Annual Report 2022

Peninsula Health

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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2021/22 Year

In Review

99,951
people attended our Emergency Departments

16,881
surgeries were performed by surgeons

87,401
people were treated in our hospitals

36,783
people were admitted to hospital from our emergency departments

2,831
babies were born

21,051
children were cared for in our Emergency Departments

103,683
prescription items were dispensed from our Pharmacy

145,955
x-rays and scans were performed

13,936
patients were treated in our Dental Clinics

Over 45,000
clients were kept safe at home by our MePACS personal alarm service

4,588
sole workers were kept safe by MePACS in the community

Data may include some patients treated more than once.

Chairperson's & Chief Executive's *Report*

INTRODUCTION

We are pleased to present the 2022 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 2022.

Once again, the past 12 months have been significantly impacted by the COVID-19 pandemic. We have responded to a number of further waves of COVID-19, increased community transmission, lockdowns and restrictions, and helped to roll out one of the most significant community vaccination programs in the state's history. Throughout our continued COVID response, our teams have maintained the provision of high quality care to our local community.

Our people have done an extraordinary job in responding to the ever-changing demands placed on them and our services. The pandemic has continued to challenge the way we deliver care, and has allowed us to innovate and pivot to new models of care, in ways we never thought were possible. Even with expert modelling, it has become increasingly difficult to predict what the COVID-19 situation will look like in the future, although we can be certain that it has permanently changed the way we provide care.

The impact on our community has continued to be significant, both in daily lives and in access to our healthcare sites and hospitals. Our visiting hours have been significantly impacted and we are acutely aware this has been difficult for everyone, but it has been necessary to help stop the spread of the virus and to keep everyone safe and well. It is a pertinent time to thank our community for the continued and unwavering support for our people and our health service.

Despite the challenges mentioned above, we continue to deliver on our Strategic Plan 2019-2023. Throughout our Annual Report, you will find details of how our people are responding to the ever-changing environment in healthcare and how we are continuing to meet the demands of our community both now and in the years ahead.

COVID-19 PANDEMIC

The last 12 months have delivered significant challenges in dealing with the COVID-19 pandemic, both for our staff, but also our volunteers, consumer representatives and our community.

August 2021 saw Victoria enter a lockdown period for a sixth time, as we faced a surge in the number of cases from the Delta variant. This was a particularly difficult time for everyone as we faced another winter with heightened restrictions, both inside and outside our hospitals and healthcare sites. With the benefit of significant learnings from the previous 12 months, we were able to continue to provide high quality care as the virus surged through the community.

The learnings of the previous 12 months enabled us to effectively manage local COVID-19 outbreaks as they occurred.

Our acute team managed the volatile nature of COVID presentations, and worked seamlessly with our Infection Prevention and Control Unit to minimise any spread within the hospital network. These were extraordinarily tough times for our healthcare teams across the wards, Emergency Departments, Intensive Care Unit (ICU), Outpatients, Mental Health and Community Health services, but the implementation of our robust Incident Command processes and protocols, ensured our people were able to navigate everything thrown at us by the virus. In the community, our COVID response was equally impressive, with the multidisciplinary COVID-Positive Pathway team seeing and treating many thousands of community members each week.

The learnings of the previous 12 months enabled us to effectively manage local COVID-19 outbreaks as they occurred, as transmission of the virus increased in the community. The South East Public Health Unit, allowed us to work in partnership with Monash Health, Alfred Health and other partners, to deliver our COVID-19 testing and vaccination programs, in conjunction with Frankston City Council and Mornington Penninsula Shire. The Frankston Community Vaccination Hub was key in the success of delivering the vaccination program, as its strategic positioning within the Bayside Centre enabled us to deliver COVID vaccinations within the community. Additional sites and mobile clinics across the Peninsula were able to support this effort, as the vaccination rate enabled the Government to ease restrictions in October. The drive-through testing clinic based at Frankston Hospital saw vast numbers of people attend at the peak of community transmission, sometimes up to 1,000 per day, with our teams kept extremely busy, and often having to work extra hours simply to keep up with demand. As vaccination rates increased, the need for bulk PCR testing decreased, and the clinic closed in April, to make way for the Frankston Hospital redevelopment.

A significant percentage of our people continued to work at home for much of the past 12 months, as our Information Technology (IT) team made continuous improvements to the access, efficiency and ease for staff conducting meetings offsite. Our MePACS personal alarm teams operated from multiple locations, both in offices and at home, to ensure excellent and continuous care for some of the most vulnerable people in our community. The provision of Telehealth services also grew exponentially in 2021-22, helping us keep our community safe and well, in extremely challenging circumstances.

CELEBRATING OUR PEOPLE

Despite another year of extreme pressure dealing with the pandemic, alongside all the accompanying factors, our people have been extraordinary in delivering world-class care for our community. The reporting period has seen our clinical staff spend countless hours in full PPE, our mental health teams dealing with soaring caseloads, our administrative staff forced to work in isolation at home, and our community teams often stretched to the limit in dealing with COVID cases outside the hospital system. Our staffing has been tested like never before with furloughing, illness, caring for family members with COVID, and the expansion of a number of programs to support our response to COVID-19. This has resulted in shortages across many shifts, adding additional pressure on our staff who are delivering care. Despite this, we are proud to say that our people have been relentless in their pursuit of excellence, both for the community and their colleagues.

In March, we were visited by the assessment team from the Australian Council on Healthcare Standards. The Short Notice Accreditation visit permitted us 72 hours' notice, but what quickly became clear was that the Peninsula Health Clinical Governance Framework, Peninsula Care, established in 2019, meant that we were ready for any accreditation visit at any time. The assessors were impressed by what they witnessed first-hand, and re-accredited us against four national standards with no recommendations. This was a huge vote of confidence, not only in our people and community, but also in the processes, policies and procedures that we have in place. Peninsula Health is the only health service in Victoria to undergo short-notice assessment, and we are incredibly proud of the way our people have embraced the concept, while continuing to deliver exceptional care.

We continue to be challenged by workforce shortages at the time of writing, but as an organisation, we feel confident that whatever the situation, our people will respond in a professional, warm and caring way, working together as One Peninsula Health, to deliver safe, personal, effective and connected care for everyone.

For the second consecutive year, we held a Thank You Festival for staff and the community, to recognise everyone's efforts throughout 2021. Members of Parliament, Councillors, local businesses, community members, our Executive and Board Directors thanked our staff for their tireless efforts over the past 12 months. It was also indicative of the teams and people we have in place, that peer-to-peer recognition and gratitude was so significant across the entire organisation.

COMMUNITY ENGAGEMENT

Our volunteers have begun to return to our hospitals and healthcare sites, after being absent for much of the previous two years. The Pink Ladies Auxiliary café reopened at Frankston Hospital in May, much to the delight of every Peninsula Health staff member, visitors and patients alike. It is an extraordinary testament to the dedication of groups like the Pink Ladies, that after two years out of the health service, they have re-joined us with such enthusiasm and dedication. A number of other volunteer programs have also restarted, and we hope to welcome everyone back over the coming months. Our consumer representatives have continued to contribute throughout the 12-month period, mostly through virtual meetings, although some face-to-face gatherings have been possible. This important advisory work is critical to the functioning of Peninsula Health. It is a source of great pride

Touring the Ngarnga Centre

Then-Minister for Health and Aged Care Greg Hunt, with Director of Research, Professor Velandai Srikanth, Member for Dunkley, Peta Murphy and Chief Executive Felicity Topp, Board Chair Diana Heggie, Dean Faculty of Medicine, Nursing and Health Sciences at Monash University Professor Christina Mitchell and Professor Stephen Jane, Central Clinical School

to us that we have such dedicated community members who continue to be willing to give their time, energy and expertise to help us deliver great care to local people. We were delighted to celebrate the commitment of everyone by holding the Volunteer and Consumer Representative Appreciation Day Luncheon in May, for the first time since 2019. We look forward to continuing to work with our consumer representatives and volunteers over the next 12 months.

PROUDLY INCLUSIVE

Building on many components of our third Reconciliation Action Plan 2020-2022, we are expanding opportunities for career development and employment for Aboriginal and Torres Strait Islander people in our health service, and have made some key internship appointments this year. Our Aboriginal Employment Strategy is being finalised and will be launched in the coming months. Our Cultural Lead and Elder, Aunty Helen Bnads, also played a key role in us vaccinating more than 250 members of the local Aboriginal and Torres Strait Islander community, when the rollout of the COVID-19 vaccination was at its peak in September.

One of the highlights for Peninsula Health as a whole in 2021-22 was the successful re-accreditation by the Rainbow Tick assessment team in March. In 2017, we became the first full public health service in Australia to receive the status, and this important accreditation was successfully retained with no recommendations, despite the demands placed on us by the pandemic. This was a truly outstanding achievement and one of which we are all very proud. Also in March, we launched our LGBTIQ+ Allies program, to a backdrop of emotional and heartfelt speeches, alongside a party atmosphere, as drag queens toured many of our main sites to encourage staff to sign up. We are delighted to be working closely with our LGBTIQ+ Community Advisory Group, to develop this important program to show our support for all members of the community in receiving access to high quality healthcare, without stigma or discrimination.

CAPITAL WORKS AND PLANNING

It has been a very busy year for the Redevelopment team, with a number of key projects underway across the health service, and many more in the planning phase.

In June, we turned a sod to make the start of construction for the Frankston Hospital redevelopment, almost four years since the funding was initially announced. An enormous amount of work has been completed by our people since 2018, and much of that has occurred during the pandemic. A competitive tender process was completed, and in April, Exemplar Health was announced as the successful consortium to deliver the project alongside the Victorian Health Building Authority. The consortium includes Capella Capital as sponsor and investor, Aware Super as investor, Lendlease as the builder and Honeywell and Compass Group as facilities and maintenance managers. The project will deliver a 12-storey clinical services tower, a new main entrance, 130 additional beds, new spaces for mental health and oncology, a new theatre suite, expanded women's and children's services, as well as new maternity, obstetrics and paediatrics wards. Main works are expected to be completed in 2025, with the redeveloped Frankston Hospital to open in 2026.

Our new academic and research building in partnership with Monash University, the Ngarnga Centre, was officially opened on the Frankston Hospital campus in March. This state-of-the-art building allows us to expand our research program, and create a stimulating and contemporary environment for our clinicians, researchers and students. The Ngarnga Centre has exceptional facilities, which will enhance the capabilities of our current teams, translate research into practice, and train the next generation of healthcare professionals. The centre also houses the data platform team of another Monash University and Peninsula Health collaboration, the National Centre for Healthy Ageing.

L-R, Aunty Helen Bnads, Sonya Kilkenny MP, Paul Edbrooke MP, Premier of Victoria Daniel Andrews, Chief Executive Felicity Topp, Minister for Health and Ambulance Services Mary-Anne Thomas, Board Director Allison Smith

Sod-turn at the Frankston Hospital redevelopment

At Rosebud Hospital, we opened the Cancer and Clinical Trials Hub in December. Operating as part of the Federal Government's Trials Hub program, the newly refurbished building was developed with the support of our partners, Alfred Health and Cabrini Health, alongside funding from the Commonwealth. The new facility is greatly enhancing the access to cutting-edge clinical trials for the local community of the southern peninsula, without having to travel to Frankston, or beyond to Melbourne. The Cancer and Clinical Trials Hub has also doubled our capacity to deliver chemotherapy at Rosebud, which is a significant boost for our community and our people.

We continue to plan for a potential re-build to replace the ageing infrastructure of Rosebud Hospital, should funding be made available. Additionally, we have spent much of the last year, planning and refurbishing a building on Nepean Highway in Frankston, named the Tarnbuk Centre. It will house co-located facilities for our Community Mental Health and Alcohol and Other Drugs teams, to deliver care to vulnerable people and groups.

In another significant but separate development at Frankston Hospital, four new negative pressure rooms are currently under construction in our Intensive Care Unit (ICU). This investment will significantly improve the care we are able to provide for some of our sickest patients in the ICU.

INNOVATION, RECOGNITION, WELLBEING

Working closely with the Victorian Government, Peninsula Health will assume the management and operations of Frankston Private Hospital in the second half of 2022. The arrangement is part of a Victorian Government plan to reduce the state's elective surgery waitlist by transforming Frankston Private into a public surgery centre, able to complete up to 9,000 operations per year from 2023.

Peninsula Health is working closely with the current managers of Frankston Private, Healthscope, and staff, as well as the State Government, to ensure a smooth transition of operations and staff in the coming months. Once complete, the Frankston Private site will become another campus managed and operated by Peninsula Health.

Our At Home services have grown significantly over the past 12 months. Better at Home is an initiative funded by the State Government, while at Peninsula Health, we have divided our focus into three key areas to deliver more care in the home. The Journey to Home, Care at Home, and Stay at Home pathways are all being developed by multidisciplinary teams across Peninsula Health, in conjunction with our colleagues in the South East Metro Health Service Partnership. In addition, in collaboration with our health service partners, Peninsula Health played a leading role in the launch of the Virtual Emergency Department (ED) in February, as part of the At Home initiative. This pre-hospital telehealth service has helped divert around 88% of participating patients away from travelling to hospital, reducing wait times in our Emergency Departments. More detail on our At Home services can be found in the Strategic Priorities section of the Annual Report.

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Alongside Chisholm TAFE and Frankston Foundry, we opened the Frankston Social Enterprise Hub in February. The Hub is helping to maximise the performance of social enterprises in the Frankston Mornington Peninsula region, supporting a range of different groups to create jobs in the local area, particularly for disadvantaged job seekers. With support from the State Government, the Frankston Social Enterprise Hub is offering free co-working opportunities, mentoring, workshops, and networking to social enterprises. By enabling the growth of social enterprises, we are helping to drive more businesses to contribute to the growth of strong, healthy communities, therefore supporting our most disadvantaged populations.

Frankston Hospital is among those leading the way in Australia in using a world-first screening program to detect perinatal depression and anxiety. The partnership with the Centre of Perinatal Excellence has helped to deliver the innovative icope application and digital screening platform. This device helps identify mothers at risk, and facilitates faster and more effective mental health screening in the perinatal period.

Peninsula Health continues to work closely with Frankston City Council and Mornington Peninsula Shire on a number of innovative projects. As e-bikes have been rolled out across the municipality, Frankston Hospital will play a key role in the environmental trial by housing a supply outside the Integrated Health building, as well as at the entry to the multi-deck car park. Staff and students are already using the new transport mode to get to and from their workplace at Peninsula Health.

The wellbeing of our people remains the utmost priority to us as a health service. Over the course of the last 12 months, we have invested heavily in this area with a number of key programs to support all our staff. We believe in empowering local teams to make local decisions on what is best for their welfare and wellbeing. In that regard, the recent wellbeing funding from the Victorian Government was distributed through an Expression of Interest process to managers across the organisation. The Organisational Health and Wellbeing team successfully administered the Health Care Worker Wellbeing Grants, with over $1.2 million dollars spent directly in relation to wellbeing initiatives designed by local teams, as well as providing extended access to psychological supports that are easy for staff to access.

This year we have enjoyed success in introducing and embedding some innovative programs designed to support the wellbeing of our staff, by providing avenues to manage the emotional demands inherent to health care work. Partnering with Monash University, we delivered Compassion Training skills to help reduce the likelihood of empathic distress and burnout. The Ethics Centre also joined us, to enable the building of individual and organisational capability to support complex decision making, prevalent during such unprecedented times.

