AlfredHealth

Annual Report 2021-22

Patients are the reason we are here – they are the focus of what we do.

Nurse Unit Manager Emma Saddington is part of the dedicated Emergency Department team.

Contents

Front cover

COVID Ward Nurse Manager Cecilia Torney, COVID-19 Vaccination Program Nurse Manager Stacey Cross and Emergency Consultant Dr Rob Mitchell

Back cover

Cardiothoracic surgeon Mr Atsuo Doi and Epilepsy Clinical Nurse Consultant Alison Ottrey

Alfred Health is a metropolitan health service established under section 181 of the *Health Services Act 1988* (Vic)

This report is available online at: **alfredhealth.org.au**

Our story

We provide treatment, care and compassion to the people of Melbourne and Victoria.

Our research and education programs advance the science of medicine and health and contribute to innovations in treatment and care.

Through our partnerships we build our knowledge and share it with the world.

Across our diverse organisation, we value and respect life from beginning to end.

Our purpose

To improve the lives of our patients and their families, our communities and humanity.

Our beliefs

Patients are the reason we are here – they are the focus of what we do.

How we do things is as important as what we do. Respect, support and compassion go hand in hand with knowledge, skills and wisdom. Safety and care of patients and staff are fundamental.

Excellence is the measure we work to every day. Through research and education, we set new standards for tomorrow.

We work together. We all play vital roles in a team that achieves extraordinary results. We share ideas and demonstrate behaviours that inspire others to follow.

About this report

This annual report outlines the operational and financial performance for Alfred Health from 1 July 2021 to 30 June 2022. It also includes information and data that constitute our Quality Account for the same reporting period.

We value transparency and accountability and aim to have all our reportable data available to the community in the one publication.

The relevant Ministers for the period were:

The Honourable Martin Foley Minister for Health, Minister for Ambulance Services	1 Jul 2021 - 27 June 2022
The Honourable Mary-Anne Thomas Minister for Health, Minister for Ambulance Services	27 Jun 2022 - 30 Jun 2022
The Honourable James Merlino Minister for Mental Health	1 Jul 2021 - 27 June 2022
The Honourable Gabrielle Williams Minister for Mental Health	27 Jun 2022 - 30 Jun 2022

About Alfred Health

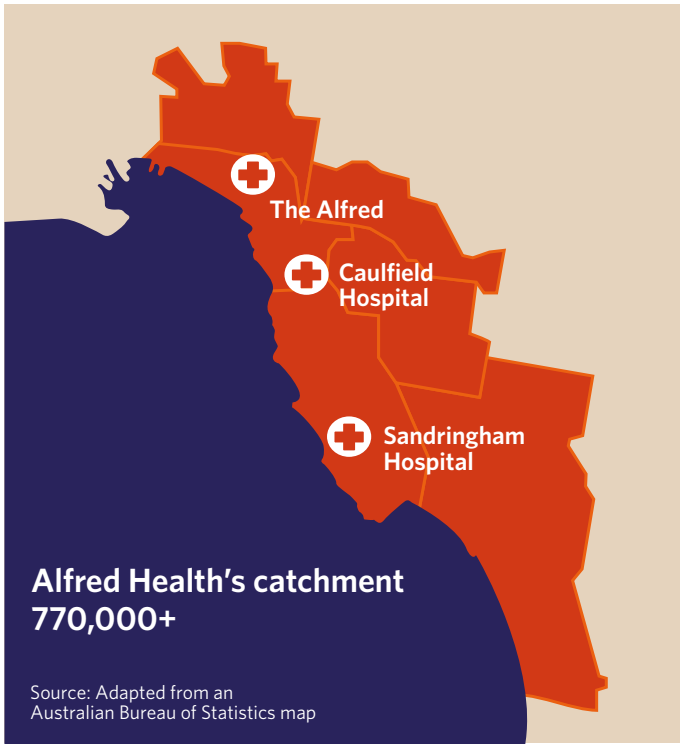
Alfred Health is one of Australia's leading healthcare services.

We have a dual role: caring for more than 700,000 locals who live in inner-southern Melbourne; and providing health services for Victorians experiencing the most acute and complex conditions through 18 statewide services.

Our three hospital campuses – The Alfred, Caulfield Hospital and Sandringham Hospital – as well as numerous community-based clinics, provide lifesaving treatments, specialist and rehabilitation services through to accessible local healthcare. We care for a wide range of people, from children to the elderly.

Our Catchments

Alfred Health's catchment reflects our role in providing tertiary, quaternary, statewide and specialised health services. Our local catchment includes the local government areas of Bayside, Glen Eira, Melbourne, Port Phillip, Kingston and Stonnington. Our primary catchment covers over 700,000 people, with future growth projected. Our statewide services provide care to those residing around Victoria and Australia.



Physiotherapist Lisa Oakley has worked across Alfred Health, including in community settings.

Our Hospitals

The Alfred

The Alfred is a major tertiary and quaternary referral hospital which provides specialised care, and treats those who are critically ill. It is best known as one of Australia's busiest emergency and trauma centres as well as its largest and most acute Intensive Care Units (ICU).

It is home to many statewide services, including the Heart and Lung Transplant Service, Victorian Melanoma Service and Major Trauma Service. We provide comprehensive care for the most complex patients.

We also train the next generation of healthcare professionals through our education and learning programs, while working to discover breakthroughs in clinical care through translational research. The Alfred is home to the Alfred Research Alliance (A+) and offers the largest number of clinical trials in Victoria.

Caulfield Hospital

Caulfield Hospital specialises in community services, rehabilitation, geriatric medicine and aged mental health.

The hospital delivers many services through its outpatient and community-based programs. It plays a statewide role in providing rehabilitation services, which includes the Acquired Brain Injury Rehabilitation Centre and the Transitional Living Service, which are both instrumental in promoting patient independence before discharge.

Staff based at Caulfield Hospital also take the lead in providing care for people in their own homes. The 'Better at Home' program offers a diverse range of services outside an inpatient environment and is aimed at shortening a stay or avoiding hospital admission.

Sandringham Hospital

Sandringham Hospital is community-focused, providing hospital healthcare needs for the local area through emergency, paediatrics, general medicine, general surgery, orthopaedics and outpatient services. Services such as Hospital in the Home and our Hospital Admission Risk Program also operate from the Sandringham campus.

Alongside the hospital's Emergency Department, the Sandringham Ambulatory Care Centre (SACC) plays a vital role treating non-urgent patients, allowing our ED staff to care for higher-acuity patients.

The Sandringham Community Bank Day Procedure Centre continues to provide a modern, bright space for same-day surgery patients.

The hospital works closely with the Royal Women's Hospital to provide Gynaecology and Maternity services for the community and local community healthcare providers. Among those providers is Connect Health, who run SACC, and managed the local COVID-19 screening clinic and COVID-19 vaccination centre during most of 2021-22.

About Alfred Health

Community services and clinics

Community clinics meet the growing expectations of our patients for treatment in their communities or at home. We continue to develop new services to meet changing community needs.

Our services include Melbourne Sexual Health Centre (MSHC), which has dedicated clinics for individuals at risk of sexually transmitted infection, on-site testing for sexually transmitted infections, and provides counselling, advice and health information. See Alfred **Infectious Diseases** section in Operational Highlights chapter for details.

Working in partnership with consumers, families and the community, St Kilda Road Clinic works to reduce the impact of mental illness, improve quality of life and promote recovery. It provides comprehensive mental health assessment, treatment and support to adult clients aged 25-64 years who live in the City of Port Phillip, Glen Eira and Stonnington. We also provide mental health support through our Child Youth and Mental Health Services in Moorabbin, and headspace offices in Bentleigh, Elsternwick and Mount Waverley (headspace Syndal).

Head of COVID ICU Julia Coull has provided important leadership during the pandemic.

Clinical services

We provide the most comprehensive range of adult specialist medical and surgical services in Victoria. We offer almost every form of medical treatment across our multiple sites and three hospital campuses.

Clinical services include:

Aged care (geriatric evaluation and management, acute)

Allied health and nursing services

Cancer care (bone marrow transplantation, radiotherapy, oncology, haematology, melanoma, cancer surgery)

Cardiothoracic services (heart and lung transplantation, cardiology, cardiac surgery, cardiac rehabilitation, respiratory medicine, thoracic surgery, adult cystic fibrosis)

Emergency medicine (intensive care, burns and adult major trauma)

Ear, nose and throat (head and neck surgery)

Gastrointestinal (gastroenterology, gastrointestinal surgery)

General medicine

General surgery

Neurosciences (neurology, neurosurgery, stroke services)

Ophthalmology

Orthopaedics

End of life care (Palliative care, advanced care planning, voluntary assisted dying)

Pathology (anatomical, clinical biochemistry, laboratory haematology, microbiology)

Pharmacy

Psychiatry (adult, child, adolescent, youth, aged)

Radiology and nuclear medicine

Rehabilitation (Acquired Brain Injury Rehabilitation Centre, amputee, cardiac, spinal, neurological, orthopaedic, burns)

Renal services (nephrology, haemodialysis, renal transplantation)

Specialist medicine (asthma, allergy and clinical immunology, dermatology, endocrinology/diabetes, hyperbaric, infectious diseases, rheumatology)

Specialist surgery (dental, faciomaxillary, plastic, vascular)

Urology

National Service

Paediatric Lung Transplant Service

Statewide services

Bariatric Service
Clinical Haematology Service and Haemophilia Service
Cystic Fibrosis Service
Emergency and Trauma Centre
Heart and Lung Transplant Service
Hyperbaric Medicine Service
Major Trauma Service
Malignant Haematology and Stem Cell
Problem Gambling and Mental Health Program
Psychiatric Intensive Care Service
Sexual Health Service
Specialist Rehabilitation Service
Victorian Adult Burns Service
Victorian ECMO Service
Victorian HIV/AIDS Service
Victorian Melanoma Service
Victorian Neuropathology Laboratory Service
Voluntary Assisted Dying Statewide Pharmacy Service

We provide the most comprehensive range of adult specialist medical and surgical services in Victoria.

We offer almost every form of medical treatment across our multiple sites and three hospital campuses.

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Report of Operations

Responsible Body Declaration

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

Michael Gorton AM
Chair

Alfred Health Board
22 August 2022

Fast facts

Emergency

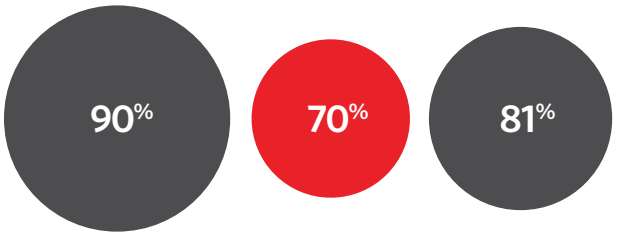
Major trauma patients

1,456

1,607
2020-21

NEAT – National emergency access target

(Proportion of emergency patients with a length of stay of less than four hours)



Target | The Alfred | Sandringham

Emergency Operating Room procedures

7,866

The Alfred

17-18	18-19	19-20	20-21	21-22
7,996	7,646	7,795	8,116	7,866

Emergency presentations

115,794

	The Alfred	Sandringham Hospital Includes Sandringham Ambulatory Care Centre
17-18	66,299	43,903
18-19	69,159	45,557
19-20	67,872	42,891
20-21	64,848	43,529
21-22	70,088	45,706

Road ambulance arrivals

30,757

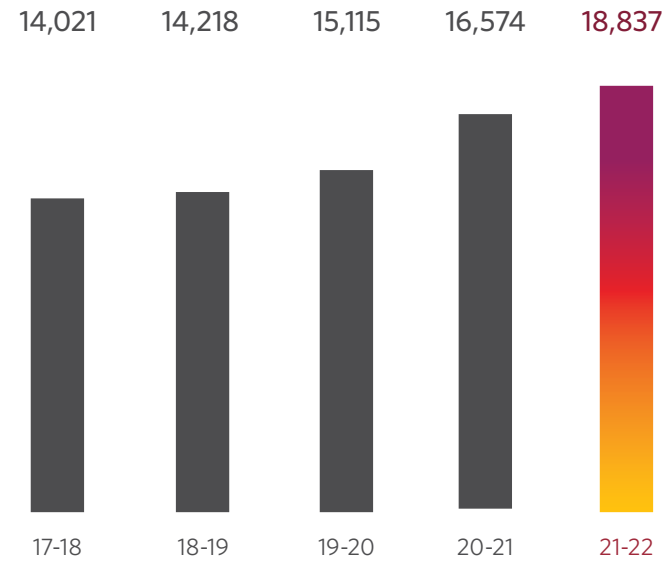
	The Alfred	Sandringham Hospital
17-18	23,886	4,086
18-19	25,452	4,364
19-20	26,212	4,118
20-21	27,115	3,806
21-22	27,755	2,449

2021-22

Intensive care

ICU occupied bed days

18,837



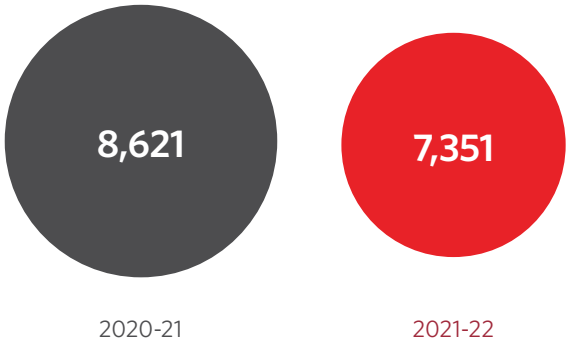
Average ICU Days per ICU episode

The Alfred

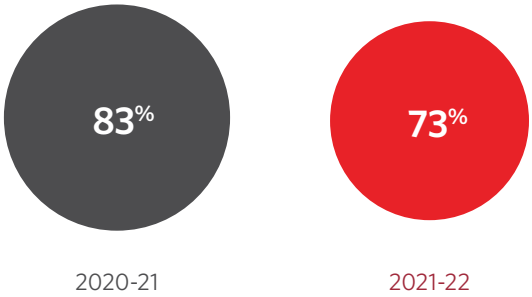
2017-18	5.0
2018-19	5.4
2019-20	5.7
2020-21	5.8
2021-22	7.0

Elective surgery

Elective surgeries performed from waiting list



Elective surgery patients admitted within clinically recommended time



Employees

10,519

Volunteers

343

Fast facts

Acute care

Acute separations

115,333

	The Alfred	Sandringham Hospital
17-18	89,298	23,233
18-19	89,517	24,584
19-20	87,879	23,722
20-21	86,347	21,250
21-22	93,545	21,742

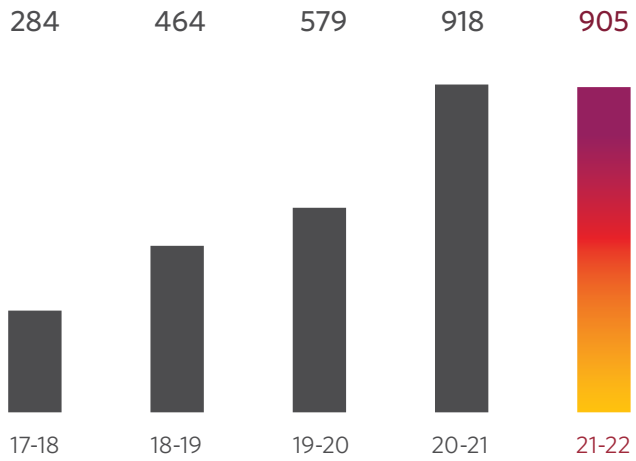
Average length of stay – acute patients

	The Alfred	Sandringham Hospital
2017-18	5.58	2.63
2018-19	5.49	2.54
2019-20	5.41	2.40
2020-21	5.80	2.52
2021-22	5.73	2.63

Specialist care

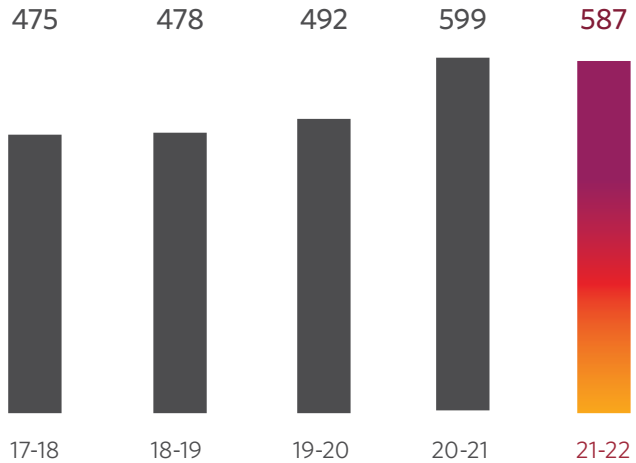
Better at Home episodes of care*

905



Burns episodes of care

587



Specialist outpatient appointments

257,659

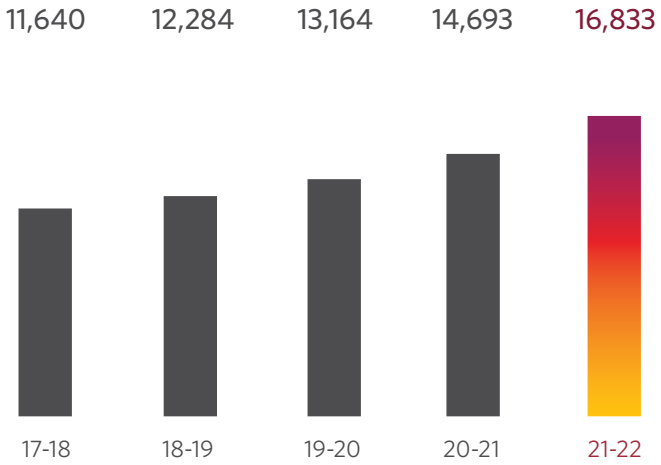
266,504
2020-21

* Episodes of care are also known as separations - see Glossary (p 159) for details.

2021-22

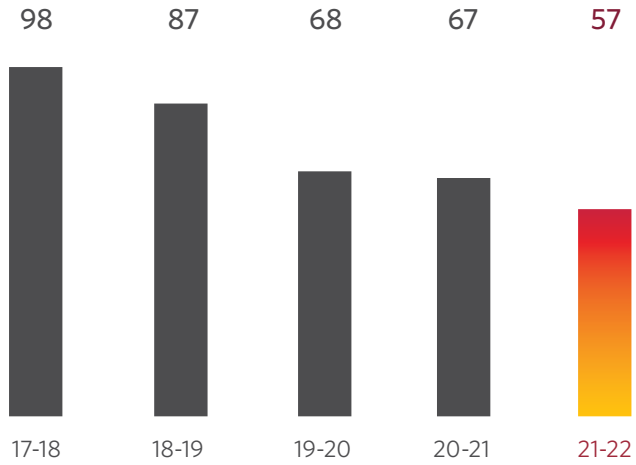
Alfred Cancer episodes of care

16,833



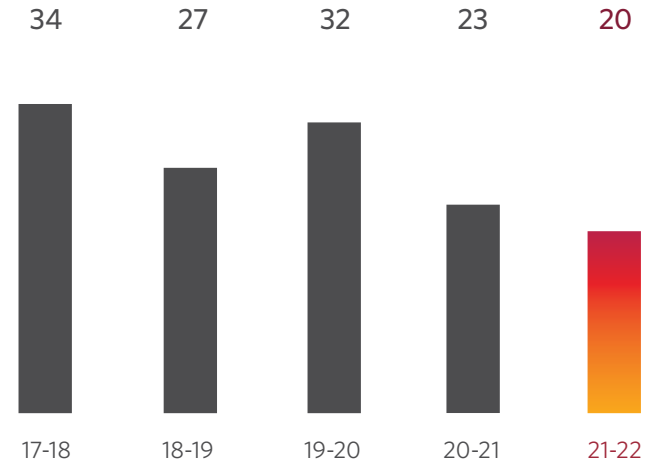
Lung transplants

57



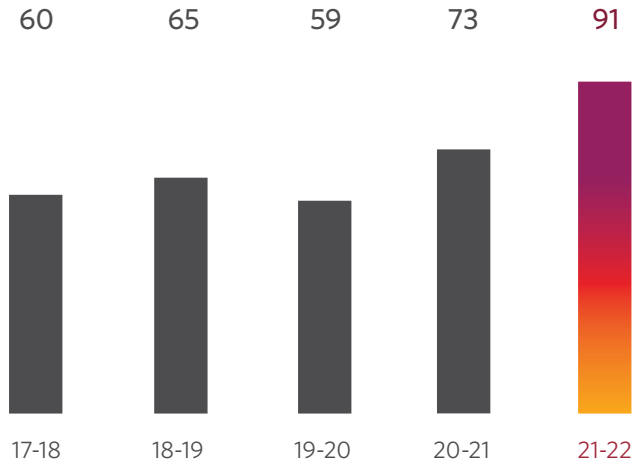
Heart transplants

20



Extracorporeal membrane oxygenation (ECMO) discharges

91



Telehealth

Growth in 2021-22 compared to 2020-21

Average of over **6000** calls every month

29%

Clinical trials open

504
2020-21

715

Chair and chief executive's year in review

It was a challenging year. Another 12 months of the COVID pandemic placed significant strain on our health service, patients and community as rising demand for care tested our services like never before.

COVID response and performance

From lockdown to significant waves of COVID transmission, change was always around the corner, and we regularly drew on the full resources of the health service to respond.

During the Delta wave (October-November 2021), The Alfred's Intensive Care Unit expanded to become the largest and most acute in the country.

At the Delta peak, our ICU was caring for 71 patients including 37 people with COVID. At one time, 21 patients were receiving lifesaving ECMO treatment: a volume not previously achieved anywhere else in Australia.

By January 2022, the Omicron wave had arrived and saw emergency departments at The Alfred and Sandringham Hospital, along with some wards, taking the brunt of the demand for care at a time when many staff were also infected by the virus.

Equally, the role of our COVID-19 Community Pathways program was essential in supporting people at home and reducing the number of hospital admissions.

Alfred Health's Hotel Support Services Program was also central to our COVID response, and was vital in keeping the community safe prior to an effective vaccine. More than 600 dedicated staff ran Victoria's health hotels for confirmed COVID-positive residents, and the complex care hotel for returned travellers. It was the cornerstone of the hotel quarantine program.

In 2021-22, more than 5,800 people received exceptional care in these hotels, without an incident of patient-to-staff COVID-19 transmission. Our involvement in the program concluded in March 2022, as community vaccination increased.

Our elective surgery program was also impacted by the pandemic and addressing that deferred care is a priority across healthcare. In April, Sandringham Hospital was identified as one of Victoria's eight Rapid Access Hubs, and a new modular Emergency Short Stay Unit has been constructed to support greater surgical capacity on that site.

The COVID-19 Screening Clinic team at Caulfield Hospital.

Providing statewide care

Beyond the pandemic, major trauma cases continued at high levels, with our team caring for 1,456 major trauma patients during the reporting period.

Motor vehicle accidents, including e-scooters, and collisions involving pedestrians continued a worrying trend while burns cases also continued at very high levels (587) for the year: around 100 more cases than in pre-COVID times.

At the same time, the lifesaving work of heart and lung transplant was ongoing, as was our growing cancer program that made every effort to continue care far and wide – even at the height of the pandemic.

Innovative care

The pandemic continued to encourage us to think faster and smarter.

The sharp increase in telehealth continued, with almost 30 per cent further growth compared with 2020-21. We averaged more than 6,000 calls each month during the reporting period to ensure our patients continued to get access to specialist care and advice, even when community movement was limited.

