period                   |
|---|--------------------------|
| The Honourable Mary-Anne Thomas MP:                                     |                          |
| Minister for Health   | 1 Jul 2022 - 30 Jun 2023 |
| Minister for Health Infrastructure                                      | 5 Dec 2022 - 30 Jun 2023 |
| Minister for Medical Research   | 5 Dec 2022 - 30 Jun 2023 |
| Former Minister for Ambulance Services                                  | 1 Jul 2022 - 5 Dec 2022  |
| The Honourable Gabrielle Williams MP:                                   |                          |
| Minister for Mental Health  | 1 Jul 2022 - 30 Jun 2023 |
| Minister for Ambulance Services   | 5 Dec 2022 - 30 Jun 2023 |
| The Honourable Lizzie Blandthorn MP:                                    |                          |
| Minister for Disability, Ageing and Carers                              | 5 Dec 2022 - 30 Jun 2023 |
| The Honourable Colin Brooks MP:   |                          |
| Former Minister for Disability, Ageing and Carers                       | 1 Jul 2022 - 5 Dec 2022  |
| <b>Governing Board</b>  |                          |
| Ms Diana Heggie <sup>(i)</sup>  | 1 Jul 2022 - 30 Jun 2023 |
| Dr Alison Dwyer   | 1 Jul 2022 - 30 Jun 2023 |
| Prof Mark Frydenberg  | 1 Jul 2022 - 30 Jun 2023 |
| Ms Rita Cincotta  | 1 Jul 2022 - 30 Jun 2023 |
| Ms Allison Smith  | 1 Jul 2022 - 30 Jun 2023 |
| Ms Kirsten Mander   | 1 Jul 2022 - 30 Jun 2023 |
| Ms Karen Corry  | 1 Jul 2022 - 30 Jun 2023 |
| Ms Sylvia Hadjiantoniou   | 1 Jul 2022 - 30 Jun 2023 |
| Mr Hamish Park  | 1 Jul 2022 - 30 Jun 2023 |
| <sup>i</sup> Michael Gorton AM was appointed Chairperson on 1 July 2023 |                          |
| <b>Accountable Officers</b>   |                          |
| Felicity Topp (Chief Executive Officer)                                 | 1 Oct 2022 - 30 Jun 2023 |
| Helen Cooper (Acting Chief Executive Officer)                           | 1 Jul 2022 - 30 Sep 2022 |

### Remuneration of Responsible Persons

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

| Income Band           | 2023      | 2022      |
|-----------------------|-----------|-----------|
|                       | No.       | No.       |
| \$0 - \$10,000        | 1         | 1         |
| \$40,000 - \$49,999   | 7         | 7         |
| \$50,000 - \$59,999   | -         | 1         |
| \$80,000 - \$89,999   | 2         | 1         |
| \$370,000 - \$379,999 | 1         | 1         |
| <b>Total Numbers</b>  | <b>11</b> | <b>11</b> |

| Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to: | 2023       | 2022       |
|---|------------|------------|
|   | \$'000     | \$'000     |
|   | <b>861</b> | <b>812</b> |

Amounts relating to the Governing Board Members and Accountable Officer of Peninsula Health's controlled entities are disclosed in their own financial statements. Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

### Note 8.3 Remuneration of executives

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

| Remuneration of executive officers<br>(including Key Management Personnel disclosed in Note 8.4) | Total Remuneration |              |
|--|--------------------|--------------|
|  | 2023               | 2022         |
|  | \$'000             | \$'000       |
| Short-term benefits  | 1,909              | 1,766        |
| Post-employment benefits   | 159                | 139          |
| Other long-term benefits   | 67                 | 57           |
| Termination benefits   | 32                 | 83           |
| <b>Total remuneration<sup>i</sup></b>  | <b>2,167</b>       | <b>2,045</b> |
| Total number of executives   | 9                  | 9            |
| Total annualised employee equivalent <sup>ii</sup>   | 7                  | 7            |

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

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

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Total remuneration payable to executives during the year included a number of executives who received bonus payments during the year. These bonus payments were made in respect of the all staff members working in a public health service during a period where the state endured COVID-19 based restrictions.