RESEARCH

Despite the ongoing challenges of the pandemic, Peninsula Health has continued to make substantial progress in the growth of research, attracting grants, generating peer-reviewed scientific publications and participating in a range of research projects, including multi-centre clinical trials. Led by the Professor of Medicine, Velandai Srikanth, we continued to deliver on many components of our Research Strategic Plan 2020-2024, which defines Peninsula Health's direction to further build upon a vibrant research culture, enabling the delivery of world-class health outcomes for our community.

The physical appearance and facilities for research has changed markedly this year, with the new academic and research hub at Frankston Hospital, the Ngarnga Centre, opening in March. It houses staff involved in medical curriculum teaching, the Office for Research, research staff affiliated to the Academic Unit, as well as a component of the National Centre for Healthy Ageing (NCHA). It provides flexible workspaces for research staff across Peninsula Health and Monash University, along with easy access to clinical trial rooms. The Ngarnga Centre is also housing some important work as part of the NCHA.

A number of key projects funded through the NCHA's Living Labs program are progressing, both in the fields of dementia care in hospitals, and the integration of care plans across the healthcare continuum for older people. Consultation for the next round of funding for the Living Labs program has begun, while approximately 80% of the core spine of the NCHA's Healthy Ageing Data Platform is now complete. This innovative program will curate data for 900,000 people over the next decade, and will link into both state and federal data systems. The aim of the platform is to provide a unique source of patient journeys through the healthcare system, by linking primary care, ambulance, our personal alarm system — MePACS, and the aged-care industry data systems.

Our researchers continue to be published for their innovative work. Dr Ashley Webb's patient trial for smoking cessation before elective surgery was editorialised in the Medical Journal of Australia, while in Intensive Care, Dr Ashwin Subramaniam co-led an international consortium publication, describing case fatality rates for patients with COVID-19 on mechanical ventilation. Associate Professor Michele Callisaya published a landmark paper in the Journal of the American Medical Association (JAMA), on the importance of combining measures of walking speed with cognitive function, in predicting the risk of dementia in relatively healthy older people. This was editorialised in the journal and received national and global media attention. Dr Jamie Tait published a significant paper on the value of maintaining good early childhood fitness and weight, to preserve cognitive health at mid-life, while Associate Professor Chris Moran's published work described the potential value of eye measurements in middle age, as a predictor of future risk of dementia.

Dr Rebecca Pang's work on the usefulness of targeted care navigation to reduce hospital readmission in 'at-risk' patients also received recognition. A unique forecasting analysis of hospital presentations during COVID lockdowns, highlighting patterns of health service use at Peninsula Health, using the NCHA data platform capability, was conducted by Dr Taya Collyer. Associate Professor Nadine Andrew published a notable paper on the patterns of personal alarm use and the impact on outcomes using data from MePACS, identifying people who may be particularly in need of enhanced support.

Our talented researchers have been recognised with a number of key grant outcomes in the last year. As Lead Investigators, Associate Professor Chris Moran and Rebecca Barnden both received $150,000 grants in the second round of the NCHA's Living Labs funding. As co-investigator, Dr Laura Joliffe received $2.9 million from the Medical Research Future Fund (MRFF) for her work to bridge the evidence to practice gap in stroke rehabilitation. The MRFF also awarded Associate Professor Michele Callisaya $1 million as lead investigator, to help enable equity of access to rehabilitation for people with dementia.

THANK YOU TO OUR PEOPLE AND COMMUNITY

Peninsula Health is the beneficiary of many incredibly kind and generous donations that help us provide the very best of care to the local community. These donations come from a wide range of people, businesses, trusts and foundations and estates, and they are invaluable in funding world-class equipment, research, wellbeing programs and education. Despite the chronic nature of the pandemic, the generous sentiment of our supporters continued through another 12 months of extraordinary challenges for everyone. Local companies and businesses continue to support us through giving in-kind, or through significant discounts for our hard-working people. These gestures lift spirits enormously among our staff and continue to strengthen the bond we enjoy with our local community.

It has been another year of extraordinary challenges and difficulties for everyone in the healthcare sector. On behalf of the Board and Executive team, we would once again like to say thank you to our people. Everyone at Peninsula Health plays a vital role in delivering safe, personal, effective and connected care, especially during the challenging times we continue to experience at all our hospitals and healthcare sites. In addition to our people, we would also like to take this opportunity to recognise and thank our dedicated volunteers, consumer representatives, partners, donors and community, for the support and partnership that makes our relationship special with you all. Our focus remains on ensuring we continue to provide exceptional care for the Frankston and Mornington Peninsula community.

You will find further detail about our achievements and successes with our strategic priorities throughout this publication. Please enjoy reading our 2022 Annual Report.

Ms Diana Heggie
Chairperson
Peninsula Health

Ms Felicity Topp
Chief Executive
Peninsula Health

July 2022

Report of *Operations*

PENINSULA HEALTH AT A GLANCE

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

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

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

With over 7,350 staff and 650 volunteers, consumer representatives and auxiliary members, our dedicated and highly skilled teams work together to provide safe, personal, effective and connected care, for people and families in Frankston and on the Mornington Peninsula.

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

OUR CLINICAL SERVICES

AGED CARE

Inpatient Services

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

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)
  - Virtual Emergency Department (Virtual ED)
- Advance Care Planning
- Early Intervention in Chronic Disease Services
  - Cancer Rehabilitation Program
  - Cardiac Rehabilitation Program
  - Heart Failure Rehabilitation
  - Pulmonary Rehabilitation
  - Diabetes Education
  - CH Post COVID-19 Recovery Program
- Commonwealth Home Support Program
  - Podiatry
  - Dietetics
  - Physiotherapy
  - Exercise Physiology
  - Occupational Therapy
  - Speech Pathology
  - Nursing
  - Aboriginal Access and Support
  - Access and Support
  - Social Support Groups
- Home Care Packages
- Dental Services
- 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

Men's Shed

Community Health Children's Services
- Podiatry
- Dietetics
- Physiotherapy
- Occupational Therapy
- Speech Pathology
- Early Education
- School Readiness Program
- Healthy Mothers Healthy Babies
- Aboriginal Healthy Start to Life

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

The Orange Door Family Violence Intake Service

Health Promotion

Sexual 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)

Access and Assessment Team
- Access, Planning and Linkage

Adult Community Mental Health Frankston
- Intensive Community Treatment Team
- Case Management Team
- GP Shared Care Team
- Wellness Clinic incorporating dietician, music therapy, exercise physiology and nursing

Adult Community Mental Health Mornington
- Intensive Community Treatment Team
- Case Management Team
- GP Shared Care Team
- Wellness Clinic incorporating dietician, music therapy, exercise physiology and nursing

HOPE Suicide Prevention team

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

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

Adult Acute Mental Health Inpatient Unit (2 West)

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

Adult Prevention & Recovery Care service (A-PARC)

Youth Prevention & Recovery Care service (Y-PARC)

Carinya Residential Aged Care Facility

Community Care Unit

Peer Support Program

MEPACS (PERSONAL ALARM CALL SERVICE)

PAEDIATRICS (CHILDREN'S HEALTH)

- Child 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

- Autopsies and Mortuary Services
- Biochemistry
- Blood Banking Service
- Blood Product Management
- Bone Marrow Biopsies
- Cytology (including fine needle aspirates)
- Frozen Sections
- Haematology (including coagulation)
- Histopathology
- Immunology
- Microbiology
- Serology

PHARMACY

- 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 @ home as part of Better @ 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 @ home as part of Better @ 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

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

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 (the Hon. Martin Foley MP July 1 2021 - June 27 2022) and Victoria's Minister for Mental Health, the Hon. Gabrielle Williams MP (the Hon. James Merlino MP July 1 2021 – June 27 2022) 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.

PURPOSE, FUNCTIONS, POWERS AND DUTIES

The core objective of Peninsula Health is to provide public health services in accordance with the principles established as guidelines for the delivery of public hospital services in Victoria under section 17AA of the Health Services Act 1988.

The Health Service operates across a number of sites providing a broad range of services including:

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

Peninsula Health employs over 7,350 staff and is supported by more than 600 volunteers, consumer representatives and auxiliary members.

GOVERNANCE

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

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

During 2021-22, the Minister for Health and the Chair of Peninsula Health signed a Statement of Priorities of agreed funding, activity and service performance. Additionally, the Minister for Health and the Chair of Peninsula Health agreed to focus and report on six key strategic priority areas, in lieu of Part A of the Statement of Priorities, due to the ongoing effect of the COVID-19 pandemic.

The Board held 10 meetings in the financial year 1 July 2021 to 30 June 2022. 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 2022

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

Appointed: 1 July 2017 to current

Member: Audit & Risk Committee, Digital Health & Capital Projects Committee, Finance & Resources Committee, People & Culture Committee, Quality & Safety Committee (until December 2021); Primary Care & Population Health Committee (from January 2022)

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 & Resources Committee, Frankston Private Hospital Working Group (from April 2022)

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

ADJ. CLINICAL PROFESSOR ALISON DWYER MBBS, MBA, FRACMA, FCHSM, GAICD

Appointed: 1 July 2017 to current

Chair: Quality & Safety Committee

Member: Primary Care & Population Health Committee (from January 2022)

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 ACHS 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, engaging medical staff in quality and the role of the Medical Administrator in health services.

MS KIRSTEN MANDER LLM, FAICD, FGIA

Appointed: 22 August 2017 to current

Chair: Audit and Risk Committee, MePACS Advisory Committee

Member: Frankston Private Hospital Working Group (from April 2022)

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 & Capital Projects Committee

Member: Audit & Risk Committee (until August 2021), Finance & Resources Committee, MePACS Advisory Committee, Frankston Private Hospital Working Group (from April 2022)

Ms Corry is a non-executive director and has served on boards and committees across public, private and not-for-profit organisations for over 15 years. She is board member of Holmesglen Institute, the Australian Centre for the Moving Image (ACMI), Cultural Development Network Ltd and Global Health Pty Ltd (ASX: GLH) and Chair of the Australian Community Support Organisation (ACSO). She has deep experience in transformational programs enabled by digital technology. Prior to running her own business, she was a partner at KPMG where she started her career, qualified as a chartered accountant and worked globally, spending three years in London, before returning to the KPMG Consulting division.

She now concentrates on her non-executive director roles bringing together her governance, finance, audit and technology skills.

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

Appointed: 1 July 2020 to current

Member: Quality & Safety Committee, Community Advisory Committee, Primary Care & Population Health Advisory Committee (until December 2021), MePACS Advisory Committee (from January 2022)

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 & Culture Committee

Member: Community Advisory Committee, MePACS Advisory Committee (until December 2021), Quality & Safety Committee (from January 2022)

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 HADJIANTONIOU EMBA, B.COMM., GAICD

Appointed: 1 July 2019 to current

Member: Digital Health & Capital Projects Committee, Community Advisory Committee (until December 2021), Finance & Resources Committee, Audit & 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.

PROFESSOR MARK FRYDENBERG MBBS, FRACS, FAICD

Appointed: 1 July 2021 to current

Member: Quality & Safety Committee, Finance & Resources Committee (from January 2022)

Professor Mark 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, USA.

Upon return to Australia, he was appointed as a 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 2022

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

Finance & Resources Committee

The role of the Finance & 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 (from January 2022)

Audit & Risk Committee

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

Board members: Kirsten Mander (Chair), Karen Corry (until August 2021), Diana Heggie, Allison Smith, Sylvia Hadjiantoniou

Quality & Safety Committee

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

Board members: Dr Alison Dwyer (Chair), Diana Heggie (until December 2021), Hamish Park, Professor Mark Frydenberg, Rita Cincotta (from January 2022)

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

Digital Health & Capital Projects Committee

The role of the Digital Health & 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

Community Advisory Committee

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

Board members: Rita Cincotta, Sylvia Hadjiantoniou (until December 2021), Hamish Park

Consumer members: Pauline D'Astoli (Chair), Dawn Ross, Norman Jones, Evelyn Webster (until December 2021) Dinka Jakovac, Julian Conlon, Ann Urch, Matthew Wisniewski, (until December 2021), Graeme Prowd, Aunty Yvonne Luke (until December 2021) Uncle Neil Brew (until March 2022), John Clark-Kennedy (from April 2022), Sally Bird (from April 2022), Shamala Jones (from April 2022), Mieke Breman-Mertens (from April 2022), Naomi Lawless (from April 2022)

People & Culture Committee

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

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

Remuneration Committee

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

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

Primary Care & Population Health Advisory Committee

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

Board members: Hamish Park (until December 2021), Diana Heggie (from January 2022), Alison Dwyer (from January 2022)

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

MePACS Advisory Committee

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

Board members: Kirsten Mander (Chair), Rita Cincotta (until December 2021), Karen Corry, Hamish Park (from January 2022)

External Members: Julie Smith

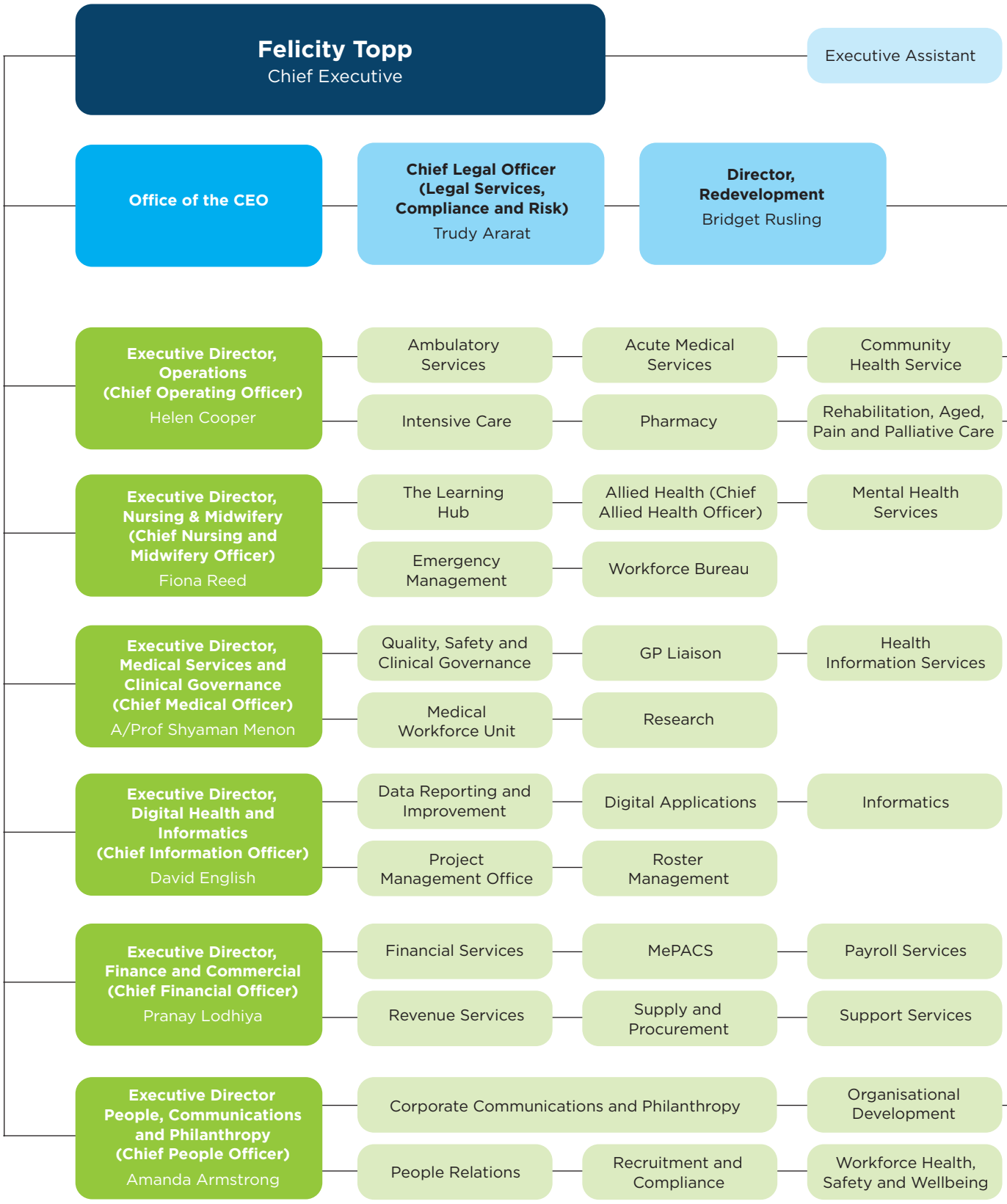
Frankston Private Hospital Working Group