Home-based care also remained a priority. Building on our successful Better @ Home program – based at Caulfield Hospital – we continued to provide 'beds' in the comfort of private homes at a rate double that of pre-COVID times.

These new ways of working are transferrable to different care settings and will help build more efficient and sustainable practices in the future.

Caring for our staff

Like in all health services, the year was challenging for our staff, and initiatives to reduce stressors or increase support were introduced.

In October, our PPE PPL campaign encouraged the community to fill PPE spotter roles to support clinicians and keep them safe in high-risk environments. There was a tremendous response.

Addressing changing clinical need, our ICU Nursing Expansion Program saw around 150 (110 EFT) of the most senior ward nurses redeployed to the intensive care unit following participation in an innovative education program.

Ongoing initiatives such as virtual peer support program for Junior Medical Staff, and the continuation of Schwartz Rounds, encouraged staff to share their workplace experiences.

Meanwhile, Unwind, an online series of entertainment, brought lighter moments for staff, and we also paused briefly to celebrate The Alfred's 150th birthday with a gala ball in June.

Research

The Alfred continued to be the country's most clinically intense research hospital.

In October, we announced a ground-breaking trial with potential to change the future of heart transplantation. We also discovered that early intervention by neurologists following traumatic brain injury could significantly enhance patient outcomes.

We value the importance of collaboration in research and education and work closely with our partners including the Alfred Research Alliance and Monash Partners Academic Health Centre.

Building the future

Just as research creates the future for health, so do new facilities and buildings.

Work continued on the Paula Fox Melanoma and Cancer Centre on St Kilda Road, which was officially named by Prime Minister Anthony Albanese and Victorian Premier Daniel Andrews at an event in June 2022. When it opens in 2024, the centre will welcome a new era of cancer care.

We also continued to work closely with the Department of Health on refining the proposal to redevelop The Alfred – an aspiration we have outlined in Alfred Health's Strategic Plan 2021-23. This would be the most significant capital investment project undertaken in the 150 years of The Alfred.

Thanks to Board and staff

Thank you to the Board, donors and our wider community for their ongoing support during a challenging time. Thank you also to our Executive Team for your continued leadership.

Above all, this year has been one of the hardest for our staff and we are grateful for their unwavering commitment to care, and dedication to making an enormous difference to our community.

Professor Andrew Way AM
Chief Executive

Melbourne
22 August 2022

Michael Gorton AM
Chair

Alfred Health Board
22 August 2022

Response to COVID

As the pandemic continued to evolve, Alfred Health provided an essential lifeline to many Victorians who were critically unwell with COVID-19, while keeping the community safe from the pandemic through our pivotal role in the hotel quarantine program.

The dedication of our staff was also highlighted by our work in residential aged care through the COVID-19 Positive Pathways program, and our range of at-home services.

Cecilia Torney is Nurse Unit Manager for 7 West which specialises in care for COVID-19 patients.

Hotel quarantine and airport support

As part of the Victorian Government's hotel quarantine program, our infection prevention knowledge and clinical care abilities were relied on to provide quarantine support for returned travellers and community members with COVID-19 and those requiring clinical care while in quarantine. We created the gold standard framework for the state's health hotels and operated both these "hot hotels", complex care hotels, and additional COVID-19 clinical support at Melbourne Airport. This incredibly resource intensive yet successful program was known as Hotel Support Services (HSS).

Across 2021-22, more than 5,800 people who were COVID-19 positive or at risk of infection received exceptional care, without an incident of community transmission. This role was essential to community safety before vaccination was widespread among our community, and was only made possible due to the dedication of 600 healthcare professionals who formed a multidisciplinary team that included nursing, mental health, pharmacy, allied health and medical expertise. Milestones for the year included supporting the repatriation of flights from India and people fleeing conflict in Afghanistan, as well as supporting members of the Australian Open and the Australian Paralympic teams.

The HSS team had cared for 6,711 residents overall by the time the service concluded in late March 2022.

Screening and vaccination

Alfred Health played a key role with COVID-19 polymerase chain reaction (PCR) screening, with 802,000 tests administered since the beginning of the pandemic. Of that number, 220,942 tests were done by our public screening clinic.

Across 2021-22, more than 535,000 PCR tests for staff, patients, hotel quarantine and the general public were analysed, with our Pathology team playing an important role.

The widespread availability of Rapid Antigen Tests (RATs) saw a dramatic reduction in demand of public PCR testing and The Alfred Screening Service closed on 29 April 2022.

As part of our vaccination program, 11,424 vaccines were provided to staff, patients, those in The Alfred precinct and also household contacts. Among that number were 1,452 first dose, 2,584 second dose and 7,381 third dose vaccinations.

Initially aimed at Alfred Health staff and their families, the vaccination program was expanded to a specialist vaccination clinic that the general public – including children – could access. As of June 2022, 30,233 public vaccinations were administered, including 6,823 first dose, 12,893 second dose and 10,517 third dose vaccines.

Inpatient Care including ICU

Across 2021-22, The Alfred treated 2,538 COVID-19 positive multiday and overnight inpatients across five COVID wards, with 334 people (13 per cent) requiring time in ICU.

Demand for critical care was at its highest in early 2022, as we reached our single day peak on 13 January 2022, when 114 COVID-19 positive inpatients were cared for.

As cases reached their peak, The Alfred's ICU became the largest and most acute ICU in the country, operating across three floors. Our ICU played a vital part for the state with many inter-hospital transfers, and where necessary our expertise and leading role in ECMO to save lives.

Providing this level of ICU support was a whole-of-health service effort drawing on expertise from across Alfred Health and included reorganisation of services and campuses. It spoke to the 'can do, will do' attitude of staff and their commitment to caring for our community when needed the most.

Supporting people with COVID in the community

Alfred Health's COVID Community Pathway (AH-CCP) provided cohesive, well-resourced care to people with COVID-19. It worked in partnership with South East Public Health Unit (SEPHU), South East Melbourne Primary Health Network (SEMPHN), Sandringham Ambulatory Care Centre and Star Health.

Patients were identified through a triage process, assessing severity of illness and risk stratified to allow timely allocation to a model of care with varying intensity of monitoring and support.

The pathway has managed over 140,000 referrals in the last 12 months, and at its peak in January, 10,697 patients in the community were under the care of AH-CCP. It has been successful in keeping patients well while at home during peak community infection periods, supporting a system-wide approach to prevent hospital burden of care.

A decline in patient's health was recognised through text message symptom surveys, follow-up calls, and remote vital sign monitoring. This resulted in appropriate escalation of care in all cases. Providing specialist assessment and access to early COVID-19 therapies was a significant focus and advancement of pathways over the last 3 months. Since April 2022, over 1,500 high risk patients have been identified and treated through the pathway with antiviral medications, reducing the risk of hospitalisation by up to 90 per cent.

In collaboration with the Department of Families, Fairness and Housing, we worked to ensure accommodation and support was in place for COVID-19 positive people with mental health and/or other social issues.

Residential aged care

The Alfred Health Mobile Assessment and Treatment Service (MATS) continued to support residential aged care facilities (RACF) experiencing COVID-19 outbreaks.

The MATS team worked closely with the South Eastern Public Health Unit (SEPHU), key stakeholders from Commonwealth and State Governments and the Aged Care Quality Commission to ensure coordinated and comprehensive support was provided to facilities.

The MATS team were called upon to provide local support to optimise infection prevention control practices and PPE support in Residential Aged Care Facilities in our region. We also provided COVID-19 advice and treatment to residents to support their health and wellbeing, and information on how to best access the supports that they needed to remain well. During this period MATS provided over 15,000 occasions of care to residents via on-site visits, telehealth and telephone consultations.

This important service has been exceptionally well received by our residential aged care providers, with most residents able to remain in their facility during outbreaks without clinical deterioration resulting in a transfer to hospital.

Our patients

From those who required life-saving urgent treatment, to patients who received rehabilitation in a community environment, Alfred Health treated patients from diverse backgrounds, and with a variety of care needs.

As our use of healthcare technology continued to evolve, we delivered care beyond our hospital walls, connecting clinicians and healthcare teams with patients and their loved ones.

Vanessa Matheson was cared for at The Alfred after receiving severe burns to the back of her legs and hands.

Patients come first strategy

Through extensive community and consumer participation, we developed our third Patients Come First strategy which frames how we engage with patients and consumers in developing the health service.

The Patients Come First (PCF) Strategy 2021-24 supports the Strategic Plan by outlining how we will provide high-quality patient-centred equitable care.

We engaged with consumers, staff, health partners and the broader Victorian community in the development of this strategy, taking a social listening approach to understand the views of the Alfred Health community, with an emphasis on patient-centred care.

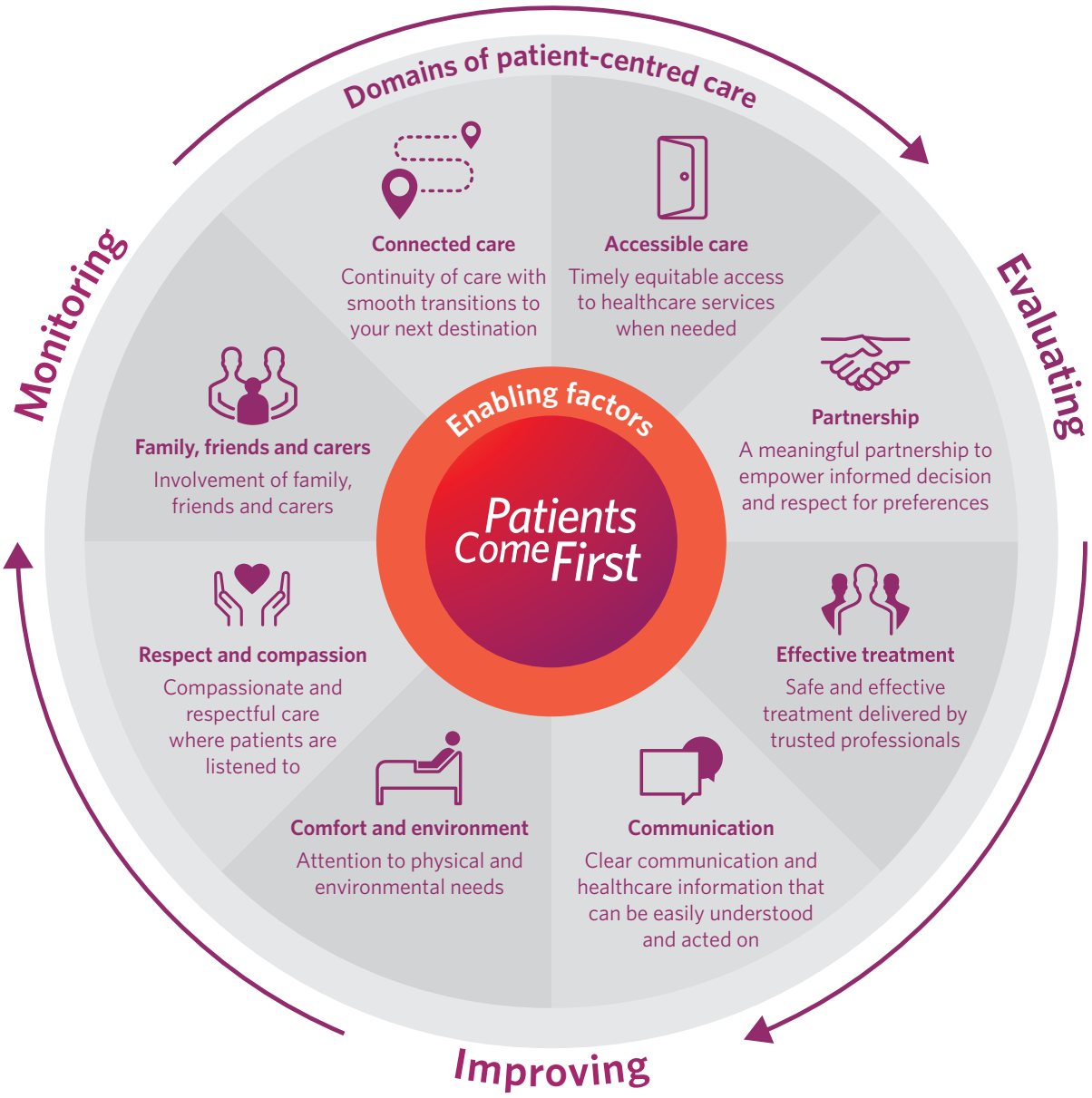
The strategy prioritises patients, families and carers as equal partners, with care that is connected, safe and effective. It also reinforces the importance of the experience of care.

The PCF Strategy outlines priority areas, objectives and goals. This will enable our service and key actions to be responsive to feedback in a dynamic environment.

Reconciliation Action Plan (Aboriginal Health)

The Reconciliation Action Plan (RAP) is a sub-plan of the Patients Come First (PCF) Strategy. A detailed report on the actions of the 2017-19 RAP and activities to improve Aboriginal Outcomes were included in the Aboriginal Health and Reconciliation Action Plan Report in July 2021.

A focus in 2021 was to develop the new Innovate RAP. It included promoting key achievements of Alfred Health's previous RAP to staff and the wider community. Community engagement and consultation were essential and included an online survey and participatory forum. Alfred Health received conditional endorsement from Reconciliation Australia in November 2021 and is working with Aboriginal-owned and controlled businesses to produce a designed version to attain formal endorsement.



Our patients

Who are our patients? 2021-22 data

Over eight per cent of inpatient admissions across Alfred Health were patients whose preferred language is a language other than English

Our patients speak 97 different languages

Top ten languages spoken at Alfred Health

English	Turkish	Croatian
Greek	Italian	Arabic
Russian	Vietnamese	
Mandarin	Cantonese	

Diversity and inclusion

Interpreter use during COVID-19 pandemic

Alfred Health trialled on-demand telephone and video interpreting in response to the significant impact of the COVID-19 pandemic and rapid scaling of telehealth.

Using a Department of Health innovation grant, Alfred Health trialled the service in the General Medicine wards and Emergency Department. Importantly, this was complementary to on-demand telephone services.

The trial demonstrated that video interpreting was a cost-effective and efficient means of providing high quality interpreter services, particularly during the COVID-19 pandemic environment when in-person access was difficult. High degrees of satisfaction and acceptance were reported from staff and patients. The median video call duration in the acute setting was found to be 12 minutes.

Monitoring the quality of care provided to our diverse patients

Aboriginal and Torres Strait Islander patients, Cultural and Language Diverse (CALD) patients and patients with a disability are now represented on a dashboard with Key Performance Indicators addressing quality and safety of care and patient experience indicators. The scorecard forms part of the Quality and Safety dashboard and provides a snapshot of care as well as insights into challenges faced by patients who may experience increased vulnerability.

Welcoming spaces

Alfred Hospital main entrance has been refurbished to ensure a welcoming environment and give a sense of safety and wellbeing. Unveiled in July 2021 as part of NAIDOC Week, the purpose of the upgrade is to capture the traditional owners' language, ethnicity and gender diversity. It ensures the implementation of a Welcome to the wider community, reflecting the diversity of our community, and respect for our First Nations' Peoples.

Work has now commenced on an Indigenous Garden where the design will connect with the front entrance and introduce plants and natural textures.

Building on the fundamentals of person-centred care in the Patients Come First Strategy, we strive to make our services fair, accessible and appropriate for our patients, visitors and carers.

Better outcomes for all

Building on the fundamentals of person-centred care in the Patients Come First Strategy, we strive to make our services fair, accessible and appropriate for our patients, visitors and carers. We work towards patients being active participants in their own care.

Access and Inclusion Plan

The Alfred Health Access and Inclusion Plan (Disability) 2019-2022 outlines our commitment to becoming a safe and accessible health service and workplace for people with disability. The priority areas include:

- Continuous policy and systems development
- Collaborative consumer consultation
- Accessible built environment
- Accessible communication
- Inclusive organisational culture
- Responsive feedback processes
- Supportive employment practices

The COVID-19 pandemic presented both challenges and opportunities. Accessibility breakthroughs included increased access to telehealth, flexible working arrangements and the introduction of the disability liaison service.

Increasing the visibility of patients with disability through the creation of the disability data dashboard as part of the vulnerable person's dashboard has provided staff with access to data about adverse events experienced by patients with disability and feedback from the patient experience survey.

Other highlights have included the upgrading of 25 car parks at The Alfred to comply with current Australian Standards for accessible parking; and enhancing website accessibility using the Site Improve accessibility checker.

The development of the 2023-26 Access and Inclusion Plan is underway. Development of the next plan will involve engagement and consultation with stakeholders including consumers, staff and disability organisations. In addition, a comprehensive examination of Alfred Health policies and procedures will be conducted using a gap analysis tool, the Australian Network on Disability's Access and Inclusion Index.

SPEAK project

The SPEAK project aims to build capability in the health workforce and improve processes to meet the healthcare needs of people with disability. With our Allied Health team playing a key role, 2021-22 achievements have included:

- Employment of Alfred Health's first two disability consumer consultants. Their role uses their professional skills and lived experience to assist with the design of more accessible health care.
- Development of a practical and easy to use guide to support co-designing with people who have sensory, intellectual and communication support needs.

Disability Liaison Officers

Disability Liaison Officers have supported 1115 individuals to access health services during the 2021-22 financial year.

During this time, 733 people with disability have been supported to access COVID-19 vaccinations at the Alfred Health vaccination clinic and through outreach to special schools and home. Supports have included the use of social stories, adjustments to the environment (e.g. reducing noise and bright lights), virtual reality headsets and arranging for vaccinations to be completed with sedation.

In addition, 382 people with disability were supported to access non-COVID-related health services.

National Disability Insurance Scheme

Alfred Health supports people with disability to make new applications for National Disability Insurance Scheme (NDIS) funding and is also a registered NDIS provider.

We have three specific NDIS registered services – Prosthetics & Amputee Allied Health, Occupational Therapy Driving Assessments, and Community Acquired Brain Injury (ABI) Rehabilitation. These services participated in NDIS Quality and Safeguards Audits, with Alfred Health meeting the requirements of the NDIS Practice Standards and Quality Indicators. Feedback on how to build on the great work our clinical staff are providing for NDIS patients statewide was also received.

The auditors were impressed with the passion of our staff "who clearly want to achieve the best outcomes for the participants" and are proud of the services they are involved with and provide. Other areas of praise included our documentation, our goal setting and our compliance with the mandatory requirements of a NDIS registered service.

Family violence project

The Family Violence Project received ongoing funding from Alfred Health and became the Family Violence Program in 2021.

Led by the Allied Health team, activities which helped mitigate family violence risk for patients, staff and the organisation, included:

- Clinical education to frontline staff, including nurses, doctors and allied health; training for managers (clinical and non-clinical); and secondary consultation to frontline and specialist staff on family violence clinical presentations.
- Ensuring the organisation is aligned to the MARAM family violence framework; including establishing education pathways online and an ongoing education and training plan for Allied Health clinicians prescribed to perform specialist risk assessment.
- Enhancing/Improving our organisational processes for responding to information requests from external agencies through the 'Information Sharing Schemes', to better support patients/people experiencing family violence.
- Additional clinical support to Hotel Support Services including developing local family violence pathways.
- Ongoing training and support to the patient portal team to identify and respond to risk associated with patient access.
- Ongoing support to HR and Family Violence Contact Officers regarding staff family violence.

Our patients

Consumer participation

Consumer Advisor Program

Alfred Health partners with people with a lived experience of using services either as a patient, family member or support person. Lived experience 'Consumer Advisors' are provided with training and support in their role and engage with all levels of the health service to ensure the patient experience is considered in everything that we do.

Alfred Health have 99 registered Consumer Advisors representing our diverse community. Consumer Advisors have continued to engage with the health service throughout the COVID-19 pandemic by online means. This year has seen increased consumer participation in employee recruitment, staff conferences and research.

Of our Consumer Advisors, 36 are representatives on Advisory Groups and 33 are active participants on committees, such as Board Quality and Medication Safety.

The Community Advisory Committee and its subcommittees (the Cystic Fibrosis, Cancer, ABI and HIV Service Advisory Groups) continue to advise the Board and the Chief Executive on 'what matters most' to enhance patient experience and promote consumer and community engagement.

Additional Consumer Reference Groups are being established to support Digital Health and Diversity and Inclusion at Alfred Health.

Consumer training

In December 2021, Alfred Health partnered with the Health Issues Centre (HIC), Victoria's peak body for consumer engagement in healthcare to provide training for Consumer Advisors. This included the Train The Trainer (TTT) module, where a health service staff member is trained so they can teach others within the organisation to make consumer engagement practices sustainable with their acquired skills transferable.

Alfred Health have 99 registered Consumer Advisors representing our diverse community.

Patient Portal

The Patient Portal provides patients with safe, convenient and easy access to key pieces of their Alfred Health medical information. Patients can use the portal to view upcoming appointments, pathology results and letters, and receive secure messages from their healthcare team.

In addition, during 2021-22 the Patient Portal also proved an effective way for Alfred Health staff to schedule appointments including flu vaccination, COVID-19 vaccination and mask fit testing.

There are currently 17,718 Patient Portal users and more than 15,033 appointments were scheduled by patients and staff using the portal during 2021-22.

The following functions were also implemented to enhance the Patient Portal experience for users:

- **Self-enrolment** allowing patients to register directly where their details matched our records.
- **Process to add new clinical notes** so our services can add specific note types that are important to their patients.
- **Direct booking integration with Cerner Scheduling** allowing more appointments to be booked including flu and COVID-19 vaccination and pathology collection.
- **Development of the Patient Portal mobile app**.
- **Questionnaire functionality** so our services can collect patient information directly for the Electronic Medical Record (EMR).

Keeping inpatients informed during the pandemic

A new version of the Alfred Health Patient Welcome Guide was launched in December 2021 in response to feedback from consumers. Updates included the addition of QR codes to enable digital access to the guide, the second version of the Charter of Healthcare Rights, and information about patient Wi-Fi.

To support provision of information about patient rights and responsibilities, Welcome Guides were distributed to inpatient areas with additional information to support patients staying in hospital during the pandemic. This relieved some of the impost on staff to provide important information a patient would need during their stay. The information is also available online via the Alfred Health Website and on Alfred Health TV. Our 'staying in hospital' patient resource during the pandemic has also been translated into the top 5 languages (other than English) spoken by Alfred Health patients.

Our Consumer Advisors have also supported the development of key pieces of COVID-19 information on vaccination and testing.

Measuring the experience of our patients

Alfred Health takes an integrated approach to feedback, using quantitative and qualitative methods to get a clear picture of the patient experience. We encourage patients to provide feedback directly about their care in whatever way they choose, be at the point of care, via the Patient Liaison Office or by completing a patient experience survey.

The COVID-19 pandemic necessitated we modify how we monitor, measure and act on feedback to optimise Alfred Health's pandemic response. This has meant a focus on qualitative feedback approaches such as focus groups, patient stories and forums, conducted remotely via video conferencing.

Alfred Health Patient Experience Survey

Alfred Health's Patient Experience Survey (PES) helps us understand what patients think about all aspects of their treatment and care and plays a key part in improving services. There are question sets covering inpatient, outpatient, as well as ambulatory and homebased care settings.

Face-to-face PES data collection was unable to take place due to COVID-19 restrictions. This severely impacted the sample size from the survey in 2021-22 and meant a representative sample was not collected for organisational reporting. The PES results continue to be analysed and used for prioritising improvements to care in local clinical areas.

Victorian Healthcare Experience Survey (VHES)

The VHES program collects and analyses the experience of recent users of Victoria's public health system. The survey is conducted by Ipsos, an independent contractor, on behalf of the Victorian Agency for Health Information (VAHI), a division of the Department of Health.