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.

## **Note 8.4 Related parties**

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

- all key management personnel (KMP) and their close family members and personal business interests
- cabinet ministers (where applicable) and their close family members
- all health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

KMPs are those people with the authority and responsibility for planning, directing, and controlling the activities of the Peninsula Health and its controlled entities, directly or indirectly.

## Key management personnel

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

| Entity           | KMPs                 | Position Title                    |
|------------------|----------------------|-----------------------------------|
| Peninsula Health | Diana Heggie         | Chair of the Board                |
| Peninsula Health | Alison Dwyer         | Board Member                      |
| Peninsula Health | Allison Smith        | Board Member                      |
| Peninsula Health | Mark Frydenberg      | Board Member                      |
| Peninsula Health | Kirsten Mander       | Board Member                      |
| Peninsula Health | Karen Corry          | Board Member                      |
| Peninsula Health | Sylvia Hadjiantoniou | Board Member                      |
| Peninsula Health | Hamish Park          | Board Member                      |
| Peninsula Health | Rita Cincotta        | Board Member                      |
| Peninsula Health | Felicity Topp        | Chief Executive Officer           |
| Peninsula Health | Helen Cooper         | Chief Operating Officer           |
| Peninsula Health | Fiona Reed           | Chief Nursing & Midwifery Officer |
| Peninsula Health | Shyaman Menon        | Chief Medical Officer             |
| Peninsula Health | David English        | Chief Information Officer         |
| Peninsula Health | Pranay Lodhiya       | Chief Financial Officer           |
| Peninsula Health | Amanda Armstrong     | Chief People Officer              |
| Peninsula Health | Elizabeth Holley     | Chief People Officer              |

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

|   | 2023         | 2022         |
|---|--------------|--------------|
|   | \$'000       | \$'000       |
| <b>Compensation - KMPs</b>                |              |              |
| Short-term Employee Benefits <sup>i</sup> | 2,653        | 2,507        |
| Post-employment Benefits                  | 210          | 197          |
| Other Long-term Benefits                  | 70           | 71           |
| Termination Benefits                      | 32           | 83           |
| <b>Total<sup>ii</sup></b>                 | <b>2,965</b> | <b>2,858</b> |

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

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

## Significant transactions with government related entities

The Peninsula Health received funding from the DH of \$847.2 m (2022: \$763.1 m) and indirect contributions of \$14.9m (2022: \$3.8 m). Balances outstanding as at 30 June 2023 are \$1.6 m (2022: \$3.2 m)

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

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

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

## Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with the Peninsula Health, there were no related party transactions that involved key management personnel, their close family members, or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2023 (2022: none).

There were no related party transactions required to be disclosed for the Peninsula Health Board of Directors, Chief Executive Officer and Executive Directors in 2023 (2022: none).

## Note 8.5 Remuneration of auditors

|   | 2023       | 2022       |
|---|------------|------------|
|   | \$'000     | \$'000     |
| <b>Victorian Auditor-General's Office</b> |            |            |
| Audit of the financial statements         | 168        | 103        |
| <b>Total remuneration of auditors</b>     | <b>168</b> | <b>103</b> |

## Note 8.6 Ex-gratia expenses

|   | 2023     | 2022      |
|---|----------|-----------|
|   | \$'000   | \$'000    |
| Peninsula Health has made the following ex gratia expenses: |          |           |
| Compensation for economic loss                              | 5        | 11        |
| Property damage payments                                    | 3        | -         |
| <b>Total ex-gratia expenses</b>                             | <b>8</b> | <b>11</b> |

Includes ex-gratia for both individual items and in aggregate that are greater than or equal to \$5,000.

## **Note 8.7 Events occurring after the Balance Sheet Date**

There have been no events which have occurred post the Balance Sheet Date which would have had a material impact on the results reported in the Financial Statements.

## **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.

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

### **Financial assets at fair value through comprehensive income revaluation reserve**

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

### **Restricted specific purpose reserves**

The specific restricted purpose reserve is established where 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**

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

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



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