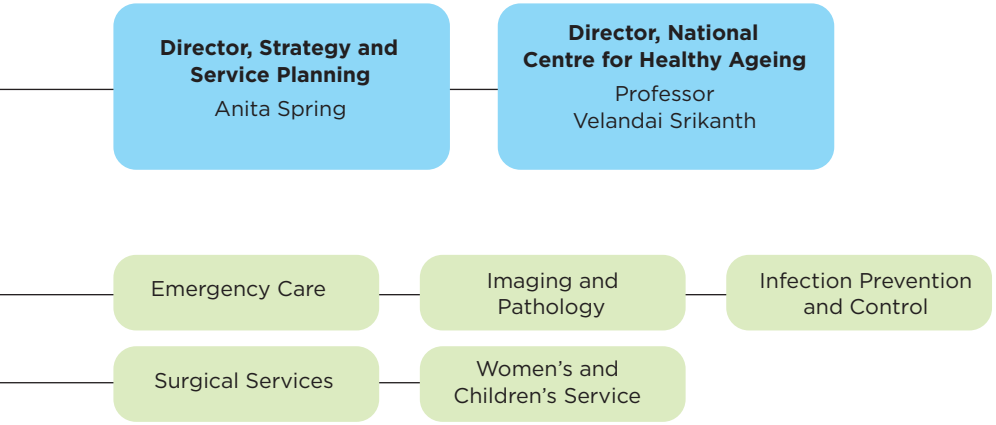
Established in April 2022, the Frankston Private Hospital Working Group is a short-term committee established to oversee and monitor the Frankston Private Hospital transition with a focus on strategy and risks (particularly workforce risks).

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

External Members: Representatives from PricewaterhouseCoopers

PENINSULA HEALTH ORGANISATIONAL STRUCTURE (AS AT 30 JUNE 2022)





- Organisational Structure as at 30 June 2022
- David English commenced in his role 11/10/2021
- Pranay Lodhiya commenced in his role 7/12/2021
- Peter Lotz left his role as Executive Director, Strategy, Planning & Business Development on 1/9/2021
- Rachelle Anstey left her role as Executive Director, Finance on 9/11/2021

Peninsula Health

Midwife Meaghan Church and Associate Midwifery Unit manager, Saphron Bonner, with mother, Esther Freeman outside Frankston Hospital

OUR WORKFORCE

Peninsula Health employs over 7,350 highly skilled and dedicated staff members, who work together to provide safe, personal, effective and connected care to every person, every time. We are committed to continuously improving and providing excellence in care.

PENINSULA HEALTH EMPLOYEES 2021-22

LABOUR CATEGORY	JUNE CURRENT MONTH FTE*		AVERAGE MONTHLY FTE*	
	2021	2022	2021	2022
Nursing	1,868.2	2,059.79	1,864.1	1,931.09
Administration and Clerical	635.4	722.60	610.5	703.75
Medical Support	256.8	744.68	245.3	634.83
Hotel and Allied Services	369.5	427.51	366.7	410.13
Medical Officers	62.9	62.53	62.6	60.99
Hospital Medical Officers	373.6	393.35	382.4	360.30
Sessional Clinicians	110.2	122.64	110.7	114.49
Ancillary Staff (Allied Health)	544.2	187.96	537.1	248.80
Total	**4,220.8**	**4,721.06**	**4,179.4**	**4,464.38**

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

OCCUPATIONAL HEALTH AND SAFETY

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

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

In response to these trends and areas of focus, a number of programs and safety campaigns have been, or are in the process of being developed. These include:

- Safety Management System (SMS) Review: An independent review of the SMS was undertaken in May 2021, with an Action Plan being developed from the findings. The report stated that Peninsula Health has comprehensive documentation, a substantial amount of Occupational Health and Safety performance data collected and reported, and that there were no 'red flags' or issues presenting serious risk.
- Know Better, Be Better: this bullying and harassment awareness campaign is aimed at all healthcare workers and leaders in Victorian public health services.
- 'You First: Stop, Assess, Plan, Learn' safety campaign: This program encourages our staff to consider themselves first before commencing a task, to stop and create some space to identify key risks, and to approach day-to-day activities in a safe manner. The health service has successfully rolled out the campaign, including embedding the You First branding across all Workforce Health and Safety activities.
- Manual Handling Program review: A refreshed Manual Handling Program is operational with updated policies and accountabilities, modernised and redesigned training, and the incorporation of new training, which aims to prevent and minimise the risks of increased patient manual handling. A series of short in-house videos were produced on key high-risk equipment alongside tasks to assist with the overall program and user knowledge.

  Additionally, to support the Manual Handling program, Peninsula Health partnered with Monash University in a pilot program entitled 'Risk Assessment for Moving Individuals Safely'. This aims to reduce staff musculoskeletal injuries, which are related to patient manual handling.
- Bed Maintenance Program: A formalised Bed Maintenance Program has been implemented, which outlines the health service's process for identifying and assessing the safety and reliability of general ward beds. The program details the procedure and tools developed to ensure all ward beds are regularly maintained, to aid in creating a safe environment for both staff and patients.
- Electrical Safety: A mandatory electrical safety-training course (WorkSafe approved) has been successfully implemented across the health service, to reduce electrical safety events and improve staff awareness around electricity.
- Everyday HEROs – Wellbeing Champions: This program is aimed at building wellbeing capability in a peer-to-peer support context, through the engagement of an external positive psychologist to deliver a program called Everyday HEROs.

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

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

Occupational Health and Safety Data

OCCUPATIONAL HEALTH AND SAFETY STATISTICS	2021-22	2020-21	2019-20
The number of reported hazards/incidents for the year per 100 FTE	30	54	47
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	1.19	3.09	1.25
The average cost per WorkCover claim for the year ('000)	$101,026	$79,496	$82,213

OCCUPATIONAL VIOLENCE

The incidence of reporting aggression and violence against our staff, volunteers and contractors has decreased slightly in the past year; however, an ongoing notable occurrence of assault occurring on staff by consumers in the over-65 age group was identified. This new trend led to the implementation of multi-disciplinary team 'Behaviour Meetings' on our higher incident wards, which resulted in a decrease in assault and aggression. These meetings continue to be offered weekly or as needed. In addition, the 'Daily Behaviours of Concern Round' has been renamed 'Harm Minimisation Round', with the RiSCE, Cognition and Falls teams joining the program. The Harm Minimisation Round occurs across wards six days a week where issues have been identified, with in situ support and advice being provided to staff at the bedside. The introduction of these meetings has resulted in an improvement in overall compliance with documentation as illustrated in the Quality of Care audit. Harm Minimisation Huddles have evolved from the Behaviour Meetings to improve communication and reporting of changed behaviours. Any ward or team can request these huddles if more complex plans or support is required. They involve a more detailed discussion about patients with significant changed behaviours, with a focus on understanding triggers and developing strategies to incorporate into a detailed 'Behaviour Care Plan'.

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

Our staff continue to be encouraged to report incidents through the new Victorian Health Incident Management System '(VHIMS 2)', which allows greater detail for Occupational Violence and Aggression (OVA) incidents to be provided. It is also easier for staff to use, which may increase reporting, to allow for a greater understanding of the extent of this issue.

Occupational Violence Statistics

OCCUPATIONAL VIOLENCE STATISTICS	2021-22
WorkCover accepted claims with an occupational violence cause per 100 FTE	0.07
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0.40
Number of occupational violence incidents reported	735
Number of occupational violence incidents reported per 100 FTE	16.46
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	26.93%

DEFINITIONS

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

- Occupational violence: any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- Incident: an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity ratings 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 2021-22.
- Lost time: is defined as greater than one day.
- Injury, illness or condition: this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

EQUAL OPPORTUNITY AND CODE OF CONDUCT

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

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

Peninsula Health takes all practicable measures to ensure that:

- our employees and agents have an awareness and understanding of the care relationship principles;
- people who are in care relationships, and who are receiving services in relation to the care relationship from the care support organisation, have an awareness and understanding of the care relationship principles; and
- our employees and agents reflect the care relationship principles in developing, providing or evaluating support and assistance for people in care relationships.

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

NATIONAL COMPETITION POLICY

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

Requirement for staff to declare conflicts of interest:

- compliance with Health Purchasing Victoria/HealthShare Victoria probity policies; and
- probity principles embedded in procurement.

PUBLIC INTEREST DISCLOSURE ACT 2012

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

SAFE PATIENT CARE ACT 2015

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

CONTRACTS

Local Jobs First Act 2003 (Vic)

During 2021/2022, 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

The inaugural Gender Equality Action Plan (GEAP) for Peninsula Health was developed in consultation with various 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 LGBTIQA+, Aboriginal and Torres Strait Islander and Disability inclusive practices.

CAR PARKING FEES

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

FREEDOM OF INFORMATION ANNUAL REPORT 2021-22

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

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

Statement 1: Organisation and functions

Peninsula Health is a Public Health Service established under section 65P of the Health Services Act 1988 (Vic). The powers and duties of Peninsula Health are prescribed by the Health Services Act 1988 (Vic). For information with respect to the structure and functions of Peninsula Health, please visit the Peninsula Health website at https://www.peninsulahealth.org.au/ and refer to the following 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 which assist with the administration of laws or schemes affecting the public. These include the following types of documents:

- Policies and guidelines
- Employee records
- Financial records
- Medical records
- Commercial documents
- Reports

Statement 3: Publications

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

Information relating to the application of the FOI Act at Peninsula Health is published in Peninsula Health's Annual Report. Further information about Peninsula Health's FOI activities is published in the Office of the Victorian Information Commissioners (OVIC) annual report. This report can be accessed at Annual reports - Office of the Victorian Information Commissioner (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 to subscribe to our newsletter.

Members of the public who would like to donate to Peninsula Health or subscribe to the donor mailing list will find additional information about supporting Peninsula Health on our website on 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 or by calling (03) 9784 7748. All requests for access to documents under the provisions of the Freedom of Information Act must be made in writing, including sufficient information about that document to enable it to be identified and be accompanied by the prescribed, non-refundable application fee. As of 1 July 2022, the FOI application fee is $30.60 for all Freedom of Information requests. People suffering financial hardship may apply to have the application fee reduced or waived.

The Department of Treasury and Finance 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 the Freedom of Information Act 1982 (FOI Act)

During 1 July 2021 - 30 June 2022 reporting period, the Privacy and Information Release Unit received 13,692 requests for information, 895 of which were processed under FOI, as follows:

NUMBER	OUTCOME
751	Access granted in full
28	Access granted in part
4	Access denied in full
21	Withdrawn
4	Not proceeded with
32	No documents exist
55	Not finalised as of 30 June 2022
723	Personal requests for information

We received 13,692 requests for information in the 2021-2022 year. However, as required by the FOI Act and Professional Standards, we must 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 895 of the 13,692 requests under the FOI Act, conversely, 93% of requests were processed outside the FOI Act at no charge to the requestor.

Of the 895 FOI applications, 723 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.

CONSULTANCY INFORMATION

Details of consultancies (under $10,000)

In 2021-22, there were three consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2021-22 in relation to these consultancies is $17,490 (excl. GST).

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

In 2021-22, there were six consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2021-22 in relation to these consultancies is $255,244 (excl. GST).

Consultancies of $10,000 or greater:

CONSULTANT	PURPOSE OF CONSULTANCY	START DATE	END DATE	TOTAL APPROVED PROJECT FEE (EXC. GST)	EXPENDITURE 2020-21 (EXC. GST)	FUTURE EXPENDITURE (EXC. GST)
Behrens, Fleur Michelle	Human Resources and Industrial Relations Advice	February 2022	June 2022	$11,160	$11,160	NIL
The Trustee for Frizzell Pound Trust Trading as Juliet Frizzell Consulting	Community Health Grant Application Advice	September 2021	November 2021	$18,900	$18,900	NIL
Thomson, Nicholas	Strategic Advice for Alcohol and Other Drugs program	July 2021	June 2022	$12,911	$12,911	NIL
Cassinoz Consulting Pty Ltd	Rostering System Advice	July 2021	March 2022	$30,000	$30,000	NIL
Impact Collaborative Pty Ltd	NDIS Operation Advice	July 2021	June 2022	$32,273	$32,273	NIL
Pricewater-house Coopers	Frankston Private Integration advice	March 2022	September 2022	$1,100,000	$150,000	$950,000
Total					**$255,244**	

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2021-22 was $25,489,169 (excluding GST), with the details shown below:

ICT expenditure

BUSINESS AS USUAL (BAU) ICT EXPENDITURE	NON BUSINESS AS USUAL (NON BAU) ICT EXPENDITURE		
(Total) (excluding GST)	(Total=Operational expenditure and Capital Expenditure) (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
$20,201,995	$5,287,174	$2,458,088	$2,829,086

ENVIRONMENTAL PERFORMANCE

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

Environmental Report

	2019-20	2020-21	2021-22
Total greenhouse gas emissions (tonnes CO2e)	18,503	17,220	16,227
Scope 1	3,241	3,095	3,176
Scope 2	18,503	17,220	16,227
Total	**21,743**	**20,315**	**19,404**
Emissions per unit of floor space (kgCO2e/m2)	236.14	220.63	210.73
Emissions per unit of separations (kgCO2e/separations)	231.5	226.61	227.21
Emissions per unit of bed-day (LOS+Aged Care OBD) (kgCO2e/OBD)	78.64	78.12	74.53
Diesel oil in buildings	148	133	129
Electricity	65,303	63,257	64,156
Natural gas	55,547	54,006	55,473
Total	**120,998**	**117,396**	**119,758**
Energy per unit of floor space (GJ/m2)	1.31	1.27	1.3
Energy per unit of separations (GJ/separations)	1.29	1.31	1.4
Energy per unit of bed-day (LOS+Aged Care OBD) (GJ/OBD)	0.44	0.45	0.46
Potable water	88,131	84,109	85,392
Reclaimed water	1,344	1,710	9,832
Total	**89,475**	**85,818**	**95,224**
Total embedded stationary energy generated by energy type (GJ) – solar power*	114	112	118
Water per unit of floor space (kL/m2)	0.96	0.91	0.93
Water per unit of separations (kL/separations)	0.94	0.94	1
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.32	0.32	0.33
Re-use or recycling rate % (Class A + reclaimed/potable + Class A + reclaimed)	2	2	10.32
Total waste generated (kg clinical waste+kg general waste+kg recycling waste)	1,702,354	1,652,144	1,362,524
Total waste to landfill generated (kg clinical waste+kg general waste)	1,134,037	1,112,006	878,225
Total waste to landfill per patient treated ((kg clinical waste+kg general waste)/PPT)	2.3	2.4	1.97
Recycling rate % (kg recycling/(kg general general waste+kg re-cycling))	36.86	37	39.61
Corporate Transport, tonnes CO2-e	368.17	303.01	308.56

Previous results updated to reflect corrections to billing data
2020-2021 estimated data has been updated with final results
2021-22 includes estimated data for natural gas and water due to billing lag
*Solar power generated at Rosebud Community Health (Rosebud Hospital campus)

Opening of the Cancer & Clinical Trials Hub at Rosebud

L-R, Bunurong Elder Uncle Shane Clarke, Chief Executive Felicity Topp, Board Chair Diana Heggie, Director of Research at Alfred Health Professor Stephen Jane, then-Minister for Health and Aged Care Greg Hunt, CEO Cabrini Health Sue Williams

Peninsula Health's recycling program saw the following items collected for recycling.