Alfred Health regularly monitors and reports on results from the VHES and analyses the information to form part of an integrated patient feedback report. This report is considered at all levels of the health service, including the Alfred Health Board's Quality, People and Culture Committee.

Adult inpatient results

Percentage of Alfred Health inpatients across The Alfred, Sandringham and Caulfield, that rated overall quality of care as 'Very Good' or 'Good' (95% target)

July-Sept 2021	Oct-Dec 2021	Jan-Mar 2022
91%	87%	88%

Alfred Health has consistently performed within 5 per cent of the 95 per cent target since survey collection commenced by VHES in 2014. The timing of the decline in overall rating coincided with the Omicron wave and affected the rating at all public hospitals in Victoria.

Despite the pressures on the health service during this time, the overwhelming majority of patients felt cared for and safe.

Percentage of Alfred Health inpatients across The Alfred, Sandringham and Caulfield, that 'always' felt cared for'

July-Sept 2021	Oct-Dec 2021	Jan-Mar 2022
82%	81%	82%

Percentage of Alfred Health inpatients across The Alfred, Sandringham and Caulfield, that 'always' felt safe'

July-Sept 2021	Oct-Dec 2021	Jan-Mar 2022
94%	91%	91%

Steve, who received treatment at The Alfred, takes to the water after recovering from a stroke.

Our patients

Adult Emergency results

Percentage of Alfred Health emergency patients across The Alfred, Sandringham, who rated overall quality of care as 'Very Good' or 'Good'

Percentage of Alfred Health emergency patients across The Alfred, Sandringham, that 'always had confidence and trust in the staff'

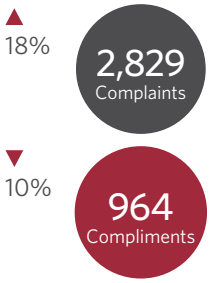
Percentage of Alfred Health emergency patients across The Alfred, Sandringham, that 'always' felt staff helped them

Complaints and compliments

Alfred Health encourages patients and their families to provide feedback about their experience. Their opinions are important to what we are doing well and where we could improve.

In 2021-22, we:

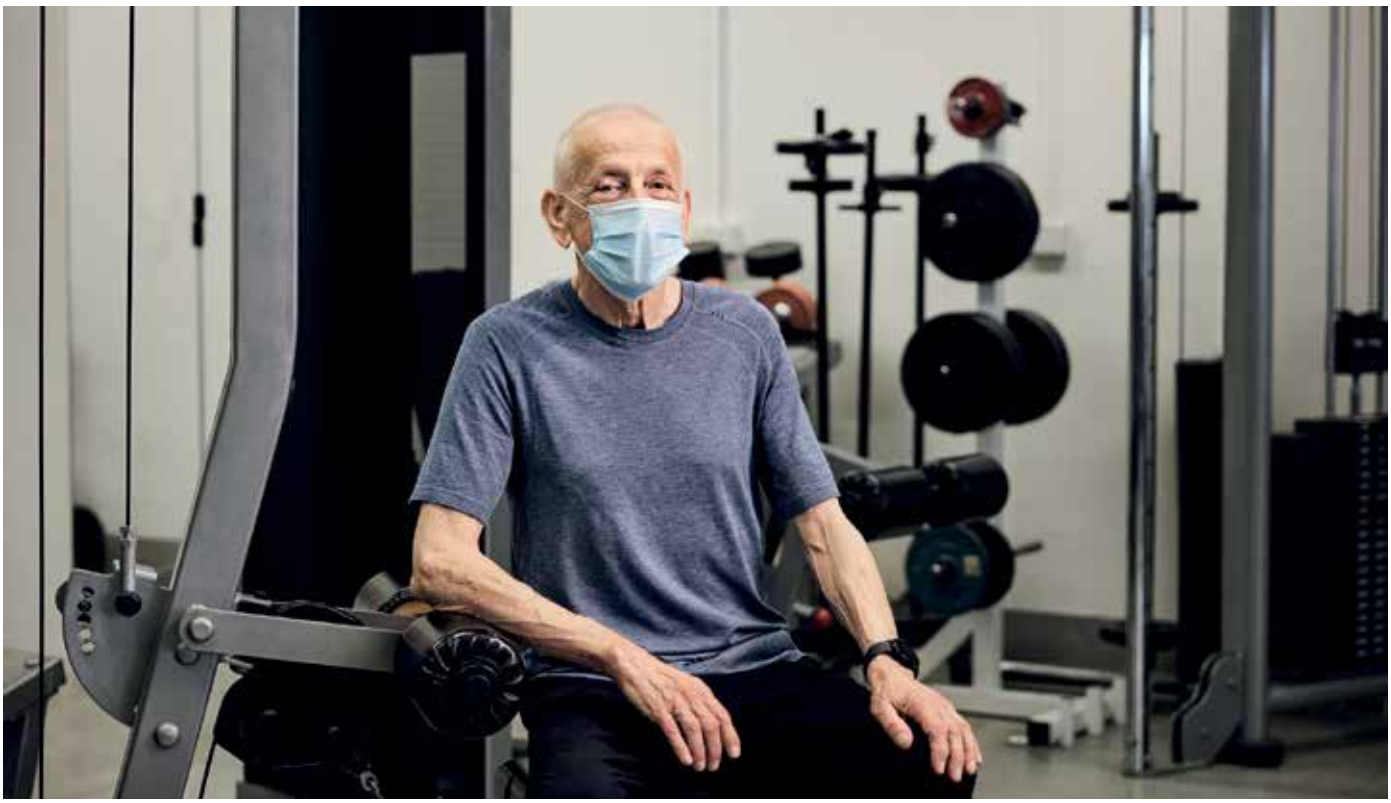
- Received 2,829 complaints, an increase of 18 per cent from 2,390 received in the previous year
- Received 964 compliments, a decrease of 10 per cent from 1,069 received in the previous year



The majority of complaints related to the restriction of visitors for inpatients in response to the Chief Health Officer's Pandemic Orders to combat spread of COVID-19.

Beyond the personal connection for inpatients while receiving care, visitor restrictions also brought many complaints from family members not being able to receive accurate and up-to-date health information about their loved one. Without the presence of family and friends to take home personal effects of patients who had unexpectedly come to hospital, complaints about lost belongings also increased.

In early 2022, work began to optimise the methods by which patients and family are able to give feedback. The goal of this review is to remove barriers such as sensory impairment, disability, digital literacy and more in order to hear feedback from seldom heard patient voices. The review goes further to examine Alfred Health's process of responding to feedback to provide the highest quality of response in the timeliest way.



Joe Russo is spending some time at The Alfred's rehabilitation gym after a lung transplant.

Improving patient experiences

Care updates

A clerical concierge role has been implemented in local areas to assist with the increased demand in phone calls from family and friends seeking information about a patient's status and recovery. This role also provides important connection for patients by assisting a video call with their family and friends. A pilot was conducted using the electronic medical record to send care updates to the next of kin by text message.

After understanding the positive impact of this role, Alfred Health further committed to this approach by developing a centralised platform that is easily accessible for concierge staff with resources to support them in their role. This concierge role was also updated to make coordinating the provision of patient information a key function of their position.

Patient belongings

An effect of visitor restrictions during the pandemic meant that patients who unexpectedly came to Alfred Health weren't able to pass their personal possessions to family members and friends to take home.

In late 2021, a project commenced to reduce the loss of patient belongings and improve both patient and staff experience related to management of patients' belongings. The key objectives of the project include:

- Knowing what personal property the patient has on-site
- Providing safe, secure, and suitable storage solutions that are easy to use for patients and clinicians
- Facilitating efficient searching, matching and returning of misplaced personal property to rightful owners.

Insights from a co-design workshop including consumers have been gathered from department managers, clinical staff and non-clinical support staff to help support the project.

Enhancing care for trauma patients

In partnership with the Transport Accident Commission (TAC), a new seven-day model of allied health care for acute hospital trauma patients was created, aimed at providing early intervention and increased therapy.

It was found patients given intensive therapy were more likely to be discharged directly home, instead of to another inpatient bed (acute or rehabilitation) with no increase in length of stay (LOS) or readmissions.

Overall, providing early, intensive allied health therapy with a team-based approach led to improved patient and hospital outcomes and bed capacity, a vital resource in this post pandemic era.

Partnering with a consumer and carer workforce to enhance mental and addiction health

Embedding consumers and carers in the design, delivery and improvement of services is an Alfred Mental and Addiction Health strategic priority. This has been enabled through growing the consumer and carer workforce with expanded Director, peer support, strategy and peer development roles alongside establishing a Victorian-first peer support worker cadetship program.

Alfred Health has expanded capability, tools and systems for engagement with the production of a handbook, and practice development tools for how we use co-design to improve existing and establish new services (e.g., expansion of post-suicidal outreach services and establishment of a Statewide Women's Mental Health Centre). Co-designed resources developed three phases of workshops with 17 lived experience and 22 clinical/operations participants who explored:

- baseline perception and practice;
- ambition and ways to integrate into Alfred Mental and Addiction Health (AMAH) practice;
- how to make this a reality.

As well as sharing insights and recommendations for practice and co-design resources, participants also felt excited and hopeful as a result of participating; saying, *"It's refreshing hearing everyone else's perspective..." "We have a really great foundation... There is a really strong desire to celebrate successes." "I'm grateful that we have built a safe and hopeful space."*

Participants of the post-suicidal outreach team expansion co-designed using these methods. They spoke about being able to share their views and improve services for people like them, but also learn from peers about what helped in the recovery journey of others.

Co-designing feedback loops enabled staff to collect, reflect and act upon real-time feedback from our consumers and carers about successes and needed improvements. Feedback loops for our post-suicidal outreach service highlighted a highly valued service, and suggested improvements that were actioned (e.g. improved access through offering weekend, evening and within-business hours care).

Youth and adult specific Recovery/Discovery Colleges also offered courses that staff, consumers and carers co-produce and co-receive to build a shared understanding of mental illness and recovery.

Alfred Health's approach was not only recognised by the Royal Commission into Mental Health but recommended expanding programs such as this across Victoria.

Our patients

Caring beyond our walls

Telehealth

As telehealth becomes more embedded as an important way of providing patient care, the demand for video calls remains.

In 2020-21, the volume of video calls increased by over 200 per cent compared to 2019-20. In 2021-22, this increased by a further 29 per cent over the previous year.

Currently, Alfred Health averages over 6,000 video calls every month. Beyond this, there has also been an average of 11,560 telephone calls each month across 2021-22.

The Health Direct video call platform allows for a range of clinical assessments and interactions that would not be possible over telephone alone. More than 70 per cent of patients report satisfaction with video calls, with most (over 60 per cent) finding the system easy to use.

Over the past 18 months, Alfred Health has worked hard to improve the video call experience for both patients and staff. This has included major system improvements to the test call, tools/apps options and call manager functions.

The Alfred Health Telehealth Team supports clinical and non-clinical areas with:

- Patient pre-calls to discover and solve technical issues
- Staff training mixed with on-ground support and
- A dedicated staff and patient phone support line

Staff feedback from clinics and departments has been overwhelmingly positive, with training seminars a key focus. Since beginning with the Health Hotel cohort, training has now expanded across the organisation. It is conducted either one-on-one or in small groups; and provides an understanding of the video call platform, good telehealth practice, and governance.

Providing quality care in a home environment is a priority for Alfred Health, including Registrar Dr Sean Hui.

Caring in the home and the community

This year saw further innovation within the community space. The Home, Acute and Community Program continues to expand care 'outside hospital walls'.

COVID care needs were met through a collaborative and responsive Community Pathways (CCP) service that resulted in a marked drop in patients who presented to Alfred ED from 23 per cent in October 2021 to under 5 per cent in March 2022.

The expansion of the Mobile Assessment and Treatment Service enabled residents of Residential Aged Care Facilities access to higher intensity medical and nursing support than previously. This support has resulted in a reduction in an average of 111 transfers from RACFs to ED each month.

A new Integrated Care Team to support patients with complex and chronic conditions in the community was developed, providing an early supported discharge model for patients following General Medicine admission. During this pilot period, the Integrated Care Team has been successful in treating 275 patients and preventing an ED presentation in 82 per cent of patients. The team was also able to assist patients to get home sooner, by identifying appropriate patients in ED short stay or the general medicine wards, and facilitating early discharge with medical, nursing and pharmacy oversight, while also linking in with the primary care network.

The capacity and capability of our home-based admitted subacute care program Better at Home was expanded, ensuring more patients can access this service. This included increased staff and resources to allow more complex patients to be cared for in their homes, who typically in a pre-pandemic time would have received their care in hospital. Patients experiencing COVID-19 who needed ongoing support and rehabilitation were among those who were cared for.

A partnership with a local Calvary residential care facility to provide beds to improve patient flow to Better at Home was also important.

The pulmonary rehabilitation program's use of telerehabilitation had positive results. This saw a group-based exercise training and education program for people with chronic lung disease delivered via video-conferencing technology.

Other highlights included an expansion of the Community Rehabilitation Program, resulting in more intensive rehabilitation being able to be provided, as well as more prompt responses to referrals in order to facilitate hospital discharges. The Prosthetics Department also initiated a 'drive through' initiative where patients could drop off their prosthesis for maintenance, adjustment and repair, allowing for a minimal and controlled contact service during the pandemic.

Carer involvement and recognition

The Carers Recognition Act 2012 (Vic) promotes the role of people in carer relationships. It recognises the contribution that carers and people in carer relationships make to the social and economic fabric of our community.

In response to the Act, Alfred Health has developed a guideline – Recognising Carers and Care Relationships as Part of Delivering Patient Care. It continues to advance Alfred Health's commitment to patients and their carers; and helps staff recognise the role of unpaid carers (friends or family members) in a patient's care plan.

We have taken measures to comply with our obligations under the Act, ensuring the needs of carers are recognised and responded to when the person for whom they care is admitted to Alfred Health or when the carer is admitted to Alfred Health.

Alfred Health Carer Services

Alfred Health Carer Services (AHCS) supports carers through the Victorian Government Support for Carers program, the Commonwealth Carer Gateway, and for older people who have a carer, through the Commonwealth Home Support Program. Through these programs AHCS supports unpaid carers who care for a family member or friend with a disability, mental health condition, terminal or chronic illness and ageing-related conditions.

We provide short-term support to carers of all ages, across the local government areas of: Port Phillip, Stonnington, Glen Eira, Bayside, Kingston, Greater Dandenong, Casey, Cardinia, Frankston and Mornington Peninsula. AHCS operates out of two offices, one at Caulfield Hospital, and one in Frankston.

The past year saw AHCS support more than 2,900 carers across the Southern region, encompassing ten local government areas.

The most in demand (non-respite) service for carers was carer counselling, with 1,577 sessions supported.

Online peer support groups aimed at male carers and also LGBTIQA+ carers were established. The LGBTIQA+ group was established in conjunction with Merri Health and Uniting Victoria and Tasmania.

More than 260 events were run – both online and face-to-face, with 2,534 carers attending. The focus of these events has included carer education, carer wellbeing and social and peer connectedness.

A private Facebook community group for carers was established, giving carers a space to communicate and support each other. Carers have reacted positively to seeing photos of other carers and having a place where they can encourage each other and seek out advice.

A new website was also launched in January 2022: **www.alfredhealthcarers.org.au**

Patient car parking

Alfred Health continues to work with our patients, carers, visitors, staff, local authorities and public transport providers to make sure car-parking facilities can be accessed as safely, conveniently and economically as possible.

With patient and visitor car parking across our hospital sites being limited, we continue to improve access by increasing capacity, reducing waiting times and vehicle queuing.

Among the new improvements is the introduction of a Parking Guidance System in Visitor and Staff Car Parks. The project is aimed at improving access and flow, as well as reducing congestion, delays and wait times. To be installed from July 2022, it will provide real-time parking data and a lighting system so drivers can see which spaces are available.

Other initiatives to enhance parking access include:

- Infrastructure improvements to improve access, including the redevelopment of Centre Lane Drive, with works to be completed in November 2022.
- Improving casual parking options for Alfred staff by providing access to the Alfred Centre/Multi Level Overflow Visitor Car Park for those without parking allocations.
- Co-locating all Alfred fleet vehicles into one location on-site within car park stacker systems.
- Valet parking staff vehicles during peak times to increase availability for patients, visitors, and staff.
- Use of additional local offsite parking facilities for staff and contractors.
- Engaging traffic consultants to identify how we can better utilise and improve parking facilities on-site.
- Secure facilities and change rooms to encourage staff to ride to work.
- Use of public transport.

We continue to comply with the DH hospital circular on car parking fees. We ensure all car parking charges and concessions are well publicised including at car park entrances, wherever payment is made, inside the hospital and online at **www.alfred.org.au/parking**. Alfred Health's Car Park Rates Policy is reviewed annually and seeks to reduce the financial burden for vulnerable patients who frequently attend our health service.

2021-22

Alfred Health Carer Services

2,900+
Carers supported

1,577
Carer counselling sessions

260+
Events run. Attended by 2,534 carers

Our employees

From staff who continued to work in our hospitals, to those who worked in new environments such as in the community or at home, our staff have displayed commitment, compassion and versatility.

While the pandemic has had a significant impact on our staff personally and professionally, we have endeavoured to support our passionate and diverse workforce through initiatives centred on health and wellbeing, training and education, and safety.

Cardiothoracic surgeon Mr Atsuo Doi is part of The Alfred team conducting innovative surgery.

Recruitment and training

In 2021-22, Alfred Health had 10,519 staff (7,843 full-time equivalents), including 683 new employees who joined us this year.

During the year there was an increase in casuals, part-time and full-time employees.

The rise in employee numbers can be largely attributed again to additional resources required to meet the increased demands of our COVID-19 pandemic response, in particular, the Hotel Support Services and COVID-19 Community Pathway. The new employees covered both clinical and non-clinical areas. They have ensured Alfred Health continues delivering quality care to our patients and the broader community, while also supporting our existing workforce and the Victorian community during the ongoing COVID-19 pandemic response.

Staff numbers grew by more than 13 per cent over the last five years, as services expanded, and demand increased.

Staff numbers

2017-18	2018-19	2019-20	2020-21	2021-22
9,283	9,276	9,405	9,836	10,519

2021

	Casual	Part-time	Full-time	Grand total
Alfred Hospital	466	4,788	3,501	8,755
Caulfield Hospital	37	376	275	688
Sandringham Hospital	21	215	157	393
Grand total	**524**	**5,379**	**3,933**	**9,836**

2022

	Casual	Part-time	Full-time	Grand total
Alfred Hospital	642	5,005	3,717	9,364
Caulfield Hospital	50	393	292	735
Sandringham Hospital	29	224	167	420
Grand total	**721**	**5,622**	**4,176**	**10,519**

Workforce

	Current month FTE		Year to date FTE	
	2021	2022	2021	2022
Nursing	2,522	2,995	2,803	3,020
Administration and clerical	1,328	1,485	1,257	1,466
Medical support	649	669	639	662
Hotel and allied services	229	152	229	171
Medical officers	243	262	241	259
Hospital medical officers	612	660	606	644
Sessional clinicians	93	219	189	218
Ancillary staff (Allied Health)	1,083	1,232	1,040	1,250
Grand total	**6,759**	**7,674**	**7,004**	**7,690**

The average FTE is calculated based on the weighted average of employees in each category in the 2021-22 year.

Staff are expected to adhere to the Alfred Health beliefs and the Public Sector Code of Conduct for Victorian Public Sector Employees. All staff are issued with, and expected to adhere to, the Alfred Health Code of Conduct and Compliance, which is consistent with the Charter of Human Rights and Responsibilities and promotes the principles of equal opportunity and fair and reasonable treatment for all.

Staff numbers grew by more than 13% over the last five years, as services expanded, and demand increased.

Our employees

Occupational health and safety

Alfred Health strives for a healthy and engaged workforce that is physically and psychologically safe. Staff wellbeing and support continued to be key priorities. Staff are encouraged to highlight and report issues of safety that concern them.

Overview of health and safety

Measure	2019-20	2020-21	2021-22
The number of reported hazards/incidents for the year per 100 FTE	5.31	26.80	30.30
The number of lost time standard claims for the year per 100 FTE	0.77	1.44	1.32
The average cost per WorkCover claim for the year	$59,887	$7,053	$11,617

The average cost per WorkCover claim has reduced in recent years due to better return to work outcomes led by the injury management team.

Alfred Health has seen an increase in hazards and incidents reporting for 2021-22. This is again due to an increase in staff understanding and encouragement of reporting from attending the AWARE course.

Injury Compensation data

Measure	2019-20	2020-21	2021-22
WorkCover Claims	88	125	134
Injury Support Claims	27	32	29

Main contributors of WorkCover Claims

Measure	2019-20	2020-21	2021-22
Manual Handling	58	56	57
Occupational violence and aggression (OVA)	9	20	18
Slips, trips and falls	11	18	29
COVID-19	8	13	10

Respiratory Protection Program (RPP)

Alfred Health's RPP improved staff safety by ensuring appropriately fitted N95 masks for healthcare workers through fit-testing and mask-use consultation. It became the gold standard in protecting staff, and also included education and management of skin injuries.

On-site fit-testing – and retesting – was provided for all Alfred Health staff, Alfred Health partners such as contractors, Spotless, and Burnett Institute; and Victoria Police who were part of the Hotel Quarantine Program.

More than 15,000 individuals have been fit-tested, and 67,000 individual masks tested.

Alfred Health RPP has been an integral member and chair for the state Community of Practice to ensure standardisation of processes, maintenance of safety standards and to collaborate across health services in respiratory protection research.

Occupational violence and aggression

Despite restrictions due to COVID-19, the need for training in managing aggression and violence remained a high priority to keep both our patients and staff safe.

The AWARE course continues to be highly regarded both internally and externally, has now trained over 4,000 staff. In 2021-22:

- 527 people trained in an AWARE course
- AWARE held its 400th course
- 30 people accessed AWARE online non-mandatory resources
- 120 graduate nurses attended an AWARE introduction course
- A specific course for Better at Home staff was introduced.

The AWARE team continue to provide training and advice operationally as required. In 2022, refresher courses were delivered across Emergency, ABI, Aged Care ground floor(ACG) and Alfred Centre.

Further additional tailored courses were added to provide knowledge and safety to our growing Best at Home teams and ABI teams. Psychological First Aid delivered by AWARE trainers has also been well received.

Occupational violence statistics	2021-22
1. WorkCover accepted claims with an occupational violence cause per 100 FTE*	0.24
2. Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0.5688
3. Number of occupational violence incidents reported	461
4. Number of occupational violence reported per 100 FTE	6.09
5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition	3.90%

*Figure based on total number of WorkCover claims accepted, which is 9

Occupational violence statistics	2019-20	2020-21	2021-22
Number of OVA incidents reported	516	437	461
Total number of WorkCover claims resulted in employee injury, illness or condition	9	9	134
OVA claims frequency rate (per million hours worked)	0.4	0.5	0.6
Injury Support claims (Early intervention program)	0	0	29

WorkCover claims

Incident Type	2019-20	2020-21	2021-22 *
Exposure to chemical/ substance	1	1	15
Hit or hit by, excluding violence	5	9	8
Mental Stress	1	8	11
Occupational Violence (physical and/or verbal)	8	20	11
Other	19	13	7
Slip, trip or fall	10	18	24
Manual Handling	44	56	55
Total number of WorkCover claims	88	125	131

Gender Equality Act 2020

Alfred Health is guided by the Victorian *Gender Equality Act 2020* to promote, encourage and facilitate the achievement of gender equity in our workplace.