RECYCLING	WEIGHT
Batteries	655 kg
Cardboard	181,045 kg
Commingled	148,975 kg
E-waste	1,101 kg
Fluorescent tubes	227 kg
PVC	43 kg
Paper (confidential)	66,912 kg
Paper (recycling)	34,846 kg
Sterilisation wraps	1,447 kg
Toner and print cartridges	60 kg

Wooden pallets were collected for re-use and hard waste was gathered and taken for sorting and subsequent recycling at a resource recovery centre.

Peninsula Health donated furniture and equipment that was in good working condition, which was no longer required. With the support of the Lions Club, Peninsula Health donated 17 beds and nine treatment chairs to Sri Lankan Hospitals in need.

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 2022, Peninsula Health was supported by a number of local people, community groups, estates, trusts, foundations and businesses.

Due to their generosity in donations, we were able to support a number of key areas across the health service including:

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

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:

Janettte & Wasyl Abrat
Michelle Bambrook
Joyce Beckwith
Geoff & Normie Bydder
Sally Cleary
Don Clifton
Andrew Collins
Geoffrey Delahoy
Paul & Francesca Di Natale
Mary Difesa
Greg Shalit & Dr Miriam Faine
Herbert Drager
Trevor Edwards
Giorgio & Dianne Gjergja
Sue Guthrie
Diana Heggie
Charles Jennings
Stephanie Johnston
Norman Kaye
Guna Kimenis
Alan McKenna
Noel McKinnon
Julianne McPherson
Pierina Morano
Graham Mouser
Veronica Mulquiney
Paul & Sue Neylan
Enrico Petrosino
Sidney & Marjorie Prossor
Anne Rotheram
Judith Shelley
Marigold Southey
Marian Truda
John & Moira Ware
John Wiegandt
Byron Woods

All Saints Anglican Opp Shop
Are Media
Angior Family Foundation
Australian Legion of Ex-Servicemen and Women
Australian Croatian Social Club
Beretta's Langwarrin Hotel
Blue Label Pty Ltd
Frankston Hospital Pink Ladies Auxiliary
Geoff & Helen Handbury Foundation
Greenways Residents Committee
Hen's Teeth Tattoo Co.
Humpty Dumpty Foundation
Joe White Bequest
Lions Club Dromana
Munchalots 2
Peninsula Boys Car Enthusiasts
Probus Club Rosebud Ladies Inc.
Quest Apartment Hotels Frankston
RACV
Red Hill Opportunity Shop Inc.
Ritchie's Store Pty Ltd.
Rosebud Rock 'n' Rods Festival
Rotary Club of Frankston North
Rotary Club of Frankston Peninsula 2.0
RSL Frankston Women's Auxiliary
RSL Rosebud
RSL Rosebud Women's Auxiliary
Teele Family Foundation
Telematics Trust
The Village Glen Residents' Committee
Victoria Police Blue Ribbon Foundation Peninsula Branch

Key Financial & Service Performance *Reporting*

STRATEGIC PRIORITIES

In 2021-22, Peninsula Health contributed to the achievement of the Government's commitments within Health 2040: Advancing Health, access and care, in the below strategic priorities, as agreed with the Minister for Health.

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

Achieved

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

- Establishment of an accessible and efficient COVID-19 testing drive-through facility at Frankston Hospital.
- COVID-19 positive and suspected COVID admitting wards were established and expanded if required to meet growing demand for hospitalisations at different times.
- Adherence to and continued review of COVID-19 protocols to reflect updated guidance.
- A robust fit testing regime was instigated for the safety of all patients, visitors and staff. Temperature checks were implemented for all staff at every Peninsula Health site. Constant reviews of visiting hours were undertaken to protect staff, patients and their families.
- Regular communication was made available to all staff, in both written and verbal form along with the opportunity for two-way dialogue at all levels of the organisation. The local community received regular updates on all aspects of COVID, including how to stay safe and well.
- In November, a Sotrovimab Clinic was established at Frankston Hospital to treat patients with COVID-19. Patients were referred to the clinic through the COVID-positive pathways program.

2. Drive improvements in access to emergency services by reducing emergency department four-hour wait times, improving ambulance to health service handover times, and implementing strategies to reduce bed-blockage to enable improved whole of hospital system flow.

Achieved

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

- A rapid ambulance offload process was implemented in collaboration with Ambulance Victoria.
- The implementation of a COVID-19 navigator role within Frankston Hospital Emergency Department.
- A second triage tent was established at Frankston Hospital to support timely triage and streaming of patients with COVID-19.
- Rosebud Hospital Emergency Department was expanded to utilise the old theatre space, to support timely ambulance handover, triage and streaming of patients.
- Medical and Nursing models of care were reviewed to promote timely access for Emergency Department patients at both Frankston and Rosebud Hospitals.
- An additional bed manager position for the afternoon shift was implemented at Frankston Hospital to match demand, and enable focus on patient flow in parallel with managing site issues.
- There was increased focus on identification of 'vertical' patients and optimisation of waiting room spaces within Frankston and Rosebud Hospital Emergency Departments
- The implementation of a Virtual ED model, alongside health service partners, Monash Health and Alfred Health.
- The expansion of the Transition Care Program, both in bed-based and the community.
- A regular review of the COVID-19 bed plan was implemented to optimise total inpatient capacity.
- Flexible bed capacity was optimised across the acute sites at Rosebud and Frankston.
- The appointment of a Complex Discharge Co-ordinator for Medicine.
- Peninsula Health participated in the Department of Health's NDIS flow project at our sub-acute sites in Frankston and Mornington.
- The Better at Home strategy was rolled out, including the expansion of Hospital in the Home (HITH).
- Partnerships with other local private providers were optimised and strengthened.

3. Actively collaborate on the development and delivery of priorities within your Health Service Partnership, contribute to inclusive and consensus-based decision-making, support optimum utilisation of services, facilities and resources within the Partnership, and be collectively accountable for delivering against Partnership accountabilities as set out in the *Health Service Partnership Policy and Guidelines.*

Achieved

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

- In partnership with Alfred Health and Monash Health in the South East Metro Health Service Partnership (SEMHSP), we identified and implemented a number of key projects including:
  - Outpatients and Specialist Clinics
  - South East Melbourne Virtual ED
  - Elective Surgery Reform
  - Pathology
  - Home-Based Care

The SEMHSP provides leadership and program development support to the COVID Positive Pathways program in south-east Melbourne. The pathway was designed to provide clinical care in the local community to COVID-positive patients and reduce the number of people requiring treatment in Frankston and Rosebud Hospitals.

4. Engage with your community to address the needs of patients, especially our vulnerable Victorians whose care has been delayed due to the pandemic and provide the necessary "catch-up" care to support them to get back on track. Work collaboratively with your Health Service Partnership to:

- **implement the *Better at Home* initiative to enhance in-home and virtual models of patient care when it is safe, appropriate and consistent with patient preference.**

Achieved

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

- In conjunction with our SEMHSP partners and the Department of Health, Better at Home was further implemented across the health service. Our At Home services provide more care in the home for patients where clinically appropriate, reducing the time patients spend in hospital. Peninsula Health's At Home strategy has three streams:

  Journey to Home

  The Acute rehabilitation service, known as the Acute Rehab Program, is fully operational at Peninsula Health. The focus of the service is to provide rehabilitation early in the hospital stay to support patients to return home with the services they require to address their needs. The team is multi-disciplinary with allied health, nursing and medical staff who work closely with the acute teams.

The Journey to Home pathway aims to assess patients early and stream them to the most appropriate care pathway. A small multi-disciplinary team is trialling and testing various elements of the pathway using improvement methodology. This team is based on a single ward and is instigating incremental changes using Plan, Do, Study, Act (PDSA) cycles.

Care at Home

A sub-acute bed substitution service has been established for up to 12 beds. There have been delays in recruiting staff, which has affected the ability of the service to expand to full capacity. The palliative component has been developed, and will commence in late July 2022, in line with staff recruitment. Hospital in the Home (HITH) has expanded by approximately 20 beds and now provides service to levels 1 and 2 cancer treatments (low risk to medium intensity needs patients) and to general medical patients. The medical component has been increased to accommodate the new patient load.

Stay at Home

An integrated stepped-care model has been developed, but implementation has been delayed with the advent of COVID-19. A monitoring system for patients at risk of re-presentation to hospital is in development, as is remote monitoring for the patients in HITH and the sub-acute bed substitution service. A clinical response service incorporating a Virtual ED (VED) to provide an alternative to Emergency Department (ED) transport has been developed with escalation pathways to medical. This service is available for ambulance paramedics to call, and is diverting 80% of participating patients away from ED to a range of alternative responses. A rapid response team to address the needs of patients who call VED is also in development. The development of an escalation pathway for GPs to access specialist support has not yet commenced, as priority has been given to the VED and rapid response service.

- **improve elective surgery performance and ensure that patients who have waited longer than clinically recommended for treatment have their needs addressed as a priority.**

Achieved

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

With the support of the State Government, Peninsula Health commenced work to transform Frankston Private Hospital into a public surgery centre, in a Victorian first to boost surgical services for our community. When operational in late 2022, the facility will focus on COVID-19 catch-up care, meaning that many thousands of patients throughout the next four years and beyond will get the treatment they need faster and closer to home. This addition to our surgical services suite will greatly expand our capacity to complete surgeries in a timely manner, and gives our people and our community access to excellent facilities in the public sector in Frankston. The acquisition will provide more options and better outcomes for those in our community awaiting surgery.

5. Address critical mental health demand pressures and support the implementation of mental health system reforms to embed integrated mental health and suicide prevention pathways for people with, or at risk of, mental illness or suicide through a whole-of-system approach as an active participant in your Health Service Partnership and through your Partnership's engagement with Regional Mental Health and Wellbeing Boards.

Achieved

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's Mental Health Service was successful in the tender, in partnership with Wellways and Mentis Assist, to provide the new Frankston Mental Health and Wellbeing Hub. The Hub will support our community members with easier access to Area Mental Health Services in the future. This partnership enables integration and alignment of interventions delivered across the local and Adult Mental Health Services region, aligning with the vision of the Royal Commission into Victoria's Mental Health System, to ensure people get the right care at the right time.
- Additional resources have been provided to expand the Mental Health Consultation Liaison Services over seven days, and this service is now available across the whole network.
- Planning has started to expand the Hospital Outreach Post-Suicidal Engagement Program (HOPE) to ensure services are provided after hours and whenever they are needed.

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

Achieved

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 provides specialised support for the Aboriginal and Torres Strait Islander communities through the following programs:
  - Access and Support workers assist people with complex issues.
  - The Aboriginal and Torres Strait Islander Chronic Disease Program is in place to:
    - Implement care recommended by a patient's General Practitioner (GP) as outlined in their current management plan.
    - Assist people to self-manage their health and wellbeing needs.
    - Help ease access to specialist, GP and allied health services.
    - Provide access to a range of medical aids including, assisted breathing equipment, blood glucose monitoring equipment, dose administration aids, medical footwear prescribed by a podiatrist, mobility aids and spectacles.
    - Facilitate development and achievement of personal health goals.
  - Koori Maternity Services – these are in place for antenatal, birth and postnatal care across the Peninsula Health region. The service provides cultural support with one-on-one midwife care as well as birth support and postnatal care.

- The Healthy Start to Life nurse provides an integrated approach, informed by the social determinants model of health. The program focuses on key health outcomes from birth through to school entry, by linking with women post-birth and offering support to families for the first five years of the newborn's life. The nurse has developed strong partnerships with local Aboriginal and Torres Strait Islander services and Gathering Places, to support key entry points into culturally appropriate pathways of care.
- Peninsula Health's 2020-2022 Reconciliation Action Plan continues to be implemented. Some key achievements are:
  - the naming of new facilities reflecting the first nation's people culture and language (Ngarnga Centre at Frankston Hospital campus and the Tarnbuk Centre on Nepean Highway in Frankston).
  - the purchase of Indigenous art works for the Tarnbuk Centre and the Yawa facility in Rosebud
  - the sponsoring of community events for NAIDOC Week and Australia Day (Survival Day)
  - becoming the first health organisation to sign onto Supply Nation to grow our procurement process with Indigenous business
  - developing locally designed uniforms for Aboriginal & Peninsula Health staff
  - the employment of two Aboriginal Allied Health Assistant trainees.
- The Peninsula Health Board Quality & Safety Committee reviews progress against the Reconciliation Action Plan twice a year. A specific set of Key Performance Indicators for Aboriginal and Torres Strait Islanders people has been developed to enable management and the Board to review processes and care for this cohort and to identify areas for improvement.

PERFORMANCE PRIORITIES

HIGH QUALITY AND SAFE CARE

KEY PERFORMANCE MEASURE	TARGET	RESULT
Infection Prevention and Control		
Compliance with the Hand Hygiene Australia program	85%	88%
Percentage of healthcare workers immunised for influenza	92%	65%
Patient Experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses - Quarter 1	95%	91%
Victorian Healthcare Experience Survey - percentage of positive patient experience responses - Quarter 2	95%	81%
Victorian Healthcare Experience Survey - percentage of positive patient experience responses - Quarter 3	95%	89%
Percentage of Mental Health consumers reporting a 'very good' or 'excellent' experience of care in the last 3 months or less	80%	65%
Percentage of Mental Health consumers reporting they 'usually' or 'always' felt safe using this service	90%	90%
Healthcare Associated Infections (HAIs)		
Rate of patients with surgical site infection	No outliers	No outliers
Rate of patients with ICU central-line-associated bloodstream infection (CLABSI)	Nil	1.2
Rate of patients with SAB[1] per 10,000 occupied bed days	< 1	0.6
Unplanned Readmissions		
Unplanned readmissions to any hospital following a hip replacement	<6	2
Mental health		
Percentage of closed community cases re-referred within six months: adults and aged persons	<25%	28%
Rate of seclusion events relating to an adult acute mental health admission per 1,000 occupied bed days	<10	0.4
Rate of seclusion events relating to an aged acute mental health admission per 1,000 occupied bed days	<5	0
Percentage of adult acute mental health inpatients who have a post-discharge follow-up within seven days	88%	93%
Percentage of aged acute mental health inpatients who have a post-discharge follow-up within seven days	88%	92%
Percentage of adult acute mental health inpatients who are readmitted within 28 days of discharge	<14%	15%
Percentage of aged acute mental health inpatients who are readmitted within 28 days of discharge	<14%	3%
Maternity and Newborn		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	<1.4%	0.8%
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	<28.6%	38.7%

1. SAB is Staphylococcus Aureus Bacteraemia

Proportion of urgent maternity patients referred for obstetric care to a Level 4, 5 or 6 maternity service who were booked for a specialist clinic appointment within 30 days of accepted referral	100%	99%
Continuing Care		
Functional independence gain from an episode of rehabilitation admission to discharge, relative to length of stay	>0.645	0.571
Organisational Culture		
People Matter survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	60%

TIMELY ACCESS TO CARE

KEY PERFORMANCE MEASURE	TARGET	RESULT
Emergency Care – Frankston Hospital		
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 Category 1 to 5 emergency patients seen within clinically recommended time	80%	65%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	42%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	0
Emergency Care – Rosebud Hospital		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	80%
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%	83%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	64%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	0
Mental Health		
Percentage of 'crisis' (Category C) mental health triage episodes with a face-to-face contact received within 8 hours	80%	88%
Percentage of mental health related Emergency Department presentations with a length of stay of less than four hours	81%	44%
Elective Surgery		
Number of patients on the elective surgery waiting list as at 30 June 2022)	4,334	4,352
Number of patients admitted from the elective surgery waiting list	6,066	6,081
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%	68%
Percentage of patients on the waiting list who have waited longer than clinically recommended time for their respective triage category	5% or 15% proportional improvement from prior year	56%
Number of hospital initiated postponements per 100 scheduled elective surgery admissions	<7	4.2
Specialist Clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	97%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	95%

EFFECTIVE FINANCIAL MANAGEMENT

KEY PERFORMANCE MEASURE	TARGET	RESULT
Operating result ($m)	$0.00	$0.25m
Average number of days to paying trade creditors	60 days	54 days
Average number of days to receiving patient fee debtors	60 days	32 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.76
Actual number of days available cash, measured on the last day of each month	14 days	40 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	2021-22 ACTIVITY ACHIEVEMENT
Consolidated Activity Funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	88,181
Acute Admitted	
National Bowel Cancer screening program NWAU	0.8
Acute admitted DVA	499.52
Acute admitted TAC	246.23
Acute Non-Admitted	
Home Enteral Nutrition NWAU	29.56
Radiotherapy - other	181
Specialist Clinics	6,694.6
Sub-Acute/Non-Acute Admitted & Non-Admitted	
Subacute NWAU – DVA	197.63
Transition Care – Bed days	15,108
Transition Care – Home days	5,798
Aged Care	
HACC	7,993
Mental Health and Drug Services	
Mental Health Ambulatory	54,118
Mental Health Inpatient – Available bed days	14,458
Mental Health Residential	5,477
Mental Health Subacute	11,669
Drug Services	2,766
Primary Health	
Community Health/Primary Care Programs	33,446

*NWAU is a National Weighted Activity Unit. NWAU data as reported in this publication is recorded as at Thursday 27 July 2022. Final NWAU results will be completed in August 2022.

FINANCIAL SUMMARY

FINANCIAL INFORMATION

	2022 $000	2021 $000	2020 $000	2019 $000	2018 $000
OPERATING RESULT*	254	181	(12,448)	(5,792)	452
Total revenue	819,836	755,170	660,458	636,870	591,741
Total expenses	819,582	754,989	672,906	642,662	591,289
Net result from transactions	**4,403**	**(10,564)**	**(24,933)**	**(29,933)**	**(18,110)**
Total other economic flows	(6,630)	4,261	(978)	(2,991)	749
Net result	**(2,227)**	**(6,303)**	**(25,911)**	**(32,923)**	**(17,361)**
Total assets	617,501	575,398	545,744	517,789	485,618
Total liabilities	310,507	258,532	242,601	195,979	187,394
Net assets/total equity	306,994	316,866	303,143	321,810	298,224

* 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

	2021-22 $000
OPERATING RESULT*	4,701
Capital Purpose Income	819,836
Specific Income	617,501
COVID-19 State Supply Arrangements – assets received free of charge or for nil consideration under the State Supply	310,507
State supply items consumed up to 30 June 2022	306,994
Assets provided free of charge	819,836
Assets received free of charge	617,501
Expenditure for capital purpose	310,507
Depreciation and amortisation	306,994
Impairment of non-financial assets	819,836
Finance costs (other)	617,501
Net Result from transactions	**4,403**

*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 2021-22 showed an operating surplus (recorded before discontinued operations, capital income and depreciation) of $253,702

In 2021-22, in comparison to the previous financial year:

- total revenue increased to $819 million from $755 million;
- total assets rose by $42 million to $618 million;
- liabilities increased by $52 million to $311 million;
- equity (the difference between assets and liabilities) decreased by $10 million to $307 million.

A state of emergency was in place in Victoria until 15 December 2021 due to the effects of the COVID-19 pandemic.

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

Subsequent Events to Balance Date

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

Ex-gratia Payments

Ex-gratia payments of $10,795 were made by Peninsula Health during 2021-22. These payments relate to compensation payments or discretionary reimbursement of expenses.

Attestations

DATA INTEGRITY

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

CONFLICT OF INTEREST

I, Felicity Topp, certify that Peninsula Health has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 *Compliance reporting in health portfolio entities (Revised)* and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Peninsula Health and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.

INTEGRITY, FRAUD AND CORRUPTION

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

Felicity Topp
Accountable Officer
Peninsula Health
29 August 2022

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

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

RESPONSIBLE BODIES DECLARATION

In accordance with the *Financial Management Act 1994,* I am pleased to present the Report of Operations for Peninsula Health for the year ending 30 June 2022.

Ms Diana Heggie
Chairperson
Frankston
29 August 2022

Disclosure *Index*

The Annual Report of Peninsula Health is prepared in accordance with all relevant Victorian legislation.

This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

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Management and Structure		
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LEGISLATION	REQUIREMENT	PAGE REFERENCE
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	Attestation on Data Integrity	53
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Other Reporting Requirements		
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	Reporting of compliance regarding Car Parking Fees	33

ANNUAL PUBLICATIONS

Our 2022 Annual Report comprises two sections: Report of Operations and Financial Statements. The Financial Statements are provided in the back of this publication.

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

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

*Please note – *Quality Care* was not produced in 2022 due to the effects of the COVID-19 pandemic.

For further information about Peninsula Health, or to download an annual publication, please visit our website: www.peninsulahealth.org.au

Financial Statements

Financial Statements

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

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

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2022 and the financial position of Peninsula Health as at 30 June 2022.

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

We authorise the attached financial statements for issue on 29 August 2022

Diana Heggie
Chairperson

Frankston
29 August 2022

Helen Cooper
Acting Chief Executive Officer

Frankston
29 August 2022

Pranay Lodhiya
Chief Financial Officer

Frankston
29 August 2022

Independent Auditor's Report

Victorian Auditor-General's Office

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 2022
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- 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 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *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.

Other Information

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

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.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
9 September 2022

Dominika Ryan
as delegate for the Auditor-General of Victoria

Peninsula Health
Comprehensive Operating Statement
For the Financial Year ended 30 June 2022

	Note	**2022**	2021
		$'000	$'000
Revenue and Income from Transactions			
Operating Activities	2.1	**872,072**	783,105
Non-Operating Activities	2.1	**1,305**	772
Total Revenue and Income from Transactions		**873,377**	783,877
Expenses from Transactions			
Employee Expenses	3.1	**(637,506)**	(574,018)
Supplies and Consumables	3.1	**(96,548)**	(104,140)
Finance Costs	3.1	**(982)**	(1,020)
Depreciation and Amortisation	4.5	**(22,704)**	(25,059)
Administrative Expenses	3.1	**(51,474)**	(33,976)
Repairs and Maintenance	3.1	**(20,622)**	(19,039)
Operating Expenses	3.1	**(39,137)**	(37,188)
Total Expenses from Transactions		**(868,973)**	(794,440)
Net Result from Transactions-Net Operating Balance		**4,404**	(10,563)
Other Economic Flows included in Net Result			
Net Gain/(Loss) on Financial Instruments		**(2,074)**	1,899
Net Gain/(Loss) on sale of Non-Financial Assets		**51**	314
Other Gain/(Loss) from Other Economic Flows		**(4,607)**	2,048
Total Other Economic Flows included in Net Result		**(6,630)**	4,261
NET RESULT FOR THE YEAR		**(2,226)**	(6,302)
Other Comprehensive Income			
Items that will not be reclassified to net result			
- Changes in Property, Plant and Equipment Revaluation Reserve	4.4	**(7,645)**	12,698
Total Other Comprehensive Income		**(7,645)**	12,698
COMPREHENSIVE RESULT FOR THE YEAR		**(9,871)**	6,396

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

Peninsula Health
Balance Sheet
As at 30 June 2022

	Note	**2022**	2021
		$'000	$'000
Current Assets			
Cash and Cash Equivalents	6.2	**80,626**	44,199
Receivables and Contract Assets	5.1	**33,128**	31,028
Investments and Other Financial Assets	4.1	**12,650**	14,724
Inventories		**5,216**	4,239
Prepayments and Other Assets		**6,600**	4,211
Total Current Assets		**138,220**	98,401
Non-Current Assets			
Receivables and Contract Assets	5.1	**30,661**	27,285
Property, Plant & Equipment	4.2	**428,317**	426,310
Right of Use Assets	4.3	**18,950**	21,325
Intangible Assets		**1,355**	2,076
Total Non-Current Assets		**479,282**	476,996
TOTAL ASSETS		**617,502**	575,397
Current Liabilities			
Payables and Contract Liabilities	5.2	**107,257**	64,753
Borrowings	6.1	**8,251**	7,073
Employee Benefits	3.2	**147,838**	131,719
Other Current Liabilities		**408**	3,047
Total Current Liabilities		**263,754**	206,592
Non-Current Liabilities			
Borrowings	6.1	**26,572**	32,994
Employee Benefits	3.2	**20,181**	18,946
Total Non-Current Liabilities		**46,753**	51,940
TOTAL LIABILITIES		**310,507**	258,532
NET ASSETS		**306,995**	316,865
EQUITY			
Revaluation Surplus	4.4	**163,386**	171,031
Special Purpose Surplus	SCE	**10,956**	9,958
Contributed Capital	SCE	**195,484**	195,484
Accumulated Surplus/(Deficit)	SCE	**(62,831)**	(59,608)
TOTAL EQUITY		**306,995**	316,865

This Statement should be read in conjunction with the accompanying notes.
SCE: Statement of Changes in Equity

Peninsula Health
Statement of Changes in Equity
For the financial year ended 30 June 2022

	Property, Plant & Equipment Revaluation Surplus $'000	Special Purpose Surplus $'000	Contributed Capital $'000	Accumulated Surplus/(Deficit) $'000	Total $'000
Balance at 30 June 2020	158,333	10,068	193,484	(53,415)	308,470
Net result for the year	-	-	-	(6,302)	(6,302)
Other Comprehensive Income for the year:					-
Fair value movement in property, plant and equipment as per note 4.4	12,698	-	-	-	12,698
Capital Contributions	-	-	2,000	-	2,000
Transfer from/(to) Accumulated Surplus/(Deficit)	-	(109)	-	109	-
Balance at 30 June 2021	171,031	9,959	195,484	(59,608)	316,866
Net result for the year	**-**	**-**	**-**	**(2,226)**	**(2,226)**
Other Comprehensive Income for the year:					**-**
Fair value movement in property, plant and equipment as per note 4.4	**(7,645)**	**-**	**-**	**-**	**(7,645)**
Capital Contributions	**-**	**-**	**-**	**-**	**-**
Transfer from/(to) Accumulated Surplus/(Deficit)	**-**	**997**	**-**	**(997)**	**-**
Balance at 30 June 2022	**163,386**	**10,956**	**195,484**	**(62,831)**	**306,995**

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

Peninsula Health
Cash Flow Statement
For the financial year ended 30 June 2022

	Note	**2022**	2021
		$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from State Government		**771,756**	653,192
Operating Grants from Commonwealth Government		**33,717**	33,647
Capital Grants from State Government		**10,077**	8,343
Patient and Resident Fees Received		**31,011**	39,003
GST received from ATO		**18,722**	16,940
Capital Receipts		**9,603**	4,789
Donations and Bequests Received		**1,724**	1,486
Other Receipts Received		**10,667**	9,162
Total receipts		**887,277**	766,562
Employee Expenses		**(609,075)**	(562,487)
Non Salary Labour Costs		**(10,497)**	(9,021)
Payments for Supplies & Consumables		**(179,615)**	(158,128)
Payments for Repairs & Maintenance		**(16,373)**	(12,103)
Finance Costs Paid		**(981)**	(1,020)
Total payments		**(816,541)**	(742,759)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	8.1	**70,736**	23,803
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Non-Financial Assets		**(26,715)**	(16,680)
Proceeds from Sale of Non-Financial Assets		**267**	178
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		**(26,448)**	(16,502)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital Contribution		**-**	2,000
Repayment of Borrowings		**(5,213)**	(5,449)
Receipts/(Repayment) of accommodation deposits		**(2,650)**	1,525
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**(7,863)**	(1,924)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		**36,425**	5,377
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**44,200**	38,823
CASH AND CASH EQUIVALENTS AT END OF YEAR	6.2	**80,626**	44,200

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 of Peninsula Health for the year ended 30 June 2022. The report provides users with information about the Peninsula Health's stewardship of resources entrusted to it.

This section explains the basis of preparing the financial statements.

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 (AASs), which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of *AASB 101 Presentation of Financial Statements*.

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

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

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

The financial statements are prepared on a going concern basis (refer to Note 8.8 Economic Dependency).

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

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

The annual financial statements were authorised for issue by the Board of Peninsula Health on 29 August 2022

Note 1.2: Impact of COVID-19 pandemic

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. On 2 August 2020 a state of disaster was added with both operating concurrently. The state of disaster in Victoria concluded on 28 October 2020 and the state of emergency concluded on 15 December 2021.The COVID-19 pandemic has created economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the health service at the reporting date. Management recognises that is difficult to reliably estimate with certainty, the potential impact of the pandemic after the reporting date on the health service, its operations, its future results and financial position.

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

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

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

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

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

Note 1.3 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
PH	Peninsula Health
SD	Standing Direction
VAGO	Victorian Auditor General's Office
WIES	Weighted Inlier Equivalent Separation

Note 1: Basis of preparation continued

Note 1.4: Key accounting estimates and judgements

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

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

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

Note 1.5: Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB 17: *Insurance Contracts*	Reporting periods on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.

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

Note 1.6: Goods and Services Tax (GST)

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

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

Cash flows included in the Cash Flow Statement are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as an operating cash flow.

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

Note 1.7: Reporting Entity

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

Its principal address is:
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 the a collaborative approach in building a healthy community.

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

Impact of COVID-19 on Funding

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

- Increased staffing costs to service the vaccination hubs and the in-house contact tracing unit
- Increased pathology testing costs due to COVID-19 tests
- Increased personal protective equipment costs to stop the spread of COVID-19

Funding provided included:

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

For the year ended 30 June 2022, the COVID-19 pandemic has impacted Peninsula Health's ability to satisfy its performance obligations contained within its contracts with customers. Peninsula Health has assessed each funding arrangement on a case by case basis to determine whether an obligation exists to return funds to each relevant funding body where performance obligations had not been met. A waiver has been received from the Department of Health in respect of these funds.