Over the past year, we completed a Workplace Gender Equality Audit, which was approved by the Victorian Gender Equality Commission.

A Gender Equality Action Plan (GEAP) has also been completed and approved by the Victorian Gender Equality Commission and will be published in 2022.

Key actions from the GEAP included gathering feedback from staff and working groups on breast feeding facilities for staff. We will look for it to be more inclusive, meet best practice, and provide an improved staff experience for new parents. Ideally, we are working towards accreditation by the Australian Breastfeeding Association.

In addition, we have continued to strengthen relationships with and between teams involved with diversity at Alfred Health including A+ Alliance, Gender Equity Diversity and Inclusion Committee (GEDI), AMAH, ED and externally Victorian Health Organisation Gender Equality Network (VHOGEN).

A new Equality, Diversity and Inclusion (EDI) Consultant has also been appointed to start in July 2022 to implement the GEAP and broaden equality, diversity, inclusivity and intersectional approaches organisationally.

Alfred Health Program Director of Surgical Services Prof Wendy Brown was part of International Women's Day 2022 celebrations.

Our employees

Staff Engagement

Throughout the year we worked to further develop a positive and safe work environment across our health service.

Annual excellence awards

The Recognising Excellence Awards, held in December, provided an opportunity for Alfred Health staff to highlight the achievements of their colleagues, both as individuals and teams.

Education and development

Gerard O'Reilly

Joint team winners
Alfred Health Emergency Clinical Nurse Education Team

Physician Education Training Program

Leading innovation and change

Amanda Dennison

Team
Alfred Health COVID-19 Community Pathway

Health, safety and wellbeing

Simone Waterman

Joint team winners
Better at Home Safety Working Group

Get Moving

Highly commended team
Sandringham Emergency Department Social Committee

Equity, diversity and inclusion

Anna Gould

Highly commended
Kate Bohan

Team
Disability Liaison Officers

Professional staff excellence

Eric Chow

Highly commended
Allen Cheng

Richard Coates

Team
Holiday Inn Clinical Team

Highly commended team
Public Affairs

The Procurement Team

Special commendation
COVID Response Teams – IT and Infrastructure

Patient focus

Geerthika Galister

Highly commended
Cathryn Gleeson

Fiona Whitecross

Wendy Savage

Team
The Green Room – HIV Specialist Centre – Melbourne Sexual Health Centre

Highly commended team
Adult Inpatient Unit Mental and Addictions Health

Staff training and workforce initiatives

Alfred Health is dedicated to providing support for the development and wellbeing of its workforce through a range of training and workforce initiatives.

We continued to work in partnership with our leaders and their teams across all disciplines to deliver the Thrive Leadership program. In 2021-22, 76 staff completed Thrive, with a total of 112 staff completing the program since August 2020.

Staff utilisation of our Employee Assistance Program Benestar was stable at 3.4 per cent, which is 2.1 per cent higher than Benestar industry clients. Mental health has been the top presenting issue in our workforce over the past 12 months.

Schwartz Rounds continued to provide a platform for staff to come together and discuss the emotional and social aspects of working in healthcare. More than 450 staff attended six sessions during 2021-22 covering topics including 'How do you care when your values are conflicted?'

We also began the implementation of a three-phased plan to develop a peer support program. This included three clinical teams participating in a trial of group peer support, as well as a trial of Phoenix Australia's Psychological First Aid (PFA) online training by an interdisciplinary group of clinicians. These trials will be evaluated and help to inform the peer support program model.

To celebrate and thank our incredibly hard-working staff, we held special end of year events at The Alfred, Caulfield and Sandringham Hospitals. The events featured a line-up of food trucks and entertainment, with more than 2,000 staff attending the main Alfred Health event in Fawkner Park.

Staff shared in The Alfred's 150th anniversary celebrations with a ball held at Melbourne Tennis Centre's Centrepiece venue.

Wellbeing initiatives

To help ensure staff wellbeing initiatives are hitting the mark, Alfred Health appointed an external provider, Be Well Co, to review Altogether Well – Alfred Health's Wellbeing Strategy 2021-24 and provide recommendations. This included reviewing our support for staff during the Pandemic Code Brown.

We established a Wellbeing Steering Committee with representatives from across the service. They will oversee the implementation of our wellbeing strategy, recommendations from the review and wellbeing priorities.

Supporting the Wellbeing Steering Committee is our Wellbeing Collaborative. Founded in 2020, this interdisciplinary group has more than 50 dedicated members who support the implementation of our wellbeing initiatives. These initiatives have included:

- Team-based wellbeing grants for teams to implement an initiative that would have an immediate impact on their wellbeing. More than 180 teams were awarded funding. This program was designed in collaboration with staff groups, using funding received from the Department of Health.
- Community of Practice was established where teams could present their wellbeing grant initiatives, creating an opportunity to learn from each other.
- 'Unwind' program, our online event series to provide joy and reprieve to staff during the pandemic. Six events were held and featured comedians including Dave Thornton and special guests such as Zoos Victoria staff. The events were incredibly well received with one event attended by more than 500 staff.
- Benestar clinicians embedded in ICU two days a week, in partnership with our Employee Assistance Program (EAP). This support received overwhelmingly positive feedback from ICU staff and will continue until 31 December 2022, funded through the Healthcare Worker Wellbeing Grant.

Wellbeing and support for doctors

Wellbeing and support for doctors remains a priority, particularly during the pandemic. Several initiatives are in place to support our medical staff. These include:

- The Doctor Wellbeing Resource which contains information and contacts for internal and external professional support for medical staff.
- A mentor program for pre-vocational trainees.
- Wellbeing sessions are also provided to interns.
- At COVID peak, weekly wellbeing sessions with junior doctors covering the COVID wards.
- Regular meetings with junior doctors exploring wellbeing, workload and any rostering issues with themes escalated and actions taken to address any issues raised.

Crazy Scrub Yoga were among the wellbeing activities at Sandringham Hospital.

Our employees

Education

Medical education

The Medical Education Unit continues to support the education and wellbeing of prevocational doctors.

There are 795 doctors-in-training employed across Alfred Health, including 60 interns in their first postgraduate year, and 173 hospital medical officers (HMOs) (in 2nd and 3rd postgraduate years).

The Postgraduate Medical Council of Victoria (PMCV) accredits Alfred Health for the training of junior doctors in their first two postgraduate (prevocational years).

Alfred Health is accredited by the various specialty colleges for specialist (vocational) medical training in over 40 specialties including all medical (including general medicine and geriatrics) and surgical specialties, emergency medicine, intensive care, anaesthesiology, radiation oncology, psychiatry, radiology, pathology and rehabilitation medicine.

All the individual departments run educational programs in their specialty. In addition, the Medical Education Unit centrally coordinates various education programs including:

- Orientation sessions for all new medical staff at the beginning of the clinical year and for the mid-year intake (January (interns), February (2nd year trainees and above), August (junior doctors commencing mid-year)
- Mandatory face-to-face training in basic life support and aseptic technique (adapted in a COVID-19-safe manner)
- Weekly intern education program
- HMO education program which runs alternate weeks and alternates with a basic physician training year 1 program
- Pre-surgical (Pre-SET) education program for doctors pursuing surgical training
- How to run family meeting sessions
- A recently developed program for the postgraduate years 2 and 3 critical care streams
- Clinical Leadership Program for doctors working in charge of the hospital overnight.

Feedback continues to be collated by the Medical Education Unit, a new electronic tool that has been developed and implemented in 2022 which incorporates mid and end of rotation feedback for prevocational junior doctors. Junior doctors are encouraged to complete end of rotation feedback on units and themes collated and any necessary follow-up arranged.

The COVID-19 pandemic presented the challenge of continuing the written and clinical exams preparation by converting several programs to an online and modular format as well as ongoing support of trainees through a very stressful period. Despite this, Alfred Health results in both the written and clinical FRACP exams are consistently above the Victorian and Australian averages and were 97 per cent in both recent exams.

Nursing education

Nursing education activities at Alfred Health support the development of our 4,000 plus nurses, extending across all levels of experience and education.

In collaboration with our key university partners (La Trobe, Monash and Deakin), nurses are supported to oversee approximately 1,500 Bachelor of Nursing and Masters of Nursing students across The Alfred, Caulfield and Sandringham sites each year. Prioritising ongoing access and support for our future nursing workforce has been an important focus during the past 12 months and despite multiple COVID-19 related challenges, student placement activity has been successfully maintained and increased (where possible) providing 18,731 placement days during the year for future nurses.

Programs to support novice nurses' transition safely and with confidence into our clinical environments during the past year have enabled 200 new graduate registered nurses, 140 new enrolled nurses, over 100 nurses new to acute care nursing and approximately 70 nurses transitioning from Hotel Support services.

Nurses at Alfred Health are supported to study at a post-graduate level within a variety of specialties including Acute Care nursing, Critical Care nursing – Emergency and Intensive Care streams, Cardiac Care, Perioperative Nursing and Medical Imaging. In 2023 a post-graduate Trauma Nursing stream will be launched. Scholarships were awarded to 54 nurses undertaking post-graduate studies during 2022 with funding from Nursing Services and the Department of Health and Human Services.

In late 2021 Kathy Puyk (wound clinical nurse consultant) and Emma Saddington (Nurse Manager, Sandringham Emergency Department) were awarded Alfred Health Nursing scholarships for Advancing Nursing Leadership. These scholarships are awarded and funded by a dedicated group of volunteers who raise money through an annual luncheon with the aim of enabling Alfred Health nurse leaders to advance nursing practice through clinical observation, research, education and leadership experiences and to share new ideas and concepts across Nursing at Alfred Health.

Supporting our models of care

Due to the pressures the pandemic placed upon our nursing workforce, new and flexible models of care were required to ensure our nurses could deliver comprehensive, safe and patient-centred care to our patients. This saw nursing re-focus on 'team nursing', where nurses work with another nurse (or nurses) to care for a group of patients. Together nurses identify, plan, implement and evaluate patient care with safe, comprehensive and quality patient-centred nursing care always the goal. Embedding the principles of team nursing, particularly shared understanding of roles, duties and scope of practice was facilitated across multiple wards and effective and coordinated communication has been put into action.

During 2021 and 2022 the Enrolled Nurse Transition to Practice Program (ENTTPP) was introduced for the first time at Alfred Health. Leveraging successes from our highly sought after Graduate Nurse Program, the ENTTPP provides a supportive and positive transition to practice for Enrolled Nurses within a framework of ongoing development. In many cases this has facilitated our ENs to progress towards becoming a registered nurse.

103,000+

Clininal placement hours provided to students

Allied health education

As the pandemic evolved throughout 2021, Allied Health Education continued to provide leadership for the governance, development, implementation, evaluation and research of education programs that support undergraduate and postgraduate students, graduates and shared continuing professional development of staff across Allied Health.

In response to the Delta and Omicron COVID-19 waves, Allied Health Education led on 10 essential training sessions to rapidly on-board 128 Allied Health Assistants. Allied Health Professional upskilling in critical and acute care was also a focus, with the Department of Health allocating funding for 5.9 FTE for allied health educators to rapidly upskill, induct, integrate and provide on-the-job support for multidisciplinary team-based care in critical care settings, and supplement the acute and critical care nursing workforces.

Since its inception in 2020, the 2021 Allied Health Graduate Program (AHGP) was co-facilitated online through strengthened relationships and collaboration between Allied Health Education and Alfred Mental Health and Addiction. Seventeen graduates from four disciplines attended the program, with all agreeing or strongly agreeing the AHGP achieved key learning objectives.

Allied Health has 29 partnerships with nine university education providers. The pandemic continued to pose many challenges for delivery of student education including rapid transition of some placements to telehealth and remote online supervision models. Despite this, Allied Health increased pre-COVID clinical placement hours to over 103,000 for 482 Allied Health professional-entry students from 11 disciplines. Students overwhelmingly agreed their learning needs were adequately addressed where remote supervision models were utilised.

Medical interns completing their basic life support training.

Operational highlights

Alfred Health offers a range of specialised services where we develop cutting-edge treatment for Australians with the most difficult to treat conditions. In the face of the pandemic, we acted as a safety net, providing lifesaving care to those who were critically ill.

We continue to provide treatment and expertise unique to our hospitals and statewide services.

In addition to working at Alfred Health, Emergency Consultant Dr Rob Mitchell is also advancing care in the Pacific.

Alfred Brain

Alfred Brain brings together the surgical and medical neuroscience units of Neurosurgery, Neurology, Stroke, Epilepsy, Multiple Sclerosis Neuroimmunology (MSNI) and the Monash Psychiatric Research Centre (MAPrc)

We work in partnership with Monash University's Department of Neuroscience to ensure we play a leading role in translational research.

Neurosurgery

The Functional Neurosurgery team successfully completed their 30th stereo-Electroencephalogram (SEEG) implantation for severe drug-resistant epilepsy as part of what is Australia's leading advanced epilepsy surgery program, with the majority of patients seizure free or having their seizures dramatically reduced.

The team's work included deep brain stimulation (DBS), where electrodes are placed inside the brain to prevent unusual brain activity that significant impacts the lives of people suffering from tremors, Parkinson disease and dystonia. Since the program's inception there have been 29 surgeries performed.

Neurology

We have now started, had approved or markedly expanded clinics in key areas such as epilepsy, Multiple Sclerosis, Neuromuscular Diseases, and General Neurology. This provides greater access to highly specialised services in Melbourne's southeast.

Other highlights included the expansion of the headache clinic to include a multidisciplinary complex care clinic; and success in attaining commercial funding for the first investigator-driven clinical trial in Vyepti (Eptinezumab, Lundbeck) globally, a preventive treatment of migraine in adults.

Multiple Sclerosis and Neuroimmunology (MSNI)

The MSNI Unit commenced operations for the first dedicated multidisciplinary non-MS Neuroimmunology Clinic in Victoria. It will allow patients with rare neuroimmunological conditions to receive comprehensive care, with the clinic having a dedicated neuropsychologist and Immunologist.

A new, dedicated service for Neuroimmunology CAR-T Chimeric Antigen Receptor T cell therapy (CAR-T Therapy) also commenced, the first of its kind in Victoria. It is a clinical service for patients with central neuroimmunological conditions.

Stroke

The Stroke team had another significant year, with key highlights including a significant expansion of outpatient clinic services. There was also continued development with the Victorian Stroke Telemedicine service. In 2021-22, 423 patients were treated along the Inter cranial haemorrhage pathway.

Other highlights included completion of an inaugural first in disease phase 2 study as part of the team's extensive stroke clinical trial portfolio.

Wards

The introduction of two dedicated neuroscience wards for Alfred Brain has allowed services to be consolidated into dedicated locations and create specialised teams. Among the benefits have been the implementation of 7 days a week allied health coverage for neurology patients, with a specific focus on stroke patients to progress their recovery and reduce time in hospital

Alfred Cancer

Alfred Cancer provides a fully integrated range of cancer treatment services and modalities on-site with a range of co-located services unique in the Victorian health system. We provide comprehensive patient-centred, quality care through investment, research and innovation.

Victorian Melanoma Service

The Alfred is the Victorian lead site for the ACRF funded Australian Centre of Excellence for Melanoma Imaging and Diagnosis (ACEMID). Currently 3D imaging infrastructure will be integrated into 3 metropolitan and 2 regional health services in Victoria, and 15 in total across the eastern seaboard to develop an imaging network for telehealth and research into early diagnosis and management of melanoma via partnerships with Monash University, University of Queensland and University of Sydney.

As part of our involvement in TrialHub, our clinical trials capabilities in melanoma have strengthened at Bass Coast Health and Bendigo with the IMAGE trial currently recruiting and the ACEMID cohort study to open in Q3 or Q4. In addition, monthly outreach dermatology clinics have been established at Bass Coast Health.

Medical oncology

In addition to supporting unprecedented patient activity, Medical Oncology continues to grow its translational research via the James Foster Alfred Cancer Biobank and other resources. Clinical trial activity has also expanded to include a wide range of tumour streams and early phase trials testing cutting-edge treatments of the future.

Our work in the Bass Coast Health oncology service continues to grow, with the current commitment to increase from two to three days per week, reflecting enormous demand in the region for local treatment.

Our work with the McGrath Foundation has allowed us to recruit two specialist breast care nurses to guide treatment for patients having complex breast cancer treatment.

This has enabled us to reduce requirements for hospital-based cancer care and expand our critical ambulatory nursing care workforce, including via our new Symptom and Urgent Review Clinic (SURC) that provides patients with the fastest possible access to expert cancer clinicians.

Operational highlights

Radiation Oncology

In partnership with Alfred Health, Gippsland Radiation Oncology (GRO), located at La Trobe Regional Hospital in Traralgon, has become Victoria's leading centre for volumetric modulated arc therapy (VMAT) – Breast and Nodal Irradiation. Since treating its first patient in 2017, it has now treated more than 230 breast patients with VMAT. Since implementing the technology in 2019, GRO has also fabricated customised bolus for over 150 patients, including for treating 50 chest walls. 3D printing has resulted in more streamlined treatments, and greater confidence in dosimetric accuracy.

Two new True Beam LINACs (Linear Accelerators) were commissioned, one at The Alfred and the other at GRO, allowing greater flexibility to treat patients.

Highlights in Alfred Health Radiation Oncology (AHRO) research included a trial on the effectiveness of stereotactic ablative radiation therapy (SABR) for patients with limited sites of metastatic cancer. AHRO were the sole Australian participants in this international study, which is now showing improvement in survival for patients treated with SABR, compared with the pre-SABR standard of care. A/Prof Sasha Senthi is leading two follow-up randomised studies at The Alfred. Meanwhile, the first cancer trials hub service was also opened in Traralgon.

Clinical Trials

Alfred was the largest recruiter to the Australasian Leukaemia and Lymphoma Group's first randomised study in allo-transplantation (CAST). Key progress was also made with myelofibrosis, with 7 active trials currently underway. Alfred has the national leading portfolioA which has provided patient access to new drugs including Navitoclax, a new BCL-XL inhibitor, that shows promise as a disease modifying drug. Alfred also expanded access to new therapeutics in ALL with CART, BCL2-BCLxL inhibitors, CD123 BINKE (bi specific NK cell engagers) and Menin inhibitors providing a broad range of options for those with relapsed and refractory disease.

Other Alfred Cancer highlights included the work of the Haematology team, and the innovative Myeloma CAR-T study. The first patient globally was infused in May, and is already showing signs of improvement.

Karen (pictured right, with Radiation Therapist Bec) was the first patient to receive treatment in the new Linear Accelerator at The Alfred.

Alfred Heart and Lung

Alfred Health's Heart and Lung Program is at the cutting edge of treatments for severe heart and lung diseases.

In 2021-22, the team performed 20 heart transplants, 57 lung transplants, 4 paediatric transplants and 17 Ventricular Assist (VAD) implants.

Highlights over the past year include the successful implementation of an off-site operating agreement with external hospitals to facilitate continued timely patient care while the organisation continued to respond to COVID impacts.

The Cardiothoracic Surgery Department performed 60 cardiac procedures and 9 thoracic off-site procedures to aid progression of patient care while Alfred Health prioritised care of COVID patients.

Key research included Prof David McGiffin and Prof David Kaye leading an investigator initiated, multi-centre, clinical trial investigating the effects of non-ischaemic donor heart preservation (NIHP), using the XVIVO heart box system (XHBS), during prolonged ischaemic times. This study may revolutionise heart transplantation, by expanding the ability to safely use longer ischemic time donor hearts and hence increase donor heart availability. One of the trial donor heart runs on the XHBS was for a distance of 3,000 kilometres, which is the longest distance the XHB has ever transported a heart. In addition, we have conducted one Trans-Tasman case. The preliminary findings have shown an absence of ECMO for PGD (primary graft dysfunction) and no mortality with ischaemic times that are so long that they would not be considered safe with static cold storage.

The 100th Pulmonary Thromboendarterectomy procedure was performed, providing lifesaving care for patients suffering Chronic Thromboembolic Pulmonary Hypertension (CTEPH).

Significant achievements in the Respiratory Department included the development of a Respiratory Support Unit to keep patients on high flow nasal oxygen and Non-Invasive ventilation with COVID-19, safe outside of intensive care. Other highlights were the implementation of a home spirometry program to allow lung function testing; the development of a home sleep study service allowing continuation of that service during COVID-19; and the ongoing work of clinical and administration teams to support the COVID-19 response while still caring for our many complex patients.

Alfred Infectious Diseases

Alfred Infectious Diseases has played a leading role in our operational response to COVID-19.

Our nursing teams worked across contact tracing, case management, and contributed to quality and safety as infection prevention experts in areas such as PPE and workflows. Our infectious diseases medical team played a vital role in COVID-19 leadership, institution-wide guidance, COVID-19 clinical care and management guidelines, and infection prevention leadership.

Alfred Infectious Diseases also played a coordinating role on our COVID-19 designated wards.

From a research perspective, among the key projects undertaken has been a study looking into what the COVID-19 virus does, and how it behaves in different people. It will also focus on the interactions between medicines and the virus to better understand how effective any treatments might be.

Other research into COVID-19 included a biobank of clinical samples from patients with COVID-19 and viral/immunological studies, a community-based antiviral clinical trial, and a vaccine efficacy study in immunocompromised patients among the projects on the team's agenda.

Beyond COVID-19, other research highlights included:

- SuperbugAi Project – using electronic medical record data, pathogen genomics and machine learning analytics to tackle Superbugs
- KICK AMR initiative – studies on antimicrobial resistance in Pacific Island countries, in particular Fiji
- Calipso trial – study assessing perio-operative antibiotic prophylaxis in cardiac surgery
- COVID impact on HIV treatment and care – a study which surveyed people living with HIV (PLHIV) about the impact of COVID-19 on their lives and HIV care. The study found widespread negative effects of the COVID-19 pandemic on PLHIV although provision of HIV care and ART continued uninterrupted.
- HIV Cure – the research group continues to collaborate on a range of HIV cure studies though many studies were significantly impacted by COVID.

Professor David McGiffin and Professor David Kaye with the XVIVO box, which is used to keep donor hearts healthy until transplantation. Their ground-breaking research could change the future of heart transplantation, potentially enabling up to 15 per cent more heart transplants to occur each year.

Operational highlights

Melbourne Sexual Health Centre

MSHC has continued to place importance on access to care for those in most need. This has been achieved through the continued provision of services that are free of charge, flexibility through the use of walk-in triage and additional gains from clinical efficiency. Extra clinical services are provided for men who have sex with men, who currently constitute a major risk group for sexually transmitted infections (STIs) in Victoria.

In 2021-22 we saw 37,111 consultations which was a 25 per cent reduction on 2020-21.

During the lockdown Time to Test (TTT) appointments for STI screening were made available every afternoon for clients without symptoms to improve access for clients who required testing.

Eric Chow, Janet Towns and Jason Ong were recognised with research awards for ongoing outstanding work, while Melbourne Sexual Health Centre, as part of the 'Melbourne Collaborative Group' won the 2021 Australasian Sexual and Reproductive Health Alliance Innovation Award.

A new user-friendly website was launched in August 2021.

Alfred Health has continued to receive funding from the Victorian Department of Health to support the General Practice partnership model for STI services, the Victorian Sexual Health Network.

An evaluation of the service by Jason Ong found GPs are well placed to deliver sexual health care with specialist services providing support and training through a hub-and-spoke model. This ongoing and synergistic collaboration has led to a sustained increase in HIV and STI testing.

Three additional GP partners, located in Geelong, Cranbourne West and Yarram, have been added to the existing three GP partners in the network.