This resulted in approximately $42.9m being recognised as income for the year ended 30 June 2022 (2021: $19.9m) which would have otherwise been recognised as a contract liability in the Balance Sheet until subsequent years when underlying performance obligations were fulfilled. The impact of contract modifications obtained for Peninsula Health's most material revenue streams, where applicable, is disclosed within this note.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	Peninsula Health applies significant judgement when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Peninsula Health to recognise revenue as or when the health service transfers promised goods or services to beneficiaries. If this criteria is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	Peninsula Health applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining time of capital grant income recognition	Peninsula Health applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.

Note 2.1:
Revenue and Income from Transactions

	2022 $'000	2021 $'000
Operating activities		
Revenue from contracts with customers		
Government Grants (State) - Operating	**684,676**	616,589
Government Grants (Commonwealth) - Operating	**33,495**	34,090
Private Personal Alarm Monitoring Services	**8,448**	7,495
Patient and Resident Fees	**23,555**	26,823
Commercial Activities and Special Purpose Funds (i)	**10,130**	9,420
Total revenue from contracts with customers	**760,305**	694,416
Other sources of income		
Government Grants (State) - Operating	**59,807**	54,067
Assets Received Free Of Charge Or For Nominal	**11,260**	8,032
Government Grants (State) - Capital	**12,778**	7,399
Non-Cash Contributions from the Department of Health	**3,780**	3,303
Capital Donations	**1,579**	1,486
Other Revenue from Operating Activites	**14,574**	12,410
Other Capital Purpose Income	**7,987**	1,992
Total other sources of income	**111,766**	88,689
Total Revenue and Income from Operating Activities	**872,072**	783,105
Non-operating activities		
Income from other sources		
Interest	**201**	207
Dividends	**960**	522
Other Income from Non-Operating Activites	**144**	43
Total other sources of income	**1,305**	772
Total income from non-operating activities	**1,305**	772
Total Revenue and income from transactions	**873,377**	783,877

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

How we recognise revenue and income from operating activities

Government Operating Grants

To recognise revenue, Peninsula Health assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: Revenue from Contracts with Customers.
When both these conditions are satisfied, Peninsula Health:
• Identifies each performance obligation relating to the revenue
• recognises a contract liability for its obligations under the agreement
• recognises revenue as it satisfied its performance obligations, at the time or over time when services are rendered.
If a contract liability is recognised, Peninsula Health recognises revenue in profit or loss as and when it satisfies its obligations under the contract, unless a contract modification is entered into between all parties. A contract modification may be obtained in writing, by oral agreement or implied by customary business practices.
Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, in accordance with AASB 1058 – Income for not-for-profit entities, Peninsula Health:
• recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
• recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
• recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount 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's 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.
Peninsula Health also assesses whether revenue should be recognised as at point in time or over a period of time in relation to its revenue streams. In the majority of cases, Peninsula Health recognises revenue at a point in time due to the nature of services provided.

Note 2.1: Revenue and income from transactions continued

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

Government grant	Performance obligation
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) casemix	The performance obligations for ABF are the number and mix of patients admitted to hospital (defined as 'casemix') in accordance with the levels of activity agreed to, with the Department of Health in the annual Statement of Priorities. Revenue is recognised at a point in time, which is when a patient is discharged, in accordance with the WIES activity when an episode of care for an admitted patient is completed. WIES activity is a cost weight that is adjusted for time spent in hospital, and represents a relative measure of resource use for each episode of care in a diagnosis related group. WIES was superseded by NWAU from 1 July 2021, for acute, sub-acute and state-wide (which includes specified grants, state-wide services and teaching and training). Services not transitioning at this time include mental health and small rural services.
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	NWAU funding commenced 1 July 2021 and supersedes WIES for acute, sub-acute and state-wide services (which includes specified grants, state-wide services and teaching and training). Services not transitioning at this time include mental health and small rural services. NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid. The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity. Revenue is recognised at point in time, which is when a patient is discharged

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.

Commercial activities

Revenue from commercial activities includes items such as car park income, clinical trial income and training and seminar fees.
Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

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 and its controlled entities' investments in financial assets.

Interest Income

Interest revenue 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: Revenue and income from transactions continued

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

	2022	2021
	$'000	$'000
Plant and Equipment	**387**	663
Personal Protective Equipment and other consumables	**10,874**	7,368
Total fair value of assets and services received free of charge or for nominal consideration	**11,261**	8,031

How we recognise the fair value of assets and services received free of charge or for nominal consideration

Donations and bequests

Donations and bequests are generally recognised as income upon receipt (which is when Peninsula Health usually obtained control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

Personal protective equipment

In order to meet the State of Victoria's health system supply needs during the COVID-19 pandemic, the purchasing of essential personal protective equipment (PPE) and other essential plant and equipment was centralised. Generally, the State Supply Arrangement stipulates that Health Purchasing Victoria (trading as HealthShare Victoria) sources, secures and agrees terms for the purchase of PPE. The purchases are funded by the Department of Health, while Monash Health takes delivery and distributes an allocation of the products to health services. Peninsula Health received these resources free of charge and recognised them as income.

Contributions

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

• Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health Hospital Circular.

Non-cash contributions from the Department of Health

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

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

Note 3: The Cost of Delivering Services

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

Structure

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

COVID-19 Impact

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

Additional costs were incurred to deliver the following additional services:

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

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

Note 3.1: Expenses From Transactions

	2022 $'000	2021 $'000
Salaries and Wages	**569,350**	516,282
On-Costs	**50,104**	43,722
Agency Expenses	**9,232**	6,927
Work Cover Premium	**8,820**	7,087
Total Employee Expenses	**637,506**	574,018
Drug Supplies	**29,340**	31,202
Medical and Surgical Supplies(Including Prostheses)	**37,669**	35,410
Diagnostic and Radiology Supplies	**25,216**	32,774
Other Supplies and Consumables	**4,323**	4,754
Total Supplies and Consumables	**96,548**	104,140
Finance Costs	**982**	1,020
Total Finance Costs	**982**	1,020
Advertising	**1,413**	1,199
Consumable Equipment	**3,739**	2,729
Housekeeping and Linen	**4,064**	3,586
Postage, Printing and Stationery	**1,915**	1,707
Staff Training	**4,158**	4,440
Telecommunications	**4,189**	3,559
Other Administrative Expenses	**31,996**	16,756
Total Administrative Expenses	**51,474**	33,976
Repairs and Maintenance	**20,622**	19,039
Total Repairs and Maintenance	**20,622**	19,039
Client Brokerage Costs	**10,224**	9,032
Medical Indemnity Insurance	**12,665**	10,802
Expenses related to leases of low value assets	**704**	449
Fuel, Light, Power and Water	**4,369**	7,692
Patient Transport	**3,551**	3,346
Security Services	**7,624**	5,867
Total Operating Expenses	**39,137**	37,188
Depreciation and Amortisation (refer Note 4.5)	**22,704**	25,059
Total Non-Operating Expenses	**22,704**	25,059
Total Expenses from Transactions	**868,973**	794,440

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

- Salaries and wages(including fringe benefits tax, leave entitlements, termination payments);
- On-costs;
- Agency expenses;
- Work cover premium.

Supplies and consumables

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

Finance costs

Finance costs include:

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

Other operating expenses

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

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

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

Non operating expenses

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

Note 3.2: Employee Benefits in the Balance Sheet

	2022	2021
	$'000	$'000
CURRENT		
Employee Benefits (i)		
Annual Leave		
- Unconditional and expected to be wholly settled within 12 months (i)	**35,939**	31,906
- Unconditional and expected to be wholly settled after 12 months (ii)	**16,193**	14,649
Long Service Leave		
- Unconditional and expected to be wholly settled within 12 months (i)	**7,261**	6,220
- Unconditional and expected to be wholly settled after 12 months (ii)	**70,327**	64,515
Accrued Days Off		
- Unconditional and expected to be settled within 12 months (i)	**1,632**	1,392
	131,352	118,682
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled within 12 months (i)	**5,032**	4,341
- Unconditional and expected to be settled after 12 months (ii)	**11,454**	8,696
	16,486	13,037
Total Current Provisions	**147,838**	131,719
NON-CURRENT		
Employee Benefits (ii)		
Conditional Long Service Leave	**17,726**	17,072
Provisions related to Employee Benefit On-Costs	**2,455**	1,875
Total Non-Current Provisions	**20,181**	18,947
Total Provisions	**168,019**	150,666

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

(a) Employee Benefits and Related On-Costs

Current Employee Benefits and Related On-Costs		
Annual Leave Entitlements	**57,868**	51,668
Unconditional Long Service Leave Entitlement	**88,158**	78,506
Accrued Days Off	**1,812**	1,545
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements	**20,181**	18,947
Total Employee Benefits and Related On-Costs	**168,019**	150,666

(b) Movement in Provision:

Balance at start of year	**150,666**	136,728
Additional provisions recognised	**73,281**	61,332
Amounts incurred during the year	**(55,928)**	(47,394)
Balance at end of year	**168,019**	150,666

Note 3.2: Employee Benefits in the Balance Sheet continued
How we recognise employee benefits

Employee Benefits Recognition

Employee benefits are accrued for employees in respect of accrued days off, annual leave and long service leave, for services rendered to the reporting date as an expense during the period the services are delivered.No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement as it is taken.

Provisions

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

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

Annual Leave and Accrued Days Off

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

Depending on the expectation of the timing of settlement, liabilities for annual leave and accrued days off are measured at:
- Nominal value – if Peninsula Health expects to wholly settle within 12 months; or
- Present value – if Peninsula Health does not expect to wholly settle within 12 months

Long Service Leave

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

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

The components of this current LSL liability are measured at:

- Nominal value – if Peninsula Health expects to wholly settle within 12 months; and
- Present value – if Peninsula Health does not expect to wholly settle within 12 months.

Conditional LSL is measured at present value and is disclosed as a non-current liability.

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

Termination Benefits

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

Provision for On-Costs related to employee expense

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

Note 3.3: Superannuation

How we recognise superannuation

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

Defined benefit superannuation plans

The defined benefit plan(s) provide benefits based on years of services and final average salary. The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by Peninsula Health to the superannuation plans in respect of the services of current Peninsula Health's staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan, and are based upon actuarial advice.

Peninsula Health does not recognise any unfunded defined benefit liability in respect of the plans because the Health Service has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.The Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered items. However superannuation contributions paid or payable for the reporting period are included as part of the employee benefits in the comprehensive operating statement of Peninsula Health.

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

Defined contribution superannuation plans

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

	Paid Contribution for the Year		**Contribution Outstanding at Year End**	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Defined Benefit Plans				
Aware Superannuation Fund	**263**	255	**2**	11
Government Superannuation Fund	**92**	156	**-**	-
Defined Contribution Plans				
Aware Superannuation Fund	**22,659**	20,872	**236**	952
Hesta Superannuation Fund	**15,992**	13,504	**175**	652
Other Funds	**12,594**	8,713	**131**	425
Total	**51,600**	43,500	**544**	2,040

Note 4: Key Assets to Support Service Delivery

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

Structure
4.1 Investments and Other Financial Assets
4.2 Property,Plant and Equipment
4.3 Right-of-Use Assets
4.4 Revaluation Surplus
4.5 Depreciation and amortisation

COVID-19 Impact

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

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

Key judgements and estimates
This section contains the following key judgements and estimates:

Key judgements and estimates	Description
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. Peninsula Health 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. Peninsula Health applies significant judgement to determine whether or not it is reasonably certain to exercise such
Estimating the useful life of intangible assets	Peninsula Health assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.
Identifying indicators of impairment	At the end of each year, Peninsula Health assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. The health service considers a range of information when performing its assessment, including considering: • If an asset's value has declined more than expected based on normal use • If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset • If an asset is obsolete or damaged • If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life • If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, Peninsula Health applies significant judgement and estimate to determine the recoverable amount of the asset.

Note 4.1: Investments and Other Financial Assets

	2022 $'000	2021 $'000
CURRENT		
Equities & Managed Investments		
Victorian Funds Management Corporation - Growth Fund	**12,650**	14,724
Total Current	**12,650**	14,724
Represented by:		
Operating Fund		
- Health Service Investments	**12,650**	14,724
TOTAL	**12,650**	14,724

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. Term deposits with original maturity dates of three to twelve months are classified as current, whilst term deposits with original maturity dates in excess of 12 months are classified as non-current.

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

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

Note 4.2: Property, Plant and Equipment

(a) Gross carrying amount and accumulated depreciation	2022 $'000	2021 $'000
Land		
- Land at Fair Value	**75,872**	83,517
Total Land	**75,872**	83,517
Buildings		
- Buildings at Fair Value	**339,193**	315,959
Less Accumulated Depreciation	**(26,894)**	(17,592)
Total Buildings	**312,299**	298,367
Plant and Equipment		
- Plant and Equipment at Fair Value	**113,372**	108,590
Less Accumulated Depreciation	**(89,593)**	(83,572)
Total Plant and Equipment	**23,779**	25,018
Furniture and Fittings		
- Furniture and Fittings at Fair Value	**39,290**	36,767
Less Accumulated Depreciation	**(34,987)**	(33,424)
Total Furniture and Fittings	**4,303**	3,343
Motor Vehicles		
- Motor Vehicles at Fair Value	**6,001**	5,595
Less Accumulated Depreciation	**(2,763)**	(2,190)
Total Motor Vehicles	**3,238**	3,405
Assets Under Construction		
- Assets under construction at cost	**8,826**	12,660
Total Assets Under Construction	**8,826**	12,660
TOTAL	**428,317**	426,310

Note 4.2: Property, Plant and Equipment continued

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

	Land	Buildings	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Assets Under Construction	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2020	70,819	305,051	26,368	6,571	3,347	4,203	**416,**
Additions	-	2,239	5,364	561	1,032	8,474	**17,**
Disposals	-	-	-	-	(329)	-	**(**
Transfer to Asset Held for Sale	-	-	-	-	86	-	
Assets received free of charge	-	-	503	160	-	-	
Transfers from Assets Under Construction	-	-	-	-	-	(23)	
Asset reclassification	-	-	(370)	(2,354)	-	6	**(2,**
Revaluation increments/(decrements)	12,698	-	-	-	-	-	**12,**
Depreciation (Note 4.4)	-	(8,923)	(6,847)	(1,595)	(731)	-	**(18,**
Balance at 30 June 2021	**83,517**	**298,367**	**25,018**	**3,343**	**3,405**	**12,660**	**426,**
Additions	-	5,233	4,961	2,533	779	14,168	**27,**
Disposals	-	(1)	(81)	(7)	(134)	-	**(**
Transfer out of Asset Held for Sale	-	-	-	-	-	-	
Assets received free of charge	-	-	184	-	-	-	
Transfers from Assets Under Construction	-	18,002	-	-	-	(18,002)	
Asset reclassification	-	-	-	-	-	-	
Revaluation increments/(decrements)	(7,645)	-	-	-	-	-	**(7,**
Depreciation (Note 4.4)	-	(9,302)	(6,303)	(1,566)	(812)	-	**(17,**
Balance at 30 June 2022	**75,872**	**312,299**	**23,779**	**4,303**	**3,238**	**8,826**	**428,**

Note 4.2: Property, Plant & Equipment continued

How we recognise property, plant and equipment

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

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

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

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

Subsequent measurement:

Items of property, plant and equipment (excluding right-of-use assets) are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable. Fair value is determined with reference to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset). Further information regarding fair value measurement is disclosed in Note 7.4

Revaluation
Fair value is based on periodic valuations by independent valuers, which normally occur once every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate a material change in fair value has occurred. Where an independent valuation has not been undertaken at balance date, Peninsula Health perform a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.
An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40%, Peninsula Health would obtain an interim independent valuation prior to the next scheduled independent
An independent valuation of Peninsula Health's property, plant and equipment was performed by the VGV on 30 June 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The managerial assessment performed at 30 June 2022 indicated an overall increase in excess of 40%.