In research, our work in collaboration with the Victorian Department of Health has found that the syphilis epidemic in Victoria has become more generalised, with increases among heterosexual men and women residing in outer Melbourne suburbs. More screening, particularly among women of reproductive age, is needed.

As part of a National Health and Medical Research Council (NHMRC) Partnership Project Grant, MSHC has established an antenatal network to screen pregnant women for syphilis in collaboration with major public antenatal services across Victoria. The study's aim is to increase syphilis screening late in pregnancy to prevent congenital syphilis, which has been on the rise.

Recurrence of bacterial vaginosis (BV) following standard treatment is unacceptably high. Post treatment recurrence is distressing for women, and it imposes a considerable burden on the health care system. We found that treating male partners at the same time provided evidence for continued investigation of partner treatment as a strategy to improve BV cure.

Alfred Specialty Medicine

Alfred Speciality Medicine offers a diverse range of acute and chronic services including Rheumatology, Endocrinology and Diabetes, Dermatology, Gastroenterology and Renal Medicine. These services play a critical role in the care of The Alfred community with a particular emphasis on ambulatory health.

Aside from the provision of care in specialist areas of medicine the units also offer support to various organisational transplant programs, with much of their work in sub-speciality acute care for this complex group of patients.

During the continuing pandemic response, the Program and clinical units have worked in innovative ways to meet patient care needs. This includes continuing to support a large volume of acute home care patients in the Peritoneal Dialysis population (over 95 patients), and partnering with offsite private providers to maintain access to Endoscopy service within Gastroenterology, treating 412 endoscopy patients throughout the last 12 months.

The Renal Service continues to support a 'hub and spoke' model with Peninsula Health, supporting infrastructure and patient care delivery across the South East Metro partnership with Frankston, Hastings and Rosebud Dialysis units.

Gastroenterology have reviewed services with assistance from external experts in the field, under the newly appointed leadership of Professor Alex Boussioutas, with key recommendations and service improvement to follow in the coming year.

Emergency

Response to COVID-19

Emergency Entry Zone

In response to the COVID-19 pandemic, an Emergency Entry Zone was established to provide flexible emergency expansion options. The Emergency Entry Zone consisted of two co-located but independent temporary marquee structures situated on the Emergency & Trauma Centre driveway. It ensured COVID positive patients were able to be cared for in a flexible clinical environment, including a capability for mobile X-rays, and delivery of COVID-19 treatment Sotrovimab via infusion.

Conversion of Old Monash to a clinical space – Caring for more patients

As part of our response to COVID-19, the ground floor of the Old Monash building was converted to a clinical space. Opening in November 2021, Old Monash provided additional patient flow out of the Emergency & Trauma Centre (E&TC) for non-COVID patients. During the first Omicron wave, in January 2022, it temporarily switched to provide care for low acuity COVID-19 patients. Opening Old Monash as a clinical space represented a massive engineering and ventilation challenge, due to the age and non-clinical nature of the original building. Its successful completion and ongoing use has significantly aided patient flow from the E&TC into the hospital ward environment.

Other COVID-19 initiatives

Other responses to the pandemic included:

- The establishment of an Ambulance Victoria Cleaning Bay in the helipad car park, saw a dedicated safe area to clean and disinfect ambulances, allowing further crews to arrive when required.
- Concierge role introduced to E&TC Waiting Room in October 2021 with 24/7 coverage to improve safety for patients by minimising the risk of COVID exposure through improved patient PPE compliance and decrease waiting room occupancy.
- Continuous N95 mask use by patients aided in creating a safer environment for other patients and families.
- Infrastructure upgrade of existing cubicle spaces, which were converted to isolation rooms with the addition of glass doors.

Shocked Trauma project

The Shocked Trauma project was undertaken to reduce errors in complex, time critical reception and resuscitation; standardise reception and resuscitation workflows in alignment with recent evidence and best practice; and reduce the time from patient arrival to lifesaving intervention and time critical surgical and radiology procedures.

This has resulted in the development and approval of the Alfred Shocked Trauma Reception & Resuscitation Guideline, with The Alfred Emergency & Trauma Centre trauma bays also undergoing a redesign, including new upgraded equipment.

Virtual ED

A Virtual ED program was launched using the HealthDirect platform. In partnership with Ambulance Victoria, Monash Health and Peninsula Health, Virtual ED provided telehealth video consultations to patients while the ambulance crews are on scene. It was staffed by ED Consultants, clerical teams and care-coordinators who were responsible for patient follow-up; and has been a new and exciting platform to deliver patient care.

Since the Alfred Health Virtual ED was established in late January 2022, there has been a diversion rate of 78 per cent of AV calls. This means most of the patients were able to be provided with alternative care options, easing the burden on AV and the ED. These have included referrals to home care services, GPs and other specialists. The Virtual ED has also been able to distribute prescriptions to be dispensed at local pharmacies close to patients.

Further expansion of the Virtual ED program is underway, with the introduction of overnight coverage from the Alfred Virtual ED night hub. This will allow the program to provide a 24/7 service to ambulance patients from Melbourne's southeast, further decreasing the need for transport to hospital.

Additional Emergency Department initiatives

Other highlights included:

- A massive training, orientation and recruitment effort due to significant demand for new staff and to support operational requirements
- The Alfred played a leading role in the return of the Grand Prix Medical Centre at Albert Park and
- The establishment of the Rainbow Group to partner with diverse consumers who identify as LGBTQI+ and gender diverse to improve their access to emergency health care and experience.

Sandringham Emergency

Initiative and flexibility

In December 2021, Sandringham Hospital introduced Emergency Department pharmacy support Monday to Friday. It also introduced enrolled nurses and non-clinical support with PPE spotters and concierges. It showed its initiative and flexibility during the pandemic with entry point screening to keep patients and staff safe, and ways to manage waiting areas to maximise community safety.

Welcome Project

As part of its commitment to ongoing improvement, and with a significant increase in presentations across the year, the Sandringham Hospital Emergency Department is currently undertaking a Welcome Project. Its aim is to provide a safer experience for staff and patients, with a co-design approach vital to ensure patients are empowered and engaged in their care. Mitigating risk to better meet the needs of vulnerable patients is also an important part of this project.

Emergency and Trauma Centre Associate Nurse Manager Emma Hall.

Operational highlights

Intensive care

With over 700 multidisciplinary staff, 40 doctors completing intensive care training and over 60 students completing their Postgraduate Critical Care studies, The Alfred continued to be a leader across Critical Care, and is home to the largest and most acute ICU in Australia.

There continues to be high demand among patients requiring ventilation, ECMO and complex care. Responding to COVID-19 was a key priority with at one stage the ICU expanding to over 70 beds, expanding the workforce rapidly, including an additional 130 bedside nurses. At one time there were 20 patients on ECMO, the first time this has been done in Australia with patients requiring multiple month long ICU admissions and ECMO runs. Staff safety and wellbeing are of utmost importance, with ICU working hard to achieve no healthcare worker infections among their team. This expansion meant that the Alfred ICU provided more days of care of COVID-19 than any other intensive care unit in Victoria.

The past year has seen the introduction of the Victorian ECMO Service (VECMOS). The Alfred is home to the first coordinated statewide ECMO service in Australia, with a tiered, accredited and networked ECMO system led by Alfred Health. This contributed to world leading outcomes for patients with COVID-19 requiring ECMO. Intensive Care Research continued to grow, with over 130 papers published in the past year.

Our Intensive Care team is part of the largest telehealth network supporting regional intensive care in Victoria, and the only one of its kind in Australia. Multidisciplinary training and in-situ simulation also ensured our staff continued to expand their skill set.

The intensive care team was integral to the National COVID-19 clinical response with Dr David Pilcher the critical care lead for Safer Care Victoria and A/Prof Steve McGloughlin the Executive Director of the National COVID-19 Clinical Evidence Taskforce.

Despite the pandemic, the ICU continued an extensive education program with a focus on mechanical ventilation, ECMO and development of ICU skills.

Meanwhile, Dr Pilcher and A/Prof McGloughlin were awarded the Australian and New Zealand Intensive Care Society President's Medal for services to intensive care.

Surgical services

The statewide response to COVID-19 meant there were several periods during the different peaks of the pandemic when surgical activity was severely restricted. This meant only emergency and the most urgent elective surgical cases could be undertaken.

For a service that historically has treated patients within recommended times, it was a significant change in focus with surgical heads of unit working to ensure equitable and timely treatment of patients requiring urgent surgery.

Our perioperative coordinators working with the many different clinical units, maintained contact with patients on the elective surgery waiting list to ensure they had pathways back into hospital should their condition deteriorate.

While elective surgery was curtailed, there was a 30 per cent increase in emergency and trauma surgery over the time. Extra theatre capacity was created to meet the clinically recommended times for emergency operations. An ongoing project is seeking to support patients with emergency conditions at home before and after surgery in a 'virtual surgical ward'. This will enable efficient use of available beds, while assuring patients receive the treatment needed.

As part of our COVID-19 response in January 2022, surgical and orthopaedic services at Sandringham Hospital temporarily moved to The Alfred. This helped balance the availability of staff long with the demands for patient care across all Alfred Health services. Elective surgery recommenced at Sandringham Hospital in March as part of our COVID Recovery Plan, and Sandringham will be one of eight state government nominated elective surgery 'rapid access hubs'.

Ongoing COVID transmissions and hospitalisations in mid-2022, along with staff shortages, meant the return to a normal elective surgery schedule has been gradual. However, by end of financial year we had made significant inroads to the category two (require surgery by 90 days) and category three (require surgery within 365 days) waiting lists.

As part of our COVID recovery work, we have started projects that optimise the length of stay and enable better utilisation of available beds. We are working to improve preparation for joint replacement surgery – including pain management and weight management – with an expectation this will not only improve outcomes but may mean some patients do not require surgical treatment.

In April 2022, we proposed a new Acute General Surgical Unit to increase access to surgery at Sandringham Hospital and help address levels of deferred care in the community. The proposed model would see the general surgical units at The Alfred and Sandringham Hospital become one, working together under a larger combined program to improve timely patient care, while improving support and supervision of surgical trainees. Consultation with staff is ongoing.

The Surgical Optimisation Project (SOP), launched in July 2021, aims to optimise workflows within perioperative services. It is part of the second phase of our eTQC (electronic Timely Quality Care) program, to streamline patient experience, reduce delays and cancellations, and improve documentation.

Other key projects to support quality of care, efficiency and patient flow include:

- the T10 project focussed on timely discharge at 10 am; and
- the TURN project, aimed at achieving more efficient turnover times in theatre and enabling better theatre utilisation.

Despite challenges providing our normal training experience to junior medical staff, there was a 100 per cent success rate for the anaesthesiology entrance and fellowship exams. There were high success rates for all the surgical specialty fellowship exams and young doctors entering both surgical and anaesthesiology training.

Professor Bill Johnson retired after 40 years at The Alfred, and we are grateful for his outstanding contribution. A/Prof Tony Buzzard and Prof Jonathan Serpell were elected to the prestigious American College of Surgeons Academy of Master Surgeon Educators.

Mental and addiction health

Alfred Health offers a diverse range of mental health services to people of all ages and in a range of settings from in the community to inpatient care.

Following the Royal Commission into Victoria's Mental Health System , we have introduced a number of initiatives to enhance the care we provide our community.

As part of our commitment to improve care for young people, we have expanded our Alfred Hope program to include children and youths, centralised access for referrers, and improved responsiveness for families and referrers.

We continue to expand our lived experience workforce and introduced our lived experience cadet program.

In addition, Alfred Health will play a leading role in overhauling how women access inpatient mental health care, with a specialised 35-bed service announced by the State Government in December last year. In a first of its kind 'public in private' partnership, Alfred Health will deliver the psychiatric expertise to the Specialist Women's Mental Health Centre, based at Ramsay Health's Albert Road Clinic and a spoke service in Shepparton.

Alfred Hope expansion

Since its commencement in 2017, The Alfred Hospital Post-suicidal Engagement program (referred to as Alfred Hope) has offered assertive, community-based clinical and psychosocial support to people and their family or carers in the days after attempting suicide, or when very worried about suicide.

Research into the program found consumers reported significant and sustained improvements in distress, suicidal thinking and wellbeing. They also said care needed to be flexible, respectfully persistent and multidisciplinary to address mental illness, trauma and addiction. It should be offered in a way or time they preferred (e.g. at home or after hours). Commencing engagement early (e.g. within 24 hours of hospital discharge) also improved recovery outcomes and the likelihood of accessing support.

The hybrid model developed for Alfred Hope (e.g. staffed by clinicians, psychosocial support workers and a family therapist) was found to enable people with greater severity of suicidal thinking and psychosocial difficulty to be more engaged with their treatment. Such findings led to the Department of Health recommending hybrid models for all existing and new Hope services in Victoria.

In late 2021, we co-designed with former Alfred Hope consumers, carers and our staff how we would achieve our expansion goals; and commenced accepting out-of-hospital referrals in December 2021. This has enabled us to offer more people care both post-hospital and before a situation has escalated to needing hospital care. Alfred Hope is now running a seven-day service, and has introduced consumer and carer lived experience expertise to the team.

Lived experience cadet program

In March 2022, Alfred Health commenced offering Victoria's first clinical mental health service lived experience cadet program.

Funded by the Victorian Department of Health, it will contribute to growing our lived experience workforce, a key recommendation from the recently completed Royal Commission into Victoria's Mental Health System.

Cadets are paid to complete 17 weeks of supervised practice under the guidance of an experienced Peer Coordinator, and are monitored in their progress towards achieving required knowledge, skills and attributes to be a valued, contributing and thriving member of our and other clinical mental health service workforces.

The program has received positive feedback, with cadets appreciative of the 'hands on' engagement. One cadet has also transitioned into an ongoing inpatient peer support role. The success of the pilot has led to the securing of ongoing funding for the program.

Mental Health Graduate Clinical Nurse Educator Ting Ting Hui enjoys being mentor, understanding the importance of compassionate and empathetic care.

Operational highlights

LAIB treatment and Opiate Agonist Therapy Service

Alfred Health is the site of Victoria's only specialist opiate agonist therapy (OAT) service that is co-located with a public mental health service. We are one of only a handful of clinics that offer affordable and easily accessible long-acting injectable buprenorphine (LAIB) treatment.

LAIB has been a revolution in OAT for individuals with opioid dependence, with a significant reduction in overdose and diversion risks. It is also administered as a cheaper, monthly injection, as opposed to other treatments that require daily medication and supervision. The treatment is offered by our nurse practitioner-led clinic, which is Integrated not only with Alfred Mental and Addiction Health but also with the wider hospital services across both The Alfred and Caulfield via the addiction consultation liaison service.

Elsewhere across Mental and Addiction Health:

- The headspace Eating Disorder Program saw an increase in the progression and acuity of presentations with young people and their families more often presenting in immense distress with weight crises, with more requiring admission to hospital. Outcomes have included 69.2 per cent of patients achieving weight restoration and increased social functioning, with 19.8 per cent achieving partial weight restoration and increased social functioning.
- In response to a local outbreak, a temporary COVID-positive mental health ward was established at Fairfield House. The importance of a skilled multidisciplinary workforce across mental health and infectious disease was found to be the most important consideration in optimising care.
- Work by the Psychological Interventions for Psychosis Service (PIPS) included clinical psychologists in the community being trained in a novel evidence-based intervention for the treatment of persecutory delusions, called 'The Feeling Safe Program'.

For more on our commitment to improving mental health consumer experiences, see the **Our Patients** chapter (p 21).

Emily Wilson is a senior social worker at headspace Elsternwick, which provides dedicated mental health and support services for young people.

Home acute and community

Alfred Home, Acute and Community is a clinical program that plays an integral role, supporting people to maximise their health, independence and functioning, and minimise long-term care needs. It oversees a diverse group of services in settings such as people's homes, community centres and in hospital when indicated.

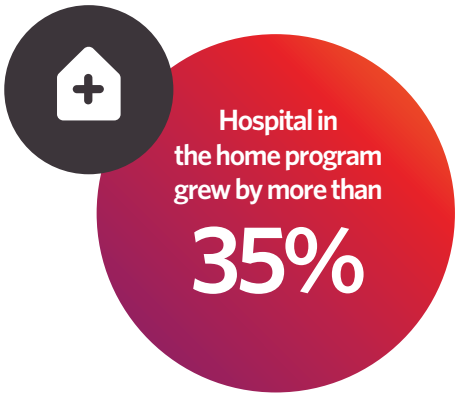
In 2021-22 all of our programs scaled care delivery in the home as a key way of either preventing hospital admission or reducing the patient's time spent in hospital.

We saw growth in our acute Hospital in the Home (HITH) program, which exceeded our annual target by 35 per cent, meeting the needs of our COVID positive patients, but also providing acute care in the home for patients with conditions such as cancer, wound management and general medical needs.

Our Rehabilitation and Health of Older Persons (HOP) teams continued to utilise our Better @ Home service to offer care in the home for patients that was previously limited to inpatient care.

Our Community Integration teams pivoted to meet our patient needs by providing urgent and high priority services to patients in their own homes.

For more on our commitment to care in the home and the community, see the **Our Patients** chapter (p 22).



Specialist clinics (outpatients)

Specialist Clinics provide scheduled medical, nursing and allied health services across many Alfred Health locations. As part of the COVID-19 pandemic response, Specialist Clinics continued to provide care to our patients by telephone, video call and on-site. Throughout the pandemic our clinical and administrative teams have needed to respond quickly to changes in health advice in order to continue to provide care to our patients safely. With approximately 25,000 appointments completed each month, it has been a large task to maintain access to these healthcare services that are essential for our community.

The Alfred COVID-19 Screening Clinic

In response to changed COVID-19 testing requirements and demand, The Alfred COVID-19 Screening Clinic closed its doors on 29 April 2022. The Alfred COVID-19 Screening Clinic provided over 220, 942 tests and was open every single day since its commencement on 12 March 2020.

Entry Point Screening

Entry Point Screening was established in May 2020 to minimise the risk of transmission of COVID-19. This service has continued to screen thousands of staff, patients and visitors attending Alfred Health campuses every day. A number of initiatives have been implemented to make the screening process more efficient, including implementation of an online visitor booking and screening process.

During the year, Entry Point Screening and the COVID-19 Screening Clinic transitioned to Alfred Health Infectious Diseases

General Practice Liaison Service

The GP Liaison Service aims to enhance integration and communication between Alfred Health and primary care providers to ensure seamless care to patients. During the COVID-19 pandemic there was again an increase in the number of GPs contacting the GP Liaison Service for advice regarding changes to services, COVID-19 immunisation and treatment and navigating services across Alfred Health.

In 2021-22 all of our programs scaled care delivery in the home as a key way of either preventing hospital admission or reducing the patient's time spent in hospital.

Delivering quality care

Alfred Health uses a range of indicators and standards to monitor and gauge the quality of care we provide our community.

We benchmark our performance nationally and internally, and strive to ensure everyday care to each patient meets the National Safety and Quality Health Service Standards.

Beyond our work with COVID-19, we are committed to ongoing improvement, building on what we have achieved, and delivering better care and safety to our patients, staff and community.

COVID-19 Vaccination Program Nurse Manager Stacey Cross

Infection prevention

Infection prevention and control measures are adopted across the organisation, including at the Alfred Health complex care and health hotels during their period of operation, minimising patient and staff risks of healthcare-associated infections and improving quality and safety of care.

Due to necessary COVID responses and in response to feedback received from Victorian health services, reporting to the Department of Health of infection rates for some procedures was voluntary up until the 4th quarter of 2021-22. The Infection Prevention Unit at Alfred Health has continued to monitor these events internally in order to ensure continuous quality improvement activities and to reduce infection risk.

COVID-19 responses

Throughout 2021-22, Infection Prevention continued to actively strategise and support Alfred Health's COVID-19 pandemic response. The Infection Prevention (IP) team provided input into the development and review of guidelines, alongside consultation and advice for the ongoing management of COVID-19 patients and staff. Key activity areas included:

- Implementation of an updated contact tracing system to manage multiple positive, symptomatic and staff exposures through a specialised contact tracing database and active follow-up and return to work clearance system in conjunction with Digital Health team.
- Development and delivery of ongoing education and resources for the PPE Spotter Program to assist staff with correct PPE donning and doffing in wards.
- Advice and consultation to the Respiratory Protection Program to maintain safety of our staff and comply with Department of Health (DH) and WorkSafe requirements by;
  - Reviewing N95 use for those with facial hair
  - Reviewing alternate products to N95 masks for use in specified areas
  - Assisting with decisions around fit-testing and availability of masks.
- Advice and consultation to the Hotel Support Services Program on IP-related processes, guidelines, monitoring and training.
- Assisting with development of alerts, placed on the electronic medical record to alert clinicians to a COVID positive, at risk or symptomatic patient.
- Ensuring alignment of Alfred Health policies with Department of Health guidance for COVID responses.

SAB rate

Staphylococcus aureus bloodstream (SAB) infections are serious infections associated with significant morbidity and mortality. The benchmark rate remains at 1/10,000 occupied bed days (OBDs). Across Alfred Health the benchmark rate has been achieved for the period Jan – Mar 2022. From July – Dec 2021, Alfred Health exceeded the benchmark set by DH. Multiple initiatives have been implemented to reduce rates of SAB, including a focus on aseptic technique.

An enhanced reporting process was introduced in 2021 to identify those events that are potentially associated with modifiable factors, in order for treating teams to focus upon improved systems and processes.

The reporting of SAB rates to the Victorian Hospital Acquired Infection Surveillance System was mandatory during Q4 (April – June 2022). Due to COVID workload, reporting was not mandatory from July 2021 to March 2022.

Quarter	Q1 Jul 21 – Sept 21	Q2 Oct 21 – Dec 21	Q3 Jan – Mar 22	Q4 Apr – June 22
OBDs	92,667	95,120	53,830	98,717
SABS	11	10	5	10
AH Rate	1.19	1.05	1.26	1.01
Reported to VICNISS*	No	No	No	Yes

*Victorian Hospital Acquired Infection Surveillance System

Central line-associated bloodstream infections

Central line-associated bloodstream infections (CLABSIs) in our ICU continue to be monitored against the statewide set target of zero. Multiple interventions implemented in the ICU continue and include continued investment in a dedicated ICU infection prevention clinical support nurse, an expanded dedicated nursing resource to insert central lines, improvements with hand hygiene compliance and ongoing compliance assessments and auditing for aseptic technique.

The Alfred ICU continues to care for some of the most complex and acute patients in Australia, representing a population at high-risk for infection. Although the DH benchmark was exceeded during the recent period, zero CLABSI were reported per month for 7 out of 12 months from July 2021 to June 2022.

Delivering quality care

Hand hygiene

Alfred Health's hand hygiene results for all audit periods from 2021-22 were:

Jul 2021 – Sep 2021	87.1 %
Oct 2021 – Dec 2021	88 %
Jan 2022 – Mar 2022	86.8 %
Apr 2022 – Jun 2022	82.5 %

During the COVID-19 pandemic, a particular emphasis has been placed on hand hygiene education in relation to PPE application and removal, together with ongoing auditor training.

Staff influenza vaccination

The 2021 influenza campaign, which ran from May – August, saw 77.9 per cent of staff vaccinated across Alfred Health. The breakdown was 78.2 per cent at Alfred, 74.5 per cent at Caulfield and 80.0 per cent at Sandringham. In 2021 we did not exceed the DH target of 92 per cent of patient facing staff being vaccinated. Due to the rollout of the COVID-19 vaccine and the timing considerations between COVID-19 and influenza vaccinations, together with the minimal numbers of influenza cases seen in Victoria the 2021 influenza campaign was slower to progress.

In 2022, the DH have mandated influenza vaccination for staff who have contact with patients, blood or body fluids. For all other staff Influenza vaccination continues to be strongly encouraged.

Surgical site infection

We monitor infections related to key surgeries, in accordance with DH requirements. In 2021-22 surveillance of orthopaedic surgery (hip and knee replacements) was undertaken. This was monitored internally only for the first three quarters of this year. Rates continue to be low for this cohort of patients.

At Alfred Health, infections following cardiothoracic surgery are also monitored. Following improvement initiatives implemented over recent years, low rates of infection continue to be observed for this cohort of patients.

Antimicrobial stewardship (AMS)

The AMS program aims to optimise antimicrobial prescribing across Alfred Health to ensure patients achieve the best clinical outcomes. AMS rounds targeting broad spectrum antimicrobial prescribing and patients with positive blood cultures continue across all campuses in both the intensive care unit (ICU) and non-ICU settings. An average of 85 patients are reviewed each month in non-ICU wards. To ensure the AMS program continues to respond to future challenges, a review is underway with research partners from Monash University.

Integration between clinical service provision, quality improvement and research are ongoing, including antimicrobial allergy assessment and prevention of surgical site infections. The AMS program, Infectious Diseases Unit, Pharmacy and Pathology service are collaborating to develop individualised antimicrobial dosing to improve clinical outcomes for patients with infections.

Work to improve sepsis management is ongoing, with the median time to antibiotic administration in the Emergency Department being consistently less than 60 minutes. Ongoing work is planned to continue improving timely sepsis management overnight and maintain recent improvements observed in timely sepsis management at MET calls for inpatients.

Carbapenemase-producing Enterobacteriaceae (CPE)

CPE are a group of bacteria that have become resistant to many antibiotics, making them more difficult to treat. Alfred Health continues to follow statewide CPE Management guidelines, initiating timely and relevant infection control measures when indicated, including active screening for patients at higher risk of CPE colonisation, contact tracing and screening for potential inpatient and discharged contacts, increased cleaning initiatives in ward areas, promotion of hand hygiene, and cleaning of shared patient equipment. In 2022, a new strategy has been introduced to support electronic tracking of patients with CPE (e.g. movements across the organisation), in order to support contact tracing activities. Staff education and auditing of clinical practices continue across the organisation. We maintain a close working relationship with the DH regarding management of CPE across the organisation.

Blood management

The team at Alfred Health continue to monitor all aspects of the transfusion process and work to improve safety. To this end, we have been reviewing the potential for use of electronic patient identification and verification systems to support the collection of correct blood products from remote blood fridges and in the safe administration of products to patients.

Our KPIs for wastage remain within target. Overall red cell wastage has been at 1.5 per cent for the last 12 months. All other components are also below targets for the last 12 months. Consent KPI also remains consistently high and above our target of 95 per cent.

Education continues to all staff both in virtual and face-to-face meetings.

The team continues to support blood donation, with Alfred Health participating in the Annual Health Service Challenge with an increased number of donations from last year.

Medication safety

Alfred Health clinicians from a variety of disciplines work together to facilitate improvements, ensuring we administer medications to our patients as safely as possible. Alfred Health has a multidisciplinary Medication Safety Committee of nurses, pharmacists, doctors, clinical governance and consumers inputting into our medication safety program. In recognition of safety issues surrounding certain medication groups, since 2016 multi-disciplinary stewardship committees, led by a specialist pharmacist and a medical specialist, monitor two high-risk medication groups – analgesics and anticoagulants. These Committees ensure up-to-date guidelines, monitoring of usage trends, provision of patient information and integration of advisories and alerts into electronic medication management.

APRILgesia – medication safety month focussing on narcotic (opioid) analgesics

Alfred Health has a successful Analgesic Stewardship Program, which has ensured innovative processes, such as ensuring opioids are not prescribed for longer than necessary on discharge, weaning analgesics after surgery and decreasing the amount of opioids prescribed for inpatients by 14 per cent. The Alfred program has been pivotal in Safer Care Victoria's 2021 Analgesic Stewardship Program, which is supporting six health services to adopt best practice in acute pain management.

April was Medication Safety month ('APRILgesia') at Alfred Health, which promoted safe prescribing, storage and administration of narcotic analgesics. In addition, electronic posters encouraged patients to use analgesics wisely. The Australian Commission for Safety and Quality in Health Care also released national 'Opioid Analgesic Stewardship in Acute Pain' Clinical Care Standards in April 2022, which had input from Alfred specialist pharmacists. The Standard sets out a national goal to ensure the appropriate use and review of opioid analgesics for the management of acute pain to optimise patient outcomes and reduce the potential for opioid-related harm.

VTE prophylaxis dashboard

Anticoagulants are prescribed in over 70 per cent of hospital patients to prevent venous thromboembolism (VTE), the most common cause of preventable in-hospital death. The Alfred Health Anticoagulation Stewardship (ACS) Program aims to improve institution-wide management and oversight of anticoagulation across all settings. The Stewardship Committee monitors coded data and found that 12 months after ACS program implementation, hospital-acquired VTE decreased by 33 per cent and anticoagulant-related bleeds were reduced by 20 per cent. The availability of electronic medications management enables collection of accurate data on prescribing patterns of anticoagulants. In 2021, this data was made available in a format that allows clinicians to check at a glance the anticoagulant-prescribing pattern on a ward level, via a 'live' dashboard.

Harm minimisation

As a result of a COVID surge response, in late 2021 a new interdisciplinary comprehensive care plan was introduced across all inpatient wards to streamline documentation of care planning strategies.

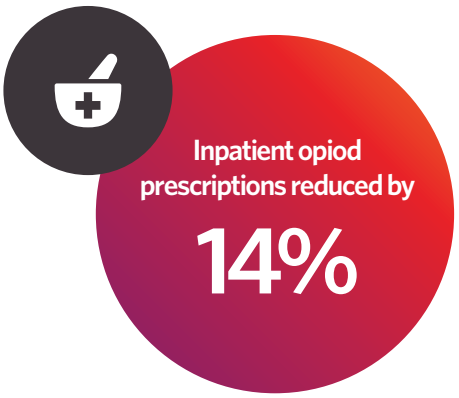
A suite of measures was developed to support the new tool including a Plan at a Glance communication board at every bedside and a risk prevention poster 'Every Patient, Every Time' to ensure team members work together to keep our patients safe.

In conjunction with consumers, an integrated risk prevention brochure titled 'Get Involved in Getting Better @ Home' to support inpatients being cared for by Alfred Health in their home has been developed. The brochure has been translated into key languages.

A patient in isolation taskforce was established in recognition of the increased numbers of patients in isolation as a result of COVID-19. This work included feedback from staff in relation to the challenges experienced by staff to provide care in isolation. Recommendations for improvement have been developed including improving visibility in single rooms where possible.

Many wards have regular interdisciplinary rounds to review patient risk issues and to develop interdisciplinary risk prevention plans. These rounds provide an opportunity for the patient and their family to be involved in identifying and implementing risk prevention strategies.

In early 2022, a new initiative focusing on the transfer of all patients from ICU to the wards was developed. This was to ensure patients had a seamless transition from the ICU, with all the harm minimising interventions in place. For example, pressure relieving mattresses and low lying beds suitable for the ward environment were in place prior to transfer. This initiative ensures proactive use of strategies for pressure injury and falls prevention.



Delivering quality care

Falls

As our inpatient community models of care grow, work is underway to improve recognition of potential patient risk through timely assessment and early implementation of patient education and strategies at home.

There has been a particular focus on falls. Community services across Alfred Health are developing an evidence-based falls guideline that outlines risk screening, prevention planning and post falls response.

	Actual falls	Actual serious injury*
May 2018 – Apr 2019	2,216	25
May 2019 – Apr 2020	2,056	19
May 2020 – Apr 2021	2,031	26
May 2021 – Apr 2022	2,207	19

*Incident Severity Rating (ISR) 1 and 2

Pressure

After a successful SSKIN (surface, skin inspection) campaign in ICU, a SSKIN Poster and resource page is currently being launched, aimed at supporting high-risk wards. These wards are also supported to develop local actions plans to facilitate quality activities around pressure injury prevention.

In response to the increase in patients being cared for in the prone position due to COVID, a review of prophylactic dressings in ICU was conducted resulting in improved pressure injury prevention for this high-risk population.

The release of skin care packs for staff was an initiative which increased awareness about the importance of face care while wearing N95 masks for staff and was well received by staff.

The Wound Clinical Nurse Consultants have worked with the Respiratory Protection Program to support staff with skin damage as a result of N95 use. An associated research project about how to protect staff skin is now underway.

Due to COVID-19 and staffing challenges, the next Pressure Ulcer Point Prevalence Survey (PUPPS)/ BMI audit is now scheduled for October 2022.

The Wound Clinical Nurse Coordinators (CNCs) recognised the need for holistic care of the vascular patient, which followed a ward move during a COVID surge. This resulted in the development of a Vascular staff education package and a Vascular study day in 2021. The work included pressure injury prevention as this patient group can be at high risk of lower limb pressure injuries.

Delirium

A Delirium Dashboard is being developed. It is under the final stages of validation to support clinicians to understand the association between delirium and a patient's risk of falling, developing a pressure injury and/or unintentional weight loss. The dashboard will provide data at organisational, program and ward level to support future quality improvement activities at both local and organisational levels.

Malnutrition

Work plan priorities for the nutrition committee include reviewing mealtime experience for inpatients. A food service project is exploring processes for identifying patients who need meal set up or assistance and barriers to providing this support.

In line with the increase in patients receiving home-based therapies, the nutrition committee is exploring implications on nutrition in the home-based setting.

Workforce education has occurred to improve comprehensive care plan completion and ensure mandatory nutrition strategies are in place for patients at risk of malnutrition.

ICU procured more up-to-date metabolic carts and staff are in the process of receiving training to ensure competency in their use. Automated scales have been trialled in outpatient areas since May 2021.

The release of skin care packs for staff was an initiative which increased awareness about the importance of face care while wearing N95 masks for staff and was well received by staff.

Performance

Strategic Priorities – Alfred Health Statement of Priorities 2021-22 – December 2021

Strategic Priorities set out by Minister for Health	Alfred Health Key Deliverables	Progress 30 June 2022	Exec Sponsor
Maintain your robust COVID-19 readiness and response to outbreaks, including: • Provision of testing to community and staff. • Participate in, and assist with, implementation of COVID-19 vaccine program, ensuring your local community's confidence in the program.	Implementation of COVID Response plans • Infection prevention and contact tracing • COVID Surge Capacity (emergency and ICU) • COVID screening service and surveillance programs • COVID Community Pathway Delivery COVID vaccine program as a Specialist Immunisation Service	**COMPLETED** Alfred Health continues to maintain an effective and robust COVID response plan: • Extended Emergency and Trauma Centre by 30 additional Emergency cubicles/treatment spaces. • 35 additional ICU beds to enable total capacity 80 ICU beds. • Adapted the main ward environment to provide 212 COVID-dedicated ward beds. • Established COVID pathology testing capacity of 5,000 tests/day, approximately 3,000 people per day are tested through The Alfred Pathology service.	**COO**
Support and assist in the response to the COVID-19 Pandemic and to help protect the Victorian Community from the spread of COVID-19 by providing for the hotel quarantine program: • Health and Wellbeing services • Infection prevention and control expertise • Other services. (As set out in the Health and Wellness Services Terms of appointment)	Delivery of health and wellness services (COVID-19) agreement between Alfred Health and State (Department of Justice and Community Safety) Operationalise Health Hotel and Complex Care Hotel Provide fit-testing service to Victoria Police Provide a Vaccination Service to CQV	**COMPLETED** Alfred Health • Cared for over 6711 people in the AH Health hotels. • Provided fit-testing services for over 5,000 VicPol staff/CQV staff.	**COO**
Drive improvements in access to emergency services by: • Reducing emergency wait times • Improving ambulance to health service handover times • Implementing strategies to reduce bed blockage to enable improved whole of system flow.	Expansion of Emergency & Trauma Centre footprint to support timely inpatient admissions and transfers out • Old Monash clinical unit • Emergency entrance zone for COVID positive demand • Planned Emergency Short Stay Unit (ESSU) expansion in early 2022 Work in partnership with AV to improve ambulance offload times with a focus on handover of care and ensure patient safety Implementation of digital access flow tools (electronic journey boards) and operational coordination centre	**COMPLETED** Extended Emergency and Trauma Centre by 30 additional Emergency cubicles/treatments spaces to manage the increased demand. Extension of Emergency Short Stay Units. Established dedicated AV vehicle and staff amenity to assist in offloading. Implementation of Operational access command centre to manage patient flow and capacity response is in progress. Implementation of Electronic Journey Boards is progressing.	**COO**

CFO: Chief Financial Officer, **COO**: Chief Operating Officer, **CXO**: Chief Experience Officer,
ED S & P: Executive Director, Strategy and Planning

Performance

Strategic Priorities set out by Minister for Health	Alfred Health Key Deliverables	Progress 30 June 2022	Exec Sponsor
Actively collaborate on the development and delivery of priorities within the South East Metro Health Partnership: • Contribute to inclusive and consensus-based decision making • Support optimum utilisation of services, facilities and resources • Be collectively accountable for delivering against partnership accountabilities.	Pathology partnership Outpatients Improvement Project – referral systems Elective Surgery – coordination of waiting lists Creation of shared technology framework and system for all members of the partnership for Payroll and HRIS Corporate/shared services Agreed framework and plan for delivery of corporate services to Pathology partnership	**PROGRESS MADE** Joint pathology service approved by Alfred Health and Monash Health boards, pending DH approval. Work is progressing on the use of a shared outpatient referral system across SE Metro Health Service Partnerships. SE Metro Health Partnerships have focused on the outsourcing of elective work to private health services. Business case for shared payroll/ HRIS system close to approval by respective Boards and implementation planning advanced. HealthShare Victoria contracts for supplier and implementation partner close to finalisation.	**CFO/ ED S&P**
Engage with our community to address the needs of patients, especially vulnerable Victorians whose care has been delayed due to the pandemic and provide the necessary catch-up care. Work with South East Metro Health Partnership to: • Implement Better @ Home initiative to enhance in home and virtual models of care • Improve elective surgery performance and ensure that patients who have waited longer than clinically recommended have their needs addressed as a priority.	Deliver additional elective surgery Establish partnerships to build capacity and capability within health system (regional/private/primary care) Population Health strategy – improve health outcomes (including First Nations People) Better at Home implementation and digital tools to improve healthcare	**PROGRESS MADE** Alfred Health has focused on working with private hospitals, through the SE Metro Health Service Partnership, to deliver elective surgery during the pandemic. Final plans for 22-23 FY are in progress so we will achieve our NEST targets. Piloting digital health tools (remote monitoring) for Better at Home continues.	**COO**

Billing Administrator Roshan Amunupurage is part of Alfred Health's Finance Team.

Strategic Priorities set out by Minister for Health	Alfred Health Key Deliverables	Progress 30 June 2022	Exec Sponsor
Address critical Mental Health demand pressures and support the implementation of mental health system reform: • Embed integrated mental health and suicide prevention pathways for people with or at risk of mental illness or suicide through whole of system approach • Actively participate in health service partnership and partnerships engagement with regional mental health and wellbeing boards.	Establish public/private partnership to deliver additional specialised Women's Mental Health services Implementing a 7-day service model across the age ranges to reduce of the risk of suicide Ongoing engagement with the primary health networks to develop plans to respond to people at risk of suicide Expanded community programs with the aim of reducing acute demand Enhance youth mental health services as a response to the impact of the pandemic	**PROGRESS MADE** Specialist Women's Mental Health service in partnership with Ramsay will commence Sept-Oct 2022. Expanded suicide prevention service for adult program. Established suicide prevention service for Child and Youth. Additional youth services commenced with a focus on eating disorders, psychological distress and self-harming behaviours.	**COO**
Embed the Aboriginal and Torres Strait Islander cultural safety framework into your organisation • Build continuous quality improvement approach to cultural safety underpinned by aboriginal self-determination • Ensure culturally safe care for Aboriginal patients and families • Provide culturally safe workplaces for Aboriginal employees.	Aboriginal Cultural Safety Plan Development and implementation of Aboriginal and Torres Strait Islander workforce strategy Create culturally safe environment – Aboriginal Garden Aboriginal Health outcomes Working Group Finalisation of the new Reconciliation Action Plan (RAP)	**PROGRESS MADE** Aboriginal cultural safety plan progress report submitted to DH in December 2021. Alfred Health Aboriginal and Torres Strait Islander Employment strategy to be developed 2022-23 led by an Equity, Diversity and Inclusion Consultant. Aboriginal Garden under construction to be completed by August 2022. Aligning Aboriginal Health Liaison Officers with Patient Experience and Consumer Engagement team. New Innovation RAP completed (including workforce elements) and endorsed by Reconciliation Australia, in design by Aboriginal-owned business.	**CXO**

Performance

Part B: Performance Priorities

High quality and safe care

Key performance indicator	Target	2021-22 actuals	
Accreditation			
Accreditation against the National Safety and Quality Health Service Standards	Accredited	Accredited	
Infection prevention and control			
Compliance with the Hand Hygiene Australia program	85%	87.4%	
Percentage of healthcare workers immunised for influenza (April 2021 to August 2021)	92%	77.9%	
Patient experience	Target	2021-22 actuals	
Victorian Healthcare Experience Survey – percentage of positive patient experience responses	95%	88.6%	
Percentage of mental health consumers reporting a 'very good' or 'excellent' experience of care in the last 3 months or less	80%	58%	
Percentage of mental health consumers reporting they 'usually' or 'always' feel safe using this service	90%	89%	
Healthcare associated infections (HAIs)			
Number of patients with surgical site infection	No outliers	Procedure	2021-22
		CABG	10
		Ortho	4
		Colorectal	N/A
Reduce long waiting elective surgery patients	5%		28.5%
Number of patients with ICU central-line-associated bloodstream infection (CLABSI)	Nil	Line days	13,089
		Inf count	8
		Rate per 1,000	0.61
Rate of patients with SAB[1] per 10,000 occupied bed days	≤ 1		1.1
Adverse events			
Unplanned readmission hip replacement	Annual rate ≤ 6%		0%

1 SAB is Staphylococcus Aureus Bacteraemia

Key performance indicator	Target	2021-22 actuals
Mental Health		
Percentage of closed community cases re-referred within six months: adults and aged persons	<25%	16%
Percentage of closed community cases re-referred within six months: Adult	<25%	37%
Percentage of closed community cases re-referred within six months: Aged	<25%	22%
Rate of seclusion events relating to an adult acute mental health admission per 1,000 occupied bed days	≤ 10	9/15
Rate of seclusion events relating to an aged acute mental health admission per 1,000 occupied bed days	Variance ≤ 5	0/15
Percentage of child acute mental health inpatients who have a post-discharge follow-up within seven days	88%	88%
Percentage of adult acute mental health inpatients who have a post-discharge follow-up within seven days	88%	90%
Percentage of aged acute mental health inpatients who have a post-discharge follow-up within seven days	88%	79%
Percentage of adult acute mental health inpatients who are readmitted within 28 days of discharge	<14%	16%
Percentage of aged acute mental health inpatients who are readmitted within 28 days of discharge	<14%	13%
Continuing Care		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥0.645	0.610

Strong governance, leadership and culture

Key performance indicator	Target	2021-22 actuals
Governance, Leadership and Culture		
People matter survey – safe culture among healthcare workers	62%	70%

Effective financial management

Key performance indicator	Target	2021-22 actuals
Finance		
Operating result ($m)	$0.00	$0.48m
Average number of days to paying trade creditors	60 days	37 days
Average number of days to receiving patient fee debtors	60 days	76 days
Adjusted current asset ratio	0.7	0.91
Actual number of days a health service can maintain its operations with unrestricted available cash, measured on the last day of each month	14 days	17 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤ $250,000	Not achieved

Performance

Timely access to care

Key performance indicator	Target	2021-22 actuals	
Emergency care		**The Alfred**	**Sandringham**
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	70%	81%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time	80%	59%	62%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours (NEAT)	81%	63%	71%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	0	0

Mental Health		**Alfred Health**
Percentage of 'crisis' (category C) mental health triage episodes with a face-to-face contact received within 8 hours	80%	80%
Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours	81%	66%

Elective surgery		**Alfred Health**
Number of patients on the elective surgery waiting list as at 30 June 2022	3,210	3,058
Number of patients admitted from the elective surgery waiting list	7,275	7,351
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%	73%
Number of hospital initiated postponements per 100 scheduled elective surgery admissions	≤ 7	3
Reduce long waiting elective surgery patients	5%	28.5%

Specialist clinics		**Alfred Health**
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	61.7%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	88.9%

Part C: Activity and funding

	2021-22 activity achievement
Consolidated activity funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	114,418
Acute Admitted	
National Bowel Cancer Screening Program NWAU	3
Acute admitted DVA	6,797
Acute admitted TAC	520
Acute Non-Admitted	
Radiotherapy WAUs Public	72,452
Radiotherapy WAUs DVA	647
Home Enteral Nutrition NWAU	269
Home Renal Dialysis NWAU	1,063
Subacute / Non-Acute Admitted & Non-admitted	
Subacute WIES – DVA	87
Transition Care – Bed days	18,969
Transition Care – Home days	6,499
Aged care	
HACC	15,008
Mental Health and Drug Services	
Mental Health Ambulatory	92,968
Mental Health Inpatient – Available bed days	20,626
Mental Health Subacute (inc CCU and PARC)	8,133
Drug Services	146
Primary Health	
Community Health/Primary Care Programs	9,634
Other	
NFC – Paediatric Lung Transplantation	4

Performance

Financial summary

A Net Operating Result of $0.477m was recorded in 2021-22. The result is in line with the Net Operating Result target in the Statement of Priorities. Total revenue and expenditure increased in financial year 2021-22 largely due to Alfred Health's response to the COVID-19 pandemic.

The decline of $22.2 million in the Net Result from Transactions in 2021-22 reflects lower capital revenue recognised following a decrease in capital expenditure mainly related to the Paula Fox Melanoma and Cancer Centre where a large land purchase was made in 2020-21.

Net Assets decreased by $39.6 million in the 2021-22 financial year. This was largely due to the factors mentioned above as well as a decline in investments due to volatility in global markets and a change in long service leave model, leading to a higher liability being recognised at 30 June 2022.

During the year Alfred Health continued to find efficiency improvements while providing excellent patient care. Despite being disrupted by the COVID-19 operating environment, the operating surplus is a result of the health service continuing its commitment to achieving savings targets through efficiency programs and close monitoring of costs.

	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000
Operating result*	**240**	**193**	**504**	**243**	**477**
Total revenue	1,228,190	1,314,925	1,420,708	1,618,690	1,762,461
Total expenses	(1,264,477)	(1,352,319)	(1,452,121)	(1,619,231)	(1,785,672)
Net result from transactions	**(36,287)**	**(37,394)**	**(31,413)**	**(541)**	**(23,211)**
Total other economic flows	2,570	(6,938)	(9,674)	4,645	(16,931)
Net result	**(33,717)**	**(44,332)**	**(41,087)**	**4,104**	**(40,142)**
Total assets	1,160,112	1,446,645	1,486,095	1,586,391	1,681,851
Total liabilities	338,323	356,039	450,252	510,147	645,249
Net assets / Total equity	**821,789**	**1,090,606**	**1,035,843**	**1,076,244**	**1,036,602**

*The years described in this table refer to financial years ended 30 June of the relevant year.