As the cumulative movement was greater than 40% for land since the last independent revaluation, an interim independent valuation was required as at 30 June 2022. The independent valuation result in a decrement of $7,645k.

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

Revaluation increments are recognised in 'other comprehensive income' and are credited directly in equity to the asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, the increment is recognised as income in the net result.

The revaluation 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

Revaluation decrements are recognised in 'other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. . Otherwise, the decrement is recognised as an expense in the net result.The revaluation surplus included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised.

Note 4.2: Property, Plant & Equipment continued

Impairment

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

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

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

Note 4.3: Right-of-use Assets
4.3(a): Gross carrying amount and accumulated depreciation

	2022 $'000	2021 $'000
Right-of-use concessionary land at fair value	**9,898**	9,898
Less accumulated depreciation	**-**	-
Total right of use land at fair value	**9,898**	9,898
Right-of-use buildings at fair value	**13,005**	12,744
Less accumulated depreciation	**(5,372)**	(3,138)
Total right of use buildings at fair value	**7,633**	9,606
Total right of use land and buildings	**17,531**	**19,504**
Right of use plant, equipment, furniture, fittings and vehicles at fair value	**2,893**	3,044
Less accumulated depreciation	**(1,474)**	(1,223)
Total right of use plant, equipment, furniture, fittings and vehicles at fair value	**1,419**	1,821
Total right of use assets	**18,950**	**21,325**

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

	Land - Right of use	Buildings - Right of use	Plant & Equipment - Right of use	Total
	$'000	$'000	$'000	$'000
Balance at 1 July 2020	9,898	6,044	1,244	**17,186**
Additions	-	5,390	1,321	**6,711**
Disposals	-	-	-	**-**
Net transfers between classes	-	-	-	**-**
Revaluation increments/(decrements)	-	-	-	**-**
Depreciation (Note 4.4)	-	(1,828)	(744)	**(2,572)**
Balance at 30 June 2021	**9,898**	**9,606**	**1,821**	**21,325**
Additions	-	792	288	**1,080**
Disposals	-	-	(88)	**(88)**
Net transfers between classes	-	-	-	**-**
Revaluation increments/(decrements)	-	-	-	**-**
Depreciation (Note 4.4)	-	(2,764)	(603)	**(3,367)**
Balance at 30 June 2022	**9,898**	**7,634**	**1,418**	**18,950**

Note 4.3: Property, Plant & Equipment continued

How we recognise right-of-use assets

Where Peninsula Health enters a contract, which provides the health service with the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease.
Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information), the contract gives rise to a right-of-use asset and corresponding lease liability. Peninsula Health presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health service.
Right-of-use assets and their respective lease terms include:

Class of right-of-use asset	Lease term
Leased land	10 to 40 years
Leased buildings	2 to 10 years
Leased plant, equipment, furniture, fittings and vehicles	2 to 5 years

Initial recognition

When a contract is entered into, Peninsula Health assesses if the contract contains an identified asset 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
The right-of-use asset is initially measured at cost and comprises the initial measurement of the corresponding lease liability, adjusted for:

- any lease payments made at or before the commencement date
- any initial direct costs incurred and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

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

Peninsula Health holds lease agreements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. The health service has applied temporary relief and continues to measure those right-of-use asset at cost. Refer to Note 6.1 for further information regarding the nature and terms of the concessional lease, and Peninsula Health's dependency on such lease arrangements.

Subsequent measurement

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

Right-of-use assets are also adjusted for certain remeasurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).Further information regarding fair value measurement is disclosed in Note 7.4.

Note 4.4 Revaluation Surplus

	2022 **$'000**	2021 $'000
Balance at the beginning of the reporting period	**171,031**	158,333
Revaluation increment		
- Land	**(7,645)**	12,698
Balance at the end of the Reporting Period	**163,386**	171,031
Represented by:		
- Land	**58,187**	65,832
- Buildings	**105,199**	105,199
	163,386	171,031

Note 4.5: Depreciation and Amortisation

	2022	2021
	$'000	$'000
Depreciation		
Property, plant and equipment		
Buildings	**9,302**	8,923
Plant & Equipment	**6,303**	6,847
Furniture & Fittings	**1,566**	1,595
Motor Vehicles	**812**	731
Total depreciation - property, plant and equipment	**17,983**	18,096
Right of use assets		
Right of use buildings	**2,764**	1,828
- Right of use plant,equipment and vehicles	**603**	744
Total depreciation - right of use assets	**3,367**	2,572
Total Depreciation	**21,350**	20,668
Amortisation		
Software	**1,354**	4,391
Total Amortisation	**1,354**	4,391
Total Depreciation and Amortisation	**22,704**	25,059

How we recognise depreciation

All buildings, plant and equipment and other non-financial physical assets (excluding assets held for sale, land and investment properties) that have finite useful lives are depreciated.

Depreciation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life.

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

How we recognise amortisation

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

	2022	2021
Buildings		
- Structure Shell Building Fabric	**45-60**	45-60
- Site Engineering Services and Central Plant	**20-30**	20-30
Plant & Equipment	**3-10**	3-10
Furniture and Fitting	**7-10**	7-10
Motor Vehicles	**3-4**	3-4
Software	**3-7**	3-7
Right of use assets	**2-10**	2-10

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

Note 5: Other Assets and Liabilities

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

Structure
5.1 Receivables and contract assets
5.2 Payables and contract liabilites

COVID-19 Impact

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

The following other assets and liabilities were impacted:

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	Peninsula Health uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring deferred capital grant income	Where Peninsula Health has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. Peninsula Health applies significant judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.
Measuring contract liabilities	Peninsula Health applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

Note 5.1: Receivables and Contract Assets
a) Receivables and contract assets

	2022 $'000	2021 $'000
CURRENT RECEIVABLES AND CONTRACT ASSETS		
Contractual		
Inter Hospital Debtors	**337**	188
Trade Debtors	**10,798**	10,191
Patient Fees	**6,606**	4,196
Long Service Leave - Department of Health	**11,456**	12,661
Contract Assets	**2,180**	2,128
Less Allowance for impairment losses of contractual receivables	**(230)**	(237)
Total Contractual Receivables	**31,147**	29,127
Statutory		
GST Receivable	**1,981**	1,901
Total Statutory Receivables	**1,981**	1,901
TOTAL CURRENT RECEIVABLES	**33,128**	31,028
NON CURRENT RECEIVABLES AND CONTRACT ASSETS		
Contractual		
Debtors	**-**	630
Long Service Leave - Department of Health	**30,661**	26,655
TOTAL NON-CURRENT RECEIVABLES	**30,661**	27,285
TOTAL RECEIVABLES	**63,789**	58,313

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

Total receivables and contract assets	**63,789**	58,313
GST receivable	**(1,981)**	(1,901)
Total financial assets	**61,808**	56,412

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

	2022 $'000	2021 $'000
Balance at beginning of year	**(237)**	(397)
Amounts written off during the year	**35**	111
Increase/(decrease) in allowance recognised in net result	**(28)**	49
Balance at end of year	**(230)**	(237)

As at 30 June 2022, Peninsula Health has contract assets of $2,180k which is net of an allowance for expected credit losses. This is included in the contractual receivable balances presented above.

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. Peninsula Health Service holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

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

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

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

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

Note 5.1: Receivables and Contract Assets Continued

How we recognise contract assets

Contract assets relate to the Peninsula Health's right to consideration in exchange for goods transferred to customers for works completed, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, at this time an invoice is issued. Contract assets are expected to be recovered early in financial year 2022-23.

(c) Contract assets

	2022	2021
	$'000	$'000
Contract assets		
Opening balance brought forward	2,128	1,922
Add: Additional costs incurred that are recoverable from the customer	2,180	2,128
Less: Transfer to trade receivable or cash at bank	(2,128)	(1,922)
Total contract assets	**2,180**	2,128
Represented by		
Current contract assets	**2,180**	2,128
Total contract assets	**2,180**	2,128

Note 5.2: Payables and contract liabilities		**2022**	2021
		$'000	$'000
Current Payables and contract liabilites			
Contractual			
Trade Creditors [(i)]		**2,002**	4,974
Salary Packaging		**1,707**	3,951
Accrued Salaries and Wages		**8,245**	5,878
Accrued Expenses		**52,412**	30,073
Deferred capital grant revenue	5.2(a)	**17,721**	7,666
Contract Liabilities	5.2(b)	**25,170**	12,211
Total contractual payables		**107,257**	64,753

(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))	**2022**	2021
	$'000	$'000
Total payables and contract liabilities	**107,257**	64,752
Deferred grant income	**(17,721)**	(7,666)
Contract liabilities	**(25,170)**	(12,210)
Total financial liabilties	**64,366**	44,876

How we recognise payables and contract liabilities

Payables consist of:

- Contractual payables classified as financial instruments and measured at amortised cost. Accounts Payable and salaries and wages payable represent liabilities for goods and services provided to the Peninsula Health prior to the end of the financial year that are unpaid; and
- Statutory payables that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

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

(a) Deferred capital grant revenue

	2022	2021
	$'000	$'000
Opening balance of deferred grant consideration received for capital works	**7,666**	1,967
Grant consideration for capital works received during the year	**32,235**	10,815
Revenue recognised as due to completion of capital works	**(22,180)**	(5,116)
Closing balance of deferred grant consideration received for capital works	**17,721**	7,666

How we recognise deferred capital grant revenue

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

Peninsula Health expects to recognise all of the remaining deferred capital grant revenue for capital works by 30 June 2023

(b) Contract liabilities - income received in advance

	2022	2021
	$'000	$'000
Opening balance of contract liabilities	**12,211**	2,108
Payments received for performance obligations not yet fulfilled	**532,172**	672,204
Revenue recognised for the completion of a performance obligation	**(519,213)**	(662,100)
Total contract liabilities	**25,170**	12,211

How we recognise contract liabilities

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

Note 6: How We Finance Our Operations

This section provides information on the sources of finance utilised by Peninsula Health during its operations, along with interest expenses(the cost of borrowings) and other information related to financing activities of Peninsula Health.
This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provides additional, specific financial instrument disclosures.

Structure
6.1 Borrowings
6.2 Cash and Cash Equivalents
6.3 Commitments for Expenditure

COVID-19 Impact

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	Peninsula Health applies significant judgement to determine if a contract is or contains a lease by considering if the health service: • has the right-to-use an identified asset • has the right to obtain substantially all economic benefits from the use of the leased asset and • can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	Peninsula Health applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	Peninsula Health discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Peninsula Health uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Peninsula Health is reasonably certain to exercise such options. Peninsula Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: • If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. • If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. • The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1: Borrowings	**2022**	2021
	$'000	$'000
CURRENT		
TCV Loan	**1,352**	1,295
Lease liability	**5,237**	4,116
Department of Health Loan	**1,662**	1,662
	8,251	7,073
NON CURRENT		
TCV Loan	**17,227**	18,581
Lease liability	**7,759**	11,090
Department of Health Loan	**1,586**	3,323
	26,572	32,994
TOTAL BORROWINGS	**34,823**	40,067

The terms and conditions of the 2 TCV secured interest bearing borrowings are:
- 15 year repayment period at a fixed interest rate of 4.80%
- 20 year repayment period at a fixed interest rate of 3.83%

with a 6 year repayment period.

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

Finance costs of the Peninsula Health incurred during the year are accounted for as follows:		
- Interest on long term borrowings (recognised as a finance cost - self funded activity)	**796**	848

(a) Maturity analysis of borrowings

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

(b) Defaults and breaches

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

Lease Liabilities

	Minimum future lease payments		**Present value of minimum future lease payments**	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Not later than one year	5,412	4,372	5,237	4,116
Later than 1 year and not later than 5 years	7,552	9,269	7,316	9,008
Later than 5 years	453	2,125	442	2,082
Minimum lease payments	**13,417**	**15,766**	**12,995**	**15,206**
Less future finance charges	(422)	(560)	-	-
TOTAL	**12,995**	**15,206**	**12,995**	**15,206**
Included in the financial statements as:				
Current borrowings - lease liability			5,237	4,116
Non-current borrowings - lease liability			7,758	11,090
TOTAL	**-**	**-**	**12,995**	**15,206**

The weighted average interest rate implicit in the finance lease is 3.1% (2021: 3.7%).

Note 6.1: Borrowings continued

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

Initial recognition
All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the Peninsula Health has categorised its liability as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'.

Subsequent measurement

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

How we recognise lease liabilities

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

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

Peninsula Health's lease arrangements consist of the following:

Type of lease asset leased	Lease term
Leased land	10 to 40 years
Leased building	2 to 10 years
Leased plant, equipment, furniture, fittings and vehicles	2 to 4 years

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

Type of lease asset leased	Description of Payment	Type of leases captured
Low value lease payments	Leases where the underlying asset's fair value, when new, is no more than $10,000	Computer equipment
Short-term lease payments	Leases with a term of 12 months or less	Property leases

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

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Peninsula Health's incremental borrowing rate. Our lease liability has been discounted by rates of between 1% to 5%.

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

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

The following types of lease arrangements, contain extension and termination options:
- Buildings and equipment leases

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).Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will 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-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use asset is already reduced to zero.

Note 6.1: Borrowings continued

Leases with significantly below market terms and conditions

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

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

Type of lease asset leased	Our dependence on lease	Nature and terms of lease
Land and buildings located at: - 17-23 Yullie Street Frankston - 87-91 Beach Street Frankston - 185 High Street Hastings	The lease of land and buildings are the premises from which Peninsula Health provides a part of its healthcare services. Peninsula Health's dependence on this lease is high. This level of dependency stems from the inability for Peninsula Health to source an equivalent substitute site with equal facilities and amenties 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

	2022	2021
	$'000	$'000
Cash on Hand	**24**	23
Cash at Bank - CBS	**80,602**	44,176
TOTAL	**80,626**	44,199
Represented by:		
Cash for Health Service Operations	**80,226**	41,155
Patient Monies	**19**	18
Accomodation Deposits	**383**	3,027
TOTAL	**80,626**	44,199

How we recognise cash and cash equivalents
Cash and cash equivalents recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and highly liquid investments (with an original maturity of three months or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash with an insignificant risk of changes in value.
For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as liabilities on the balance sheet.

Note 6.3: Commitments for Expenditure

	2022	2021
	$'000	$'000
Capital Expenditure Commitments		
Not later than one year	**8,883**	10,158
Total Capital commitments inclusive of GST	**8,883**	10,158
Less GST recoverable from the Australian Tax Office	**808**	923
Total Capital commitments exclusive of GST	**8,076**	9,235

Operating Expenditure and Short Term and Low Value Lease Commitments	**2022**	2021
Non-Cancellable	**$'000**	$'000
Not later than one year	**23,652**	13,537
Later than one year and not later than 5 years	**25,427**	16,528
Later than 5 years	**140**	25
Total Operating commitments inclusive of GST	**49,219**	30,090
Less GST recoverable from the Australian Tax Office	**4,474**	2,735
Total Operating commitments exclusive of GST	**44,745**	27,355

How we disclose our commitments

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

Expenditure commitments

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

Peninsula Health discloses short term and low value lease commitments which are excluded from the measurement of right-of-use assets and lease liabilities. Refer to Note 6.2 for further information.