Reconciliation of net results from transactions and operating result

	2022 $'000
Operating Result	**477**
Capital and specific items	
COVID-19 State Supply Arrangements – Consumables received free of charge or for nil consideration under the State Supply	17,881
State supply items consumed up to 30 June 2022	(17,387)
Capital purpose income	68,683
Assets provided free of charge	2,085
Depreciation and amortisation	(93,919)
Other	(1,031)
Net result from transactions	**(23,211)**

The net operating result is the result for which the health service is monitored in its Statement of Priorities, also referred to as the net result before capital and specific items.

Years described in the table refer to financial years ended 30 June of the relevant year.

Information and communication technology (ICT) expenditure

The total ICT expenditure incurred during 2021-22 is $54.3 million (excluding GST):

Business as usual (BAU) ICT expenditure ($m)	**48**
Non-business as usual (non-BAU) ICT expenditure ($m)	**6.3**
Operational expenditure ($m)	*5.4*
Capital expenditure ($m)	*0.9*
Year	**30 Jun 2022**

Research and partnerships

Our ongoing dedication to research has been essential in delivering innovative care to our community.

As we look ahead, we will continue to conduct clinical trials outside our hospital environment, collaborate with our partners across the healthcare sector both locally and abroad, and support students who represent our future workforce.

Gippsland resident Steve Wadey has been on four clinical trials at The Alfred. He is now an ambassador in his local community sharing his insights on what clinical trials are, with Latrobe Regional Hospital now open to clinical trials. His participation is part of TrialHub's Regional Trials Ambassador program.

Research highlights

Breakthrough finding connects irregular heartbeats and epilepsy

A trial led by researchers at Alfred Health and Monash University, in collaboration with the Royal Melbourne Hospital, has found that people with chronic drug-resistant epilepsy have a high incidence of irregular heartbeats that can lead to cardiac arrest, providing a new pathway for preventive treatment.

The breakthrough finding suggests there is a link between irregular cardiac arrhythmia and the incidence of premature mortality including Sudden Unexpected Death in Epilepsy (SUDEP), previously thought to be irrelevant.

Led by Dr Shobi Sivathamboo from the Monash Central Clinical School's Department of Neuroscience and Alfred Health's Department of Neurology, the researchers used implantable cardiac monitors with 31 patients over a 12-month period to assess the link between epilepsy and the heart.

The researchers detected a high incidence of a repeating pattern of cardiac arrhythmia called ventricular tachycardia, which can lead to ventricular fibrillation – a life-threatening arrhythmia – and cardiac arrest. As a result of the trial, three participants received potentially life-saving treatment.

Patients with epilepsy are at an increased risk of premature death from cardiovascular disease (CVD) but the link between epilepsy and CVD is not clear. This novel finding may be a contributing factor associated with the incidence of premature mortality including SUDEP.

Key urology research undertaken

Alfred Health has continued to play a leading role in urology research. Urologist A/Prof Jeremy Grummet and anaesthesiologist Dr Alex Konstantatos successfully completed a Cancer Australia Funded RCT (randomised control trial) titled "Pain-free TRUS B': a phase three double-blind placebo-controlled randomised trial of methoxyflurane with periprostatic local anaesthesia to reduce the discomfort of transrectal ultrasonography-guided prostate biopsy (ANZUP 1501)".

It found no evidence that methoxyflurane improved pain scores at 15 minutes. However, improvements were seen in patient reported discomfort, overall experience, and willingness to undergo repeat biopsies. A/Prof Grummet conceived the trial, was an original principal investigator and The Alfred was a recruiting site.

Trials gives new hope for those with hard-to-treat cancers

Two international studies looking at whether high, tightly controlled ultra-high doses of radiation can help people live longer are underway at The Alfred. The Alfred has enrolled multiple patients and is the only site in Australia currently giving patients access to these trials.

In the SABR-COMET 3 and SABR-COMET 10 trials, The Alfred's radiation oncology team is using the Stereotactic Ablative Body Radiotherapy (SABR) technique to target metastatic cancer. Hard-to-treat lesions that spread from the original cancer site to other organs such as the brain, lungs or liver can be difficult to remove with surgery without risking damage to healthy tissue even when they are isolated With SABR, patients with up to 10 lesions can now have these lesions effectively removed.

SABR is delivered on a modern linear accelerator with additional technology, means these types of tumours can be specifically targeted, while avoiding major and potentially fatal side effects for patients. The trial will shed light on whether treating metastatic cancer in this way would improve quality of life and extend the lifespan of patients.

Both SABR-COMET 3 and SABR-COMET 10 are phase III trials run out of Canada. They will definitively build on the original SABR-COMET phase II trial that found SABR improved survival and maintained quality of life for patients with up to five metastatic lesions.

New burns treatment a step closer

Researchers at The Alfred are moving to revolutionise burns treatment with the introduction of bioengineered skin.

It is hoped the development of a skin graft substitute will significantly enhance treatment outcomes by eliminating the need to use for patients to use their own unburned skin to graft burns.

The project has been under development for more than ten years, and will be trialled by the Victorian Adult Burns Centre until 2023.

Charles Frederick, the first patient to participate in the SABR-COMET 3 trial outside of Canada, with the treatment team.

Research and partnerships

Alfred Research Alliance

The Alfred Research Alliance brings together eight independent and diverse organisations to create a community of excellence for medical research, education and health services: Alfred Health, Monash University, Baker Heart and Diabetes Institute, Burnet Institute, Deakin University, La Trobe University, Nucleus Network and 360biolabs. All members are co-located at the Alfred precinct, but the impact of their outcome-driven, patient-centred research extends across Victoria, Australia and internationally.

With a shared commitment to solving the world's most pressing health challenges, in 2021-22 Alliance members continued to advance medical discovery and improve clinical practice across their eight key research strengths:

- Blood diseases and cancer
- Cardiovascular disease
- Diabetes and obesity
- Epidemiology and public health
- Infection and immunity
- Mental health and neuroscience
- Nursing and allied health
- Trauma, critical care and perioperative medicine

In 2021, Alliance researchers published a total of 3006 articles, including original research articles, reviews, book chapters and books.

In 2021, 661 clinical trials commenced or continued at the Alfred Research Alliance. Of these, 391 were commercially sponsored trials (59 per cent of all trials at the precinct) and 270 were investigator-initiated (41 per cent of precinct-based trials).

We also congratulated 244 students on completing their masters and doctoral degrees.

COVID-19 and the Alfred Research Alliance

Over the past two years, the Alfred Research Alliance has demonstrated outstanding determination and commitment to improving health outcomes for patients and the community, as each member organisation mobilised to play key roles in the COVID-19 pandemic response.

The innovation and discovery that began on this site in early 2020 has rippled out to benefit the rest of the state, country and world. Throughout 2021-22, researchers on the precinct have played a leading role in the following areas:

- Clinical practice
- Vaccine development
- Virus treatments
- Advising government
- Testing and diagnostics
- Patient wellbeing
- Long-term effects of the virus
- Impacts of the pandemic

Key projects included one on caring for patients in isolation. Led by Alfred Deakin Professor & Chair In Nursing (Alfred Health) Prof Tracey Bucknall, the project received funding from several partners including $100,000 through the Victorian Nurses and Midwives Trust.

Research funding

Alfred Health researchers were lead investigators of several new NHMRC (National Health and Medical Research Council) grants commencing in 2022.

Centre of Research Excellence

- Prof Carol Hodgson: A Centre for Research Excellence to Transform Outcomes of Critically Ill Patients in ICU (CRE-ICU). $2,500,000

Investigator Grants

- Prof Paul Myles: Improving the Impact and Efficiency of Perioperative Clinical Trials. $3,241,612
- Prof David Kaye: Better care for HFpEF patients through integrated basic, clinical and translational research. $2,741,612
- Prof Mark Fitzgerald: Reducing Resuscitation Errors. $1,500,000
- Dr Andrew Neal: Stereo-EEG and precision neuropsychology: optimising epilepsy surgery and minimising neurocognitive risk. $650,740
- Dr Aiden Burrell: Improving Outcomes after Extracorporeal Membrane Oxygenation. $450,370

Medical Research Future Fund

- A/Prof Trisha Peel: Duration of Cardiac Antimicrobial Prophylaxis Outcomes Study (CALIPSO): multicentre, adaptive, double-blind, three-arm, placebo-controlled, non-inferiority trial examining antimicrobial prophylaxis duration in cardiac surgery. $7,979,999.10
- A/Prof Zoe McQuilten: Fibrinogen Early In Severe Trauma Study II (FEISTY II). $3,162,379.40
- Adj. A/Prof Charles Pilgrim: SCANPatient: Synoptic reporting of CT scans assessing cancer of the pancreas. $2,970,301.10
- Prof Paul Fitzgerald: Evaluating the efficacy of psilocybin-assisted psychotherapy in treatment of resistant depression. $2,727,173
- Dr Aidan Burrell: REDEEM: A Randomised Controlled Trial of ECMO to Desedate, Extubate Early and Mobilise in severe acute respiratory infection. $2,534,432
- Prof Andrew Spencer: More efficient delivery of high-cost standard-of-care therapies in relapsed multiple myeloma using real-time feedback of patient-reported outcome measures: the MY-PROMPT-2 trial. $1,678,493
- Prof David Kaye: The Artificial Heart Frontiers Program. $999,570
- Prof Carol Hodgson: ECMO-Rehab: A Randomised Controlled Trial of Early Cardiac Rehabilitation to Improve Survival and Recovery in Critically-ill Patients on ECMO. $662,648.57
- Prof Terence O'Brien: Exercise therapy for mild traumatic brain injury (mTBI) and persistent post-concussion symptoms (PPCS) across the lifespan. $499,705
- Prof Andrew Udy: PRECISION-TBI – Promoting evidence-based, data driven care for critically ill moderate-to-severe TBI patients. $499,477.70
- Dr Gerard O'Reilly: The Australian Traumatic Brain Injury National Data (ATBIND) Project. $365,995

Ideas Grants

- Prof Harshal Nandurkar: A novel single treatment for two serious complications of allogeneic stem cell transplantation: acute graft-versus-host disease and sinusoidal obstruction syndrome. $1,863,376
- Dr Mastura Monif: Glioblastoma – inhibition of P2X7R as a potential therapeutic target for treatment of this aggressive cancer. $842,094
- Prof Patrick Kwan: Machine learning models for personalised epilepsy management. $781,017.60

Monash Partners Academic Health Science Centre

The purpose of Monash Partners is to connect researchers, clinicians and the community to innovate for better health for around three million Australians and beyond. Monash Partners supports two universities, seven health services, and three medical research institutes with reach into regional Victoria.

Highlights have included establishing a formal data-sharing relationship to streamline the process of achieving safe, lawful and appropriate sharing of data with Monash Partners' membership organisations including Alfred Health.

A national data infrastructure grant supporting a strong collaborative partnership between Monash University and health partner data teams, including Alfred Health, was awarded with world leading data extraction software for rapid identification of patients for clinical trials, successfully implemented.

Monash Partners co-led the Victorian Healthcare and Aged Care Workers (COVIC-HA) cohort study that monitored physical and psychological health and serology for COVID-19 infection to examine exposure. The findings informed organisational responses matched to workers' needs; and safeguarded health and wellbeing.

It also developed a collaborative endeavour in Emergency Care bringing together a multidisciplinary group of emergency care clinicians and researchers from 13 Emergency Departments (Including The Alfred) across the Monash Partners network, providing a unique opportunity for collaborative research and translation to improve healthcare for the community.

TrialHub

TrialHub is an Australian-first pilot that is closing the gap in regional/rural and metro patient access to clinical trials by supporting hospitals across Victoria to establish, or improve, their own clinical trial unit.

Among its key work has been with oncology, with more than 170 regional patients recruited to clinical trials at their local hospital. Mildura Base Hospital, Northern Health, Rosebud Hospital, Bendigo Health and Latrobe Regional Hospital are among the health services TrialHub has partnered with. This is been possible through leveraging the clinical trial excellence and expertise of Alfred Health's medical oncology, melanoma and haematology trial units.

TrialHub has also seen growth in other clinical trial areas. It has played a key role in connecting health services such as The Alfred, pharmaceutical companies, NGOs and researchers with clinical trial units in outer metropolitan, regional and rural areas. They work in collaboration to address inequities in clinical trial access for patients in regional and remote areas, as well as socially disadvantaged groups.

Key highlights have included:

- Upskilling the regional workforce, including an Australian-first clinical trial pharmacist training program. This has resulted in standardised, common practice for both pharmacists and coordinators aligned to the National Governance Framework.
- An expansion of the TrialHub oncology fellowship program that has resulted in a dedicated Haematology fellowship rotation between Latrobe Regional Hospital and Alfred Health to inform Gippsland Alfred Health Haematology Fellow Early Career Specialist Program

Beyond this, TrialHub is playing a leadership role in the emergence of the teletrial model.

The purpose of Monash Partners is to connect researchers, clinicians and the community to innovate for better health for around three million Australians and beyond.

Projects and infrastructure

The importance of building better infrastructure to deliver quality care is a key priority for Alfred Health.

This was highlighted by construction of the Paula Fox Melanoma and Cancer Centre commencing. We are committed to working with governments of all levels so further investment can be made to enhance the care we provide our community.

Philanthropist Paula Fox visiting the site of the Melanoma and Cancer Centre which is to be named in her honour.

Victorian Melanoma and Clinical Trials Centre

Construction has commenced on the new Victorian Melanoma and Clinical Trials Centre.

Located on St Kilda Rd, it will bring together specialist researchers, clinical care and cancer patient treatment facilities under one roof and will drive innovation in cancer research and provide comprehensive skin cancer care services.

The new centre will be known as the Paula Fox Melanoma and Cancer Centre, and will be home to the Victorian Melanoma Service, Alfred Cancer Services, and the Australian Clinical Trials Centre.

The centre is a part of the Alfred Health's greater 'TrialHub' program, connecting rural and regional Victorians to clinical trial opportunities.

It will have capacity for almost 300 patients per day across 25 clinic rooms and 49 chemotherapy treatment chairs, for patient screening, assessment and treatment.

The hospital and research centre is expected to be operational in 2024.

Redeveloping The Alfred

As outlined in Alfred Health's Strategic Plan 2021-23, we are working closely with the Department of Health on developing a new facility at The Alfred so we can continue to provide world-class critical care.

The St Kilda Wing and new Inpatient Tower will be the most significant hospital infrastructure development in Victoria's history.

It will provide the essential facilities for The Alfred to continue its role as the care provider for the most complex patients in Victoria, including major trauma, transplants and psychiatric intensive care.

Alfred Lane safety and security upgrade

The installation of safety totems installed along Alfred Lane was an important security measure undertaken during the year.

The safety totems include a fully integrated CCTV, duress and lighting solution. There is a 360 degree camera at the top of each totem recording 24/7, with footage viewable on CCTV. Each totem also has on-button activation which can trigger a strobe/siren, overhead flood lighting and will call security.

The security upgrade follows staff feedback, where safety was raised as an issue that needed addressing.

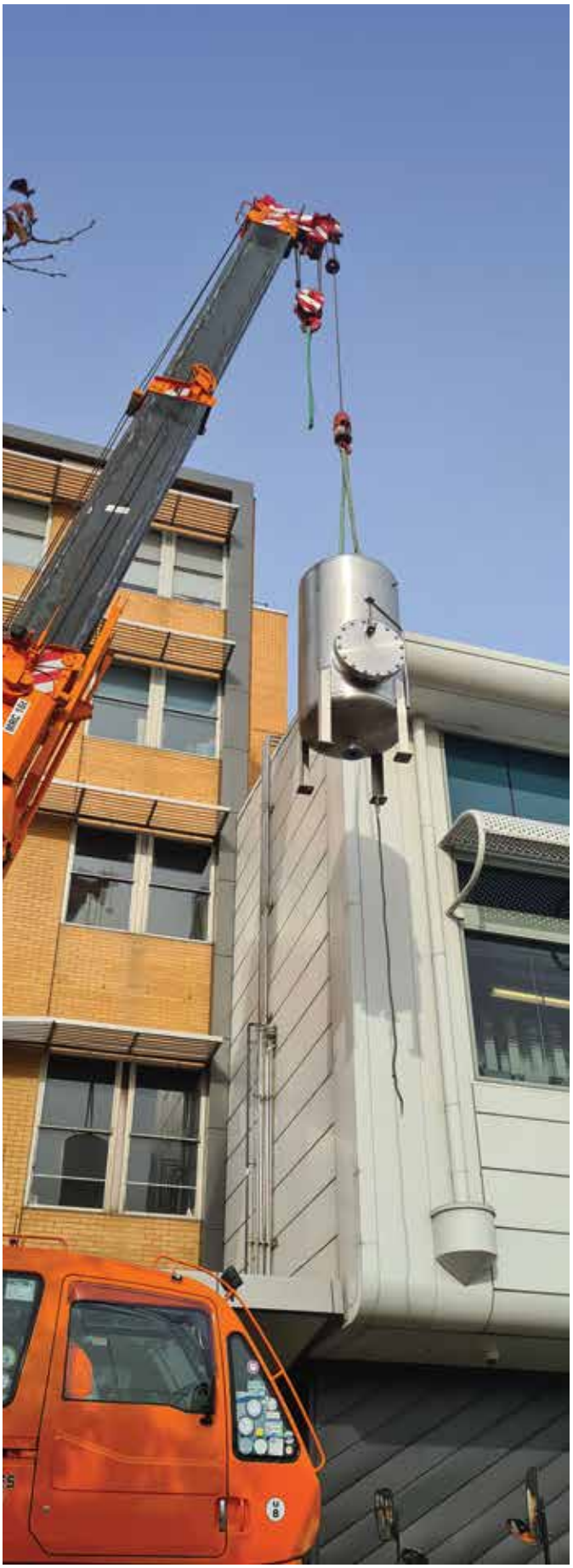
In addition to the safety totems, other safety works along Alfred Lane have included improved pedestrian access through upgraded pathways and vehicle speed controls.

Psychiatric Inpatient Unit security upgrade

An upgrade of security in the Psychiatric Inpatient Unit at The Alfred was completed. The works included safety upgrades in the Low Dependency Unit, and the development of a female-only lounge on the first floor of Psychiatry. The project included upgrades to bedroom door security, and the creation of female-only zones. These essential works are part of Alfred Health's commitment to providing a safer environment to consumer and patients under our care.

Prime Minister Anthony Albanese and Premier Dan Andrews visited the site for the Paula Fox Melanoma and Cancer Centre this year.

Projects and infrastructure



A major upgrade of the Hyperbaric Unit occurred in 2021.

Sandringham Hospital Emergency Short Stay Unit (ESSU)

As part of our COVID-19 Recovery plan, a new co-located ESSU was established at Sandringham Hospital. The new semi-permanent modular building will allow us to increase surgical cases within the hospital. The project is part of the Victorian Government's establishment of Rapid Access Hubs.

Caulfield Solar Panels

The Caulfield Solar Cell installation Project was an important measure undertaken which not only helped minimise our environmental impact, but also saved on power costs. See **Environment** chapter for details.

Hyperbaric upgrade

A major upgrade of The Alfred's Hyperbaric Unit 'Fire Deluge System' was completed in July 2021. This was part of a 20-year upgrade of the Hyperbaric Unit.

The works included a significant enhancement of many mechanical and electrical systems to the Hyperbaric Multi Chamber and will provide an important boost to patient safety and care.

Alfred Health have also been involved in the Metro Tunnel Project. The Hyperbaric Service provides medical support which is mandated for tunnelling projects where compressed air work is required.

This includes emergency medical advice and treatment, as well as occupational health and safety for compressed air workers.

COVID Works

We have continued to make safety a key priority during the pandemic by investing in important infrastructure.

COVID-19 Wards

In our COVID-19 Wards, we undertook improvement works to ventilation, with exhaust systems with HEPA filters installed in each patient's room.

Air conditioning systems are set at 100 per cent fresh air, meaning no air is re-circulated from a patient space, clinical treatment space or any other part of the building.

The system is air balanced so there is a slight negative gradient to ensure the air is kept within the ward and extracted only through the dedicated new exhaust systems.

To add another layer of safety, air scrubbers installed outside the patient rooms are high efficiency HEPA filter air cleaners. The air cleaners operate continuously to provide additional cleaning when the patient uses the bathroom.

The building's automation system continuously monitors the air pressures in the ward. Any changes can be quickly acted upon.

The system has been implemented throughout the Main Ward Block (majority of patient accommodation) enabling a COVID capacity of 212 beds.

All of the new extraction fan systems are backed up by the hospital's emergency power generator and we've also ensured that they will continue to run in the event of a fire detector or manual core point being activated.

ED COVID Expansion – Old Monash ground floor

In response to increased COVID and other activity, the Emergency & Trauma Centre opened up additional treatment spaces on the ground floor of the Old Monash building, with capacity for up to ten spaces.

Large-scale ventilation upgrades and site works at the Old Monash building (St Kilda Rd side of E&TC) were completed in record time thanks to the intensive efforts of several teams including Engineering as well as Emergency nursing leadership and administration.

The completion of the works meant the hospital had the capacity when called upon to increase its points of care footprint, and be able to provide care in a safe environment.

Other key COVID works:

Further COVID-related projects undertaken included:

- Conversion of open bays in ICU to single rooms with negative gradient air flow which were important in ensuring we could provide a safer environment for patients and staff.
- An Ambulance Victoria Cleaning Bay in the helipad car park, which saw a dedicated safe area to clean and disinfect ambulances, allowing further crews to arrive when required.
- The setting up of outdoor staff amenities across The Alfred, Sandringham Hospital and Caulfield Hospital. This ensured staff had a breakout area, with distancing requirements putting some restrictions on the use of indoor tearooms during the pandemic.
- Reinstatement of Namarra at Caulfield Hospital to provide additional patient capacity.

High Value Equipment and Infrastructure Funding

Medical equipment proposals	
X Ray Room – Alfred Hospital Emergency Department	395,000
Total	**395,000**

Engineering infrastructure	
Building Automation Control System – Alfred Centre	840,000
Lift upgrade – Alfred Centre	768,000
Total	**1,608,000**

2020-21 Metropolitan Health Infrastructure Fund Grants (advised July 2021)	
Caulfield Hospital Aged Care (Building 23) Infrastructure Upgrade	3,015,000
Alfred Health Sterilising Services Upgrade	9,700,000
Total	**12,715,000**

Overall total	**14,718,000**

Building project status

Alfred Health obtains building permits for new projects, where required, as well as certificates of occupancy or certificates of final inspection for all completed projects.