Note 7: Risks, Contingencies and Valuation Uncertainties

Peninsula Health is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risk) as well as those items that are contingent in nature or require a higher level of judgement to be applied,which for Peninsula Health is related mainly to fair value determination.

Structure
7.1 Financial Instruments
7.2 Financial risk management objectives and policies
7.3 Fair value determination

Key judgements and estimates
This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of non-financial assets	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. 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. Peninsula Health uses a range of valuation techniques to estimate fair value, which include the following: • 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. • 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. • Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Peninsula Health does not this use approach to measure fair value. 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. Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes: • 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. • 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. • 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.

Note 7.1: Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Peninsula Health's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

(a) Categorisation of financial instruments

30 June 2022	Note	Financial Assets at Amortised Cost	Financial Assets at Fair Value Through Net Result	Financial Liabilites at Amortised Cost	Total $'000
Contractual Financial Assets					
Cash and Cash Equivalents	6.2	**80,626**	**-**	**-**	**80,626**
Receivables	5.1	**61,808**	**-**	**-**	**61,808**
Other Financial Assets	4.1	**-**	**12,650**	**-**	**12,650**
Total Financial Assets (i)		**142,434**	**12,650**	**-**	**155,084**
Financial Liabilities					
Payables	5.2	**-**	**-**	**64,366**	**64,366**
Borrowings	6.1	**-**	**-**	**34,823**	**34,823**
Accommodation Bonds		**-**	**-**	**401**	**401**
Patient Monies	6.2	**-**	**-**	**19**	**19**
Total Financial Liabilities (ii)		**-**	**-**	**99,609**	**99,609**

30 June 2021		Financial Assets at Amortised	Financial Assets at Fair Value Through Net	Financial Liabilites at	Total
Contractual Financial Assets	**Note**	**Cost**	**Result**	**Amortised Cost**	**$'000**
Financial Assets					
Cash and cash equivalents	6.2	44,200	-	-	44,200
Receivables	5.1	56,412	-	-	56,412
Other Financial Assets	4.1	-	14,724	-	14,724
		-	-	-	
Total Financial Assets (i)		**100,612**	**14,724**	-	**115,336**
Financial Liabilities					
Payables	5.2	-	-	44,858	44,858
Borrowings	6.1	-	-	40,067	40,067
Accommodation Bonds		-	-	3,047	3,047
Patient Monies	6.2	-	-	18	18
Total Financial Liabilities (ii)		-	-	**87,990**	**87,990**

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

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
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.

Note 7.1: Financial Instruments continued

Financial assets at fair value through net result

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

The initial designation of the financial instruments to measure at fair value through net result is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.
Peninsula Health recognises it has designated all managed investment schemes as fair value through net result.

Categories of financial liabilities

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

Financial liabilities at amortised cost

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

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

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

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:
• the rights to receive cash flows from the asset have expired or
• Peninsula Health retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement or
• Peninsula Health has transferred its rights to receive cash flows from the asset and either:
• has transferred substantially all the risks and rewards of the asset or
• has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

Peninsula Health has transferred its rights to receive cash flows from the asset and either:
• has transferred substantially all the risks and rewards of the asset; or
• has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

Derecognition of financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Reclassification of financial instruments

A financial asset is required to be reclassified as either fair value between amortised cost or 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.

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

Provision of impairment for contractual financial assets is recognised when there is objective evidence that Peninsula Health will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debtors that are more than 60 days overdue, and changes in debtor credit ratings.Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

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

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

Impairment of financial assets under AASB 9 Financial Instruments
Peninsula Health records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9, impairment assessment includes the health service's contractual receivables and its investment in debt instruments. Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contractual receivables at amortised cost
Peninsula Health applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. Peninsula Health has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on Peninsula Health's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

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

30-Jun-22	Note	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
Expected loss rate		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	19,919
Loss allowance		31	24	52	69	54	230

30-Jun-21	Note	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
Expected loss rate		0.3%	1.2%	2.5%	4.3%	37.5%	
Gross carrying amount of contractual receivables	5.1	10,282	3,425	1,766	1,001	229	16,703
Loss allowance		33	40	44	43	77	237

Statutory receivables at amortised cost
Peninsula Health's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with *AASB 9 Financial Instruments* requirements as if those receivables are financial instruments.

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

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 analysis of Financial Liabilities as at 30 June

				Maturity Dates			
2022	**Note**	**Carrying Amount $'000**	**Nominal Amount $'000**	**Less than 1 Month $'000**	**1-3 Months $'000**	**3 months - 1 Year $'000**	**1-5 Years $'000**
Financial Liabilities							
At amortised cost							
Payables	**5.2**	**64,366**	**64,366**	**60,920**	**1,751**	**1,695**	
Borrowings	**6.1**	**34,823**	**37,871**		**1,381**	**5,525**	**30,965**
Other Financial Liabilities							
- Accommodation Deposits		**401**	**401**	**401**			
Total Financial Liabilities		**99,590**	**102,638**	**61,321**	**3,132**	**7,220**	**30,965**
2021							
Financial Liabilities							
At amortised cost							
Payables	**5.2**	44,876	44,876	40,926	1,975	1,975	
Borrowings	**6.1**	40,067	48,590		1,353	5,720	41,517
Other Financial Liabilities							
- Accommodation Deposits		3,027	3,027	3,027	-	-	-
- Other		18	18	18	-	-	-
Total Financial Liabilities		87,988	96,511	43,971	3,328	7,695	41,517

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

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 0.5% 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 interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Peninsula Health has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

Foreign currency risk

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

Peninsula Health has minimal exposure to foreign currency risk

Note 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

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.

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) is 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.

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

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

How we measure fair value of non-financial physical assets

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

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

In accordance with AASB 13 Fair Value Measurement paragraph 29, 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 non-specialised buildings are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement

For non-specialised land 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 2022.

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 depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised
An independent valuation of Peninsula Health's specialised land was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2022

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

Furniture, fittings, plant and equipment
Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) are held at carrying amount (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated replacement cost will be
There were no changes in valuation techniques throughout the period to 30 June 2022.

Investments
Peninsula Health currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate fair value, either due to their short-term nature or with the expectation that they will be paid in fully by th end of the 2022/23 reporting period.

All investments which have a carrying value of $12,650k (2021: $14,724k) are measured at fair value using valuation methods deemed to be at level 2.

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

(b) Fair value measurement hierarchy for assets as at 30 June 2022	Carrying amount as at 30 June 2022	Fair value measurement at end of reporting period using: Level 1 (i)	Level 2 (i)	Level 3 (i)
Land at fair value				
- Specialised land	75,872	-	-	75,872
Right of use concessionary land at fair value				
- Right of use concessionary land at fair value	9,898	-	4,044	5,854
Buildings at fair value				
- Specialised buildings	312,299	-	-	312,299
Right of use buildings at fair value				
- Right of use buildings at fair value	7,634	-	-	7,634
Right of use plant and equipment				
- Right of use plant and equipment	1,418	-	-	1,418
Plant and equipment at fair value				
- Plant and equipment	23,779	-	-	23,779
Furniture and Fittings at fair value				
improvements	4,303	-	-	4,303
Motor Vehicles at fair value				
- Vehicles	3,238	-	-	3,238
	438,441	**-**	**4,044**	**434,397**

(b) Fair value measurement hierarchy for assets as at 30 June 2021	Carrying amount as at 30 June 2021	Fair value measurement at end of reporting period using: Level 1 (i)	Level 2 (i)	Level 3 (i)
Land at fair value				
- Specialised land	83,517	-	-	83,517
Right of use concessionary land at fair value				
- Right of use concessionary land at fair value	9,898			9,898
Buildings at fair value				
- Specialised buildings	298,367	-	-	298,367
Right of use buildings at fair value				
- Right of use buildings at fair value	9,606			9,606
Right of use plant and equipment				
- Right of use plant and equipment	1,419	-	-	1,419
Plant and equipment at fair value				
- Plant and equipment	25,018	-	-	25,018
Furniture and Fittings at fair value				
- Office furniture, computers and leasehold improvements	3,343	-	-	3,343
Motor Vehicles at fair value				
- Vehicles	3,405	-	-	3,405
	434,573	**-**	**-**	**434,573**

Note

(i) Classified in accordance with the fair value hierarchy

Note 8: Other Disclosures

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

Structure

Peninsula Health Annual Financial Statements 2022
Notes to The Financial Statements for the financial year ended 30 June 2022

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

	2022	2021
	$'000	$'000
Net Result for the Year	**(2,226)**	(6,302)
Non-cash movements		
Depreciation & Amortisation	**22,705**	25,059
Non-Cash Revaluation of Long Service Leave	**4,607**	(2,048)
Assets received free of charge	**(11,261)**	(8,031)
Net Loss/(Gain) of Financial Instruments	**(2,074)**	1,899
Movements included in investing and financing activities		
Net (Gain)/Loss from Sale of Plant and Equipment	**(51)**	(314)
Movements in Assets & Liabilities		
- Increase/(Decrease) in Payables and Contract Liabilities	**38,082**	5,053
- Increase/(Decrease) in Provisions	**20,113**	6,256
- (Increase)/Decrease in Inventories	**(1,083)**	(391)
- (Increase)/Decrease in Receivables and Contract Assets	**4,314**	4,103
- (Increase)/Decrease in Prepayments	**(2,389)**	(1,480)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**70,737**	23,804

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Note 8.2: Responsible persons disclosures

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

	Period	
The Honourable Mary-Anne Thomas:		
Minister for Health	27-Jun-2022	**30-Jun-2022**
Minister for Ambulance Services	27-Jun-2022	**30-Jun-2022**
The Honourable Gabrielle Williams		
Minister for Mental Health	27-Jun-2022	**30-Jun-2022**
The Honourable Colin Brooks		
Minister for Disability, Ageing and Carers	27-Jun-2022	**30-Jun-2022**
The Honourable Martin Foley:		
Minister for Health	1-Jul-2021	**27-Jun-2022**
Minister for Ambulance Services	1-Jul-2021	**27-Jun-2022**
The Honourable Luke Donnellan:		
Minister for Disability, Ageing and Carers	1-Jul-2021	**11-Oct-2021**
The Honourable Anthony Carbines:		
Minister for Child Protection and Family Services	1-Jul-2021	**30-Jun-2022**
Minister for Disability, Ageing and Carers	6-Dec-2021	**27-Jun-2022**
The Honourable James Merlino:		
Minister for Mental Health	1-Jul-2021	**27-Jun-2022**
Minister for Disability, Ageing and Carers	11-Oct-2021	**6-Dec-2021**
Governing Board		
Ms Diana Heggie	1-Jul-2021	**30-Jun-2022**
Dr Alison Dwyer	1-Jul-2021	**30-Jun-2022**
Prof Mark Frydenberg	1-Jul-2021	**30-Jun-2022**
Ms Rita Cincotta	1-Jul-2021	**30-Jun-2022**
Ms Allison Smith	1-Jul-2021	**30-Jun-2022**
Ms Kirsten Mander	1-Jul-2021	**30-Jun-2022**
Ms Karen Corry	1-Jul-2021	**30-Jun-2022**
Ms Sylvia Hadjiantoniou	1-Jul-2021	**30-Jun-2022**
Mr Hamish Park	1-Jul-2021	**30-Jun-2022**
Accountable Officer		
Felicity Topp (CEO)	1-Jul-2021	**25-Apr-2022**
Helen Cooper (Acting CEO during period listed)	25-Apr-2022	**30-Jun-2022**

(a) Remuneration of Responsible Persons & Accountable Officer
The number of Responsible Persons are shown in their relevant income bands;

	2022	2021
	No.	No.
Income Band		
$0 - $10,000	**1**	1
$40,000 - $49,999	**7**	7
$50,000 - $59,999	**1**	0
$80,000 - $89,999	**1**	1
$370,000 - $379,999	**1**	1
Total Numbers	**11**	10
	$'000	$'000
Total remuneration for the reporting period for Responsible Persons included above amounted to:	**812**	825

Amounts relating to Responsible Ministers are reported in the financial statements of the State Annual Financial Report.

Note 8.3: Remuneration of Executives

Executive Officer Remuneration

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

	2022	2021
Remuneration	**$'000**	$'000
Short term employee benefits	**1,766**	1,909
Post-employment benefits	**139**	136
Other long-term benefits	**57**	62
Termination benefits	**83**	176
Total remuneration (i)	**2,045**	2,283
Total number of executives	**9**	8
Total annualised employee equivalent (ii)	**7.0**	**6.0**

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

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

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

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

Short-term Employee Benefits

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

Post-employment Benefits

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

Other Long-term Benefits

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

Termination Benefits

Termination of employment payments, such as severance packages.

Other factors

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

Note 8.4: Related Parties

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

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

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

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

	2022	2021
Compensation	**$'000**	$'000
Short term employee benefits	**2,507**	2,701
Post-employment benefits	**197**	156
Other long-term benefits	**71**	75
Termination benefits	**83**	176
Total Key Management Personnel Compensation	**2,858**	3,108
Total Number of Key Management Personnel	**19**	18

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

Significant transactions with Government related entities

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

Related entity	Nature of transaction	Category	Note	2022 '$000	2021 '$000
Department of Health	Government Grants	Income	2.1	**747,965**	673,432
	Inventory for no Consideration	Income	2.1	**10,874**	7,368
	Long Service Leave	Debtors	5.1	**42,116**	39,316
	EPC Project loan	Borrowings	6.1	**3,249**	4,985
Dental Health Services Victoria	Government Grants	Income	2.1	**7,625**	6,814
		Debtors	5.1	**942**	568
Alfred Health	Payment for Renal Dialysis Services	Expenses	3.1	**2,581**	2,439
		Payables	5.2	**783**	385
Monash Health	Payment for Food Supplies	Expenses	3.1	**2,241**	2,246
		Payables	5.2	**243**	129
Ambulance Victoria	Payment for Patient Transport	Expenses	3.1	**1,785**	1,890
		Payables	5.2	**172**	173
TCV	Payment of Interest on Loan	Expenses	3.1	**796**	850
	TCV Borrowings	Borrowings	6.1	**18,580**	19,876
VMIA	Medical indemnity insurance	Expenses	3.1	**12,665**	10,802
VicFleet	Lease liability	Borrowings	6.1	**3,245**	3,426

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

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

Note 8.5: Remuneration of Auditors

	2022	2021
	$'000	$'000
Victorian Auditor-General's Office		
Audit of the Financial Statements	**103**	103
Total Remuneration of auditors	**103**	103

Note 8.6: Ex Gratia Payments

	2022	2021
	$'000	$'000
Peninsula Health has made the following ex gratia payments:		
- Ex gratia payments	**11**	4
Total Paid	**11**	4

Note 8.7: Equity
Contributed capital

Contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Peninsula Health.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners. Other transfers that are in the nature of contributions or distributions or that have been designated as contributed capital are also treated as contributed capital.

Note 8.8: Economic Dependency

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

The Department of Health has provided confirmation that it will continue to provide adequate cash flow support to enable Peninsula Health to meet its current and future operational obligations up to 31 October 2023. On that basis, the financial statements have been prepared on a going concern basis.

We are proudly inclusive

Peninsula Health

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