Projects completed (with certificates of final completion)

The Alfred

- Mental Health IPU Refresh and security upgrade
- The Front Entry 'Welcome' project
- Hyperbaric Unit Upgrade
- Linear accelerator replacement
- Alfred and Centre Lane road and Pedestrian Safety Works
- Philip Block Sewer works
- Philip Block roof replacement

Sandringham

- The Pharmacy Relocation project

Caulfield Hospital

- The Acquired Brain Injury Refurbishment Project

Project with building permits under construction

The Alfred

- Cardiac Redevelopment
- Junior Medical Staff amenities upgrade
- E &TC staff amenity relocation
- Parking indicators

Sandringham Hospital

- Short Stay Unit

Caulfield Hospital

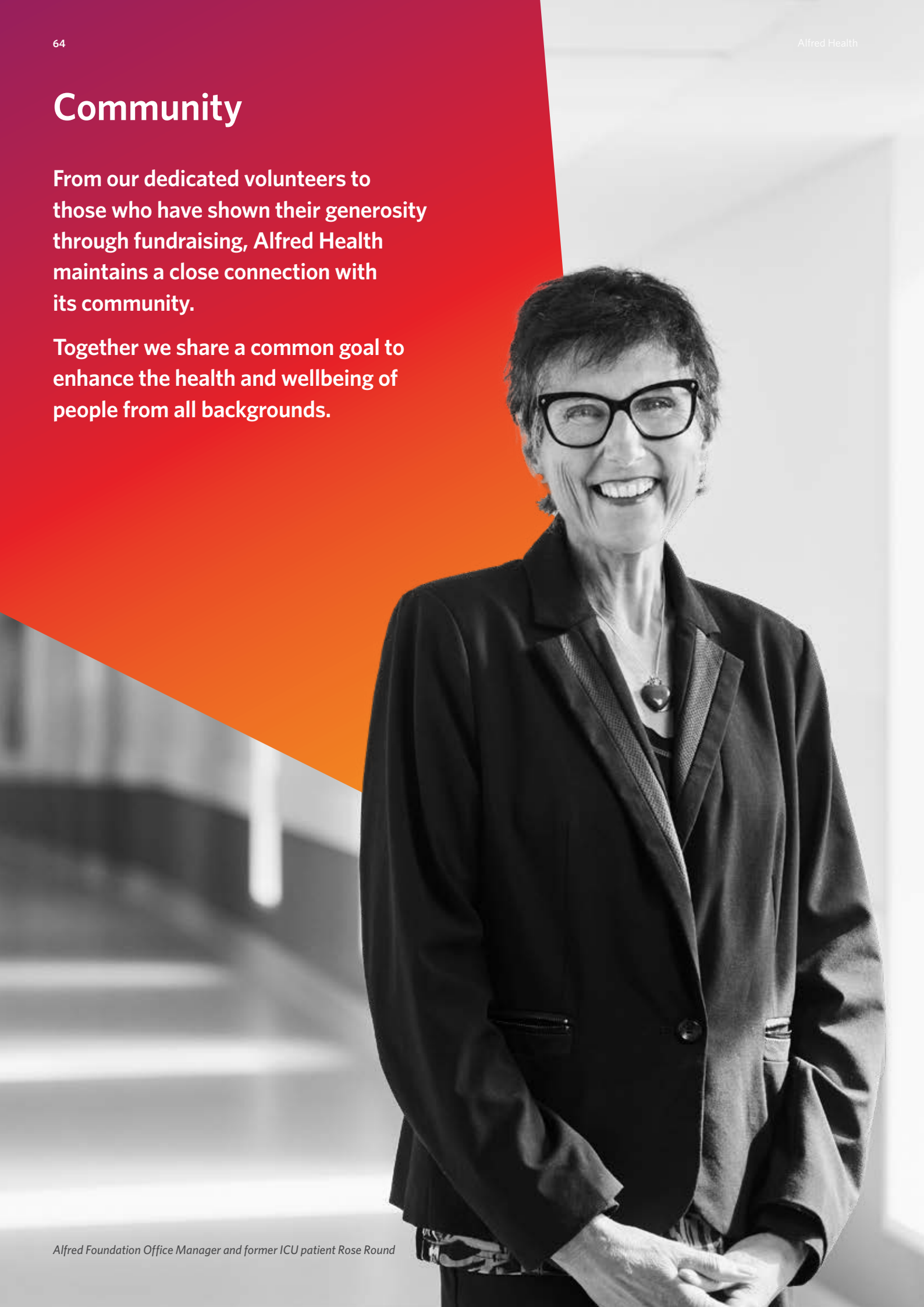
- Staff indoor and outdoor amenity upgrade

Compliant with the *Building Act 1993*, Alfred Health used registered building practitioners on all building projects, with maintenance of their registered status for the duration of the works being a condition of their contract. We maintain all buildings in a safe and serviceable condition, with routine inspections, and ensure that we undertake scheduled maintenance programs. We also inspected all buildings' essential services for compliance, as required by legislation.

Community

From our dedicated volunteers to those who have shown their generosity through fundraising, Alfred Health maintains a close connection with its community.

Together we share a common goal to enhance the health and wellbeing of people from all backgrounds.



Alfred Foundation Office Manager and former ICU patient Rose Round

Health promotion

Primary Care and Population Health Strategy

Work continued with key stakeholders to implement our Primary Care and Population Health Strategy 2018-23. Priority areas for action include: reducing the harm from tobacco, healthy living, reducing harm from alcohol, improving mental health and vaccinations and prevention of blood-borne viruses.

This included working with our local partners to contribute to the development of local government municipal public health and wellbeing plans, engagement with the Southern Melbourne Primary Care Partnership, facilitation of a Metropolitan Health Service Healthy Eating Network and the provision of Psychological First Aid sessions to various community groups.

In addition, a scoping of internal initiatives found Alfred Health currently has over 116 activities related to primary care and population health. These covered all clinical areas and contributed to each of Alfred Health's strategic goals.

Healthy living

To encourage staff to use active forms of transport, Alfred Health opened new active travel facilities at our 541 St Kilda Rd site. This is in addition to our Active Travel Zone at The Alfred and facilities at Caulfield and Sandringham hospitals. These areas provide staff with access to secure bike parking and change facilities.

Month-long physical activity challenges were held in September 2021 and March 2022 that encouraged staff to increase physical activity while connecting with their colleagues. Staff participation rates were 1,286 and 774 staff respectively.

In partnership with Baker Heart and Diabetes Institute, Diabetes Victoria and the Department of Health, Alfred Health is currently trialling a workplace-based version of *Life!* – a healthy lifestyle program aimed at improving eating habits, increasing physical activity and managing stress.

Improving mental health

Alfred Health achieved recognition for mental health and wellbeing in the workplace via the Victorian Government's Achievement Program. We also developed and implemented a letter writing project to support socially isolated inpatients over the festive season. Patients were supplied with materials to send a card or letter to family, friends or an Alfred Health volunteer.

Alcohol

The Alfred's highly successful Prevent Alcohol and Risk-related Trauma in Youth (PARTY) Program was developed into an abridged online program that is available to schools. This allowed the continued delivery of alcohol and risk-related injury prevention messaging to young people during COVID-19 restrictions.

Integrated Health Promotion (CCHS) – promoting health in early childhood and youth

During 2021-22, Caulfield Community Health Service (CCHS) supported local early learning services to achieve 22 health priority areas of the Achievement Program, including healthy eating, oral health and physical activity and movement. Two schools were supported to achieve the sun protection priority area.

To support healthy eating, a local Cooks' Network was commenced to help Long Day Care Centre cooks align their menus with the Victorian Menu Planning Guidelines for Long Day Care. In addition, support began for local schools and Outside School Hours Care services to implement the new statewide movement Vic Kids Eat Well.

Ten schools received ongoing support to undertake a whole-school approach to Respectful Relationships Education to help improve gender equity and reduce family violence.

Sandy has been volunteering at The Alfred for more than 20 years.

Community

Volunteers

Number of Volunteers within Alfred Health:

The Alfred	98
Caulfield	72
Sandringham	82
Consumer Advisors	91
Total	343

Over 120 people registered their interest in becoming a volunteer from January 2021 to January 2022, with recruitment to commence later in 2022.

Due to the pandemic, the Volunteer Program was required to transform from an intimate, patient-facing service to an offsite model of care.

Volunteers took on new roles and responsibilities in a socially distant, safe, and productive manner. Three new initiatives were established with the purpose of improving the patient experience, supporting vulnerable staff and their families, and improving the wellbeing of volunteers themselves. These activities included a volunteer call centre, volunteer sewing group, and volunteer staff self-surveillance swap packs.

These activities gave our volunteers an opportunity to contribute during a challenging time. Staff were grateful they could call on volunteers for their support, and ultimately, the patient experience was enhanced.

Gradually, some on-site volunteer activities have returned, in compliance with COVID safe practices. Volunteers assigned to the meet and greet concierge role supported the entry point screening process and reception staff, as well as enhancing wayfinding for patients attending clinics.

In line with visitor restrictions, volunteers scheduled in the Day Procedures Unit were able to escort patients to waiting carers, while those assigned to South Block oncology unit were also able to provide support. Several volunteer administration support positions have also returned.

Volunteers have been involved in a clothing/toiletry initiative for patients, who enter the hospital without these essential items.

In collaboration with the mental health team and the staff wellbeing collaborative, the Letter Writing Project was developed. Over 120 activity packs were delivered to most wards, with each pack containing equipment to draw pictures, complete activity sheets and write letters, cards or postcards to family, friends or to an Alfred volunteer. This project gave patients the opportunity to increase social connection with others outside the hospital.

Fundraising

The Alfred Foundation

In 1871, 169 generous members of the community donated £4533 to open a new hospital 'south of the Yarra'. 150 years later, more than $350 million has been raised from more than one million donations, funding some of the most significant expansions, equipment, research and training in the hospital's history.

This commitment to the transformational impact of philanthropy continued in 2021-22 with an exceptional $22 million raised by The Foundation. The redevelopment of the cardiac centre was fully funded through community support, including landmark gifts from the Orloff Family Charitable Trust and Mr Jeff Kaufman. The Alfred's Psychiatric Services Unit also received a significant major donation during the year, with work underway to determine how this will be used to ensure the greatest impact

The Paula Fox Melanoma and Cancer Centre broke ground in June 2022, thanks in large part to the unwavering efforts of philanthropist Paula Fox AO. The name of the Centre was also unveiled in June, in honour of Paula Fox, whose personal commitment to melanoma research and treatment, along with State and Federal Government support, has been instrumental in making the Centre a reality.

The Alfred Patron's Program was launched in 2022. The program honours Alfred Health's most significant supporters, celebrating their extraordinary commitment and aims to create a long-term legacy of philanthropy. The inaugural Patrons are:

- Mrs Paula Fox AO and Mr Lindsay Fox AC
- Mr John Gandel AC and Mrs Pauline Gandel AC
- Mrs Di Bertalli and Mr Neville Bertalli
- Mr Gerry Ryan OAM and Mrs Val Ryan

Thirty-five gifts from people's Wills were received during the year, including a significant bequest from the Estate of Valerie Smith.

This past year, through the generosity of the community, the Alfred Foundation has funded many initiatives, large and small, that align with the Foundation's four key funding pillars:

Transforming Care

Paula Fox Melanoma and Cancer Centre, cardiac centre redevelopment, music therapy program, palliative care items, psychiatric unit garden upgrades, ECMO registry.

Leading Technology

O-Arm imaging system for neurosurgery and orthopaedic surgery, ECG for haematology/oncology, sonosite and butterfly ultrasound for the sleep disorder unit, hand held ultrasound, four CADD ambulatory pumps to deliver medication at controlled doses, portable MRI for ICU, two ocimeters and one dynamometer for the lung transplant gym, piezo drill system for rhinoplasty, airway oscillatory system for lung transplant unit, MiraQ cardiac equipment, venepuncture training arms and arterial puncture trainers, four walkers for neurosurgery ward, bronchoscope and two ventilators for ICU.

Advancing Technology

The Alfred Cancer Biobank, burns research, research to improve HIV cancer screening, lung transplant research projects, Crohn's disease research, idiopathic pulmonary fibrosis research, radiation oncology clinical trials support, myeloma research, cystinuria research, respiratory project on donor derived lymphocytes, Alfred Brain Tumour Biobank.

Developing Extraordinary Caregivers

The Jenkins Fellowship for Lymphoma, Zaparas Trauma Fellowship, cellular immunotherapy program, additional nurse to support burns registry, two nursing scholarships, Pulmonary Fibrosis Research Fellow.

Alfred Foundation Board Members 2021-22

- Sir Rod Eddington AO (Chair)
- Professor Andrew Way AM (Alfred Health Chief Executive)
- Patrick Baker (Alfred Foundation Director)
- Ravi Bhatia
- Anthony Charles
- Allan Hood
- Meg Landrigan
- Chris Nolan
- Nick O'Donohue
- Paul Sheahan AM
- Carolyn Stubbs OAM

Retired during 2021-22

- Alan Williams (passed away April 2022)
- Greta Bradman
- Tony Phillips
- George Richards
- Rob Sayer

VALE - Mr Alan Williams (16th September 1947 – 10th April 2022)

Alfred Foundation Board Member 2006 - 2022

The Alfred Foundation acknowledges the passing of our friend and colleague Alan Williams. Alan served voluntarily on The Alfred Foundation Board for more than 15 years and was the Board liaison on the Finance and Allocations Committee for almost all that time. In his professional life Alan had a long and distinguished career with Coles Supermarkets – starting literally on the 'ground floor' as a casual after school. In 1995 Alan's proven abilities saw him rise through the ranks to Managing Director of Coles and then on to Chief Operating Officer for the Coles Food, Liquor and Fuel Group in 2001. Alan was a dedicated and active participant in the many and varied Board discussions about how to better support The Alfred through philanthropy and fundraising.

Sandringham Hospital Fundraising

Sandringham Hospital received generous support from individuals, community groups, businesses and trusts and foundations. Due to the impact of COVID-19 restrictions, there were only two fundraising events held, the Bayside Charity Golf Day at Royal Melbourne Golf Club and the Oaks Day Luncheon at Royal Brighton Yacht Club. Community support ensured a broad range of medical and surgical equipment was upgraded to support patient care at Sandringham Hospital.

Significant support was received from:

- Black Rock Sports Auxiliary
- Estate of Margaret Titulaer
- Humpty Dumpty Foundation
- Rotary Club of Beaumaris
- Rotary Club of Bentleigh Moorabbin Central
- Royal Brighton Yacht Club
- The Alfred & Jean Dickson Foundation
- Isobel Hill Brown Charitable Trust
- Ethel Herman Charitable Trust
- The J & Hope Knell Trust Fund
- Anonymous supporters

Caulfield fundraising

Caulfield Hospital Fundraising and Philanthropic support continues to be important for Caulfield Hospital. Funds raised from the Christmas Appeal and the Tax Appeal allowed us to purchase equipment used on a daily basis that enhances patient care. We received a grant from the Estate of Henry Herbert Hoffa and the Estate of Isobel Homes to purchase and upgrade much needed medical equipment for the Aged Care and Rehab wards. Funds were also raised through the Cardiac Support Group to update and replace the exercise equipment in the Cardiac Unit.

Funds raised:

- Estate of Henry Herbert Hoffa $5,500
- Estate of Isobel Holmes $10,000
- Cardiac Support Group $3,459
- Tax Appeal 2021 $8,845
- Christmas Appeal 2022 $14,480

Volunteers at the Bayside Charity Golf Day did their part to raise funds for Sandringham Hospital.

Environmental sustainability

As one of Australia's leading healthcare services, Alfred Health understands its responsibility to minimise the environmental impact of our operations. Demonstrating leadership in adapting to meet the challenges posed by climate change is among our key priorities.

Key highlights

Electric Vehicles

In 2021/22 Alfred Health commenced trials of Zero Emissions Vehicles (ZEVs) within the vehicle fleet.

This trial included Alfred Health staff learning about the vehicles, and test driving them as they completed home and community visits.

One of Alfred Health's Strategic Flagships is 'caring beyond the walls'. The deployment of ZEVs will minimise our environmental impact while we continue to provide care in the community.

Alfred Health have commenced work with the Department of Treasury and Finance, Vic Fleet and external consultants to progress the necessary infrastructure works to enable charging of the ZEVs.

Alfred Health is due to take delivery of an initial eleven ZEV vehicles in the third quarter of 2022 with an additional 29 planned to join the fleet in 2023.

The deployment of electric vehicles is one of the many strategies that will help us reduce our carbon footprint, limiting the impact of climate change as we transition to a more environmentally sustainable, cleaner and efficient vehicle fleet across the organisation.

Food/Organic Waste

Alfred Health is committed to reducing waste going to landfill and prioritising recycling while protecting the health and safety of all people disposing, handling, transporting, storing and collecting waste.

Disposal of healthcare waste has significant impacts on the environment as well as health and safety implications for staff, patients, visitors and the wider community.

In 2021-22, Alfred Health introduced a new Organics waste stream removing food waste from the general waste (landfill) in our main kitchen facilities at The Alfred & Caulfield Hospital sites.

Food waste which is generally heavy and ranges from crates of edible fruit and vegetables to food scraps from patients' meals and food from preparation areas is taken to an Organics facility in Dandenong to be processed. This initiative has helped Alfred Health divert 47,790 kgs of organics waste from landfill in the last 12 months.

Avoiding food waste going into landfill, potentially saves costs, reduces negative environmental impacts including greenhouse gas emissions and assists Alfred Health to become leaders in recycling.

Caulfield Solar Cell installation Project

Solar power is an environmentally friendly, sustainable form of power. Generating solar power not only minimises our environmental impact, but also reduces power costs.

Alfred Health's buildings have a large roof area, providing ample space for the installation of solar cells.

A 260.5kWp solar PV system is currently being installed onto the Caulfield Hospital roof.

The project involves:

- Installation of 222 PV solar panels to Building 11, 22 PV solar panels to Building 12 and 138 PV solar panels to Building 28
- Modification to the distribution and Main switchboards
- DC- AC inverters to support each building's PV panels.

Once operational, the system will generate annual energy to the grid of 323,548 Kwh.

Reverse osmosis water reclaim

Recently updated water quality standards required the installation of large capacity Reverse Osmosis (RO) equipment to supply ultra-pure water to the Central Sterile Supply Department (CSSD). RO water infrastructure was already in place for dialysis.

An opportunity presented in 2021-22 to repurpose a disused 60,000 litre water storage tank system to capture and recycle the RO wastewater from both the dialysis plant and the new CSSD plant.

Modern town water supply infrastructure and changing community usage meant that this water storage infrastructure was sitting unused. It included tanks, pumps, pipes and electrical systems installed in the late 1960s to help the hospital cope with low water pressure days experienced in the peak of summer.

When the new CSSD comes fully online there is demand for up to 2,500 litres of fresh water per hour – with about 40 per cent of that water ordinarily being sent to waste. Capturing and recycling that water for use in cooling towers, toilet flushing systems and other service area wash-down activities is saving millions of litres of drinking water annually.

Our performance

Overall, our emissions remain consistent with our performance over past three years. There has been a significant increase in natural gas usage, due to a change in the Cogeneration contract arrangements. This contract change has resulted in the inclusion of the embedded stationary energy data, for the first time.

Total water consumption has decreased this year when compared to 2020-21. The water usage in 2020-21 was significantly higher than prior years, due to pipework and infrastructure challenges, which have now been rectified. This rectification, combined with the Reverse Osmosis water reclaim initiative, have significantly improved our water performance in this Financial Year.

The recycling rate is averaging 19 per cent, consistent with the past three years. Total waste generated (clinical + general + recycling) has decreased slightly since last year.

A trend noted in our transport data over the past three years (baseline 2019-20) shows the total kilometres and associated fleet emissions have been decreasing. This is in contrast to fuel usage noted in internal data. Further investigation will be undertaken in the coming financial year to understand these trends and enhance reporting.

Paper usage has been decreasing when compared to the past two years, driven by an increase in digital technologies and flexible working arrangements.

Medical Gases Isoflurane and Desflurane have been phased out. Nitrous Oxide usage has decreased over the last three years.

Environmental performance

Public environment report – Alfred Health Organisation Hierarchy – 2021/2022

Greenhouse gas emissions			
Total greenhouse gas emissions (tonnes CO2e)	**2019-20**	**2020-21**	**2021-22**
Scope 1	3,443	3,108	10,882
Scope 2	43,088	41,841	33,832
Total	**46,531**	**44,949**	44,714
Normalised greenhouse gas emissions			
Emissions per unit of floor space (kgCO2e/m2)	162.30	156.52	155.71
Emissions per unit of Separations (kgCO2e/Separations)	400.98	411.81	393.73
Emissions per unit of bed-day (LOS+Aged Care OBD) (kgCO2e/OBD)	123.53	127.90	122.03
Stationary energy			
Total stationary energy purchased by energy type (GJ)	**2019-20**	**2020-21**	**2021-22**
Cogen Electricity	24,234	23,779	5,950
Diesel Oil in Buildings	N/A	38.75	26.33
Electricity	115,745	113,149	122,348
Natural Gas	51,574	49,198	200,297
Steam	100,571	101,092	32,260
Total	**292,124**	**287,257**	**360,881**
Normalised stationary energy consumption			
Energy per unit of floor space (GJ/m2)	1.02	1.00	1.26
Energy per unit of Separations (GJ/Separations)	2.52	2.63	3.18
Energy per unit of bed-day (LOS+Aged Care OBD) (GJ/OBD)	0.78	0.82	0.98

Environmental sustainability

Embedded generation			
Total embedded stationary energy generated by energy type (GJ)	**2019-20**	**2020-21**	**2021-22**
Cogen Electricity (Embedded)	N/A	N/A	14,183
Steam (Embedded)	N/A	N/A	75,031
Total	N/A	N/A	**89,214**
Normalised embedded generation			
Embedded generation per unit of floor space (GJ/m^2)	N/A	N/A	0.31
Embedded generation per unit of Separations (GJ/Separations)	N/A	N/A	0.79
Embedded generation per unit of bed-day (LOS+Aged Care OBD) (GJ/OBD)	N/A	N/A	0.24
Water			
Total water consumption by type (kL)	**2019-20**	**2020-21**	**2021-22**
Class A Recycled Water	N/A	N/A	N/A
Potable Water	244,434	324,489	250,618
Reclaimed Water	N/A	N/A	N/A
Total	**244,434**	**324,489**	**250,618**
Normalised water consumption (Potable + Class A)			
Water per unit of floor space (kL/m^2)	0.85	1.13	0.87
Water per unit of Separations (kL/Separations)	2.11	2.97	2.21
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.65	0.92	0.68
Water re-use and recycling			
Re-use or recycling rate % (Class A + Reclaimed /Potable + Class A + Reclaimed)	N/A	N/A	N/A
Waste and recycling			
Waste	**2019-20**	**2020-21**	**2021-22**
Total waste generated (kg clinical waste+kg general waste+kg recycling waste)	3,060,770	3,067,652	2,900,940
Total waste to landfill generated (kg clinical waste+kg general waste)	2,562,280	2,603,786	2,479,090
Total waste to landfill per patient treated ((kg clinical waste+kg general waste)/PPT)	4.17	4.32	4.26
Recycling rate % (kg recycling / (kg general waste+kg recycling))	19.35	19.18	19.09
Paper			
Paper	**2019-20**	**2020-21**	**2021-22**
Total reams of paper	31,973	27,790	26,352
Reams of paper per FTE	4.73	3.81	3.43
Rate recycled paper % (0% - 49%)	88.99	94.15	97.76
Rate recycled paper % (50% - 74%)	0.91	0.09	N/A
Rate recycled paper % (75% - 100%)	10.10	5.76	2.24
Transport			
Corporate Transport	**2019-20**	**2020-21**	**2021-22**
Reported vehicle kilometres (1000km)	1,042	995	521
Tonnes CO^2-e Corporate transport	261	238	130.97
Tonnes CO^2-e per 1000 reported kilometres	0.25	0.24	131

Other emissions			
Medical Gases	**2019-20**	**2020-21**	**2021-22**
Kilograms CO^2-e per patient treated	0.85	0.55	0.74
Refrigerants			
Kilograms CO^2-e per M^2	N/A	N/A	N/A
Normalisers (for information only)			
Area M^2	286,707	287,175	287,165
1000km (Corporate)	1,041	995	521
1000km (Non-emergency)	N/A	N/A	N/A
Aged Care OBD	N/A	N/A	N/A
ED Departures	121,818	142,515	101,303
FTE	6,757	7,298	7,675
LOS	376,679	351,429	366,419
OBD	376,679	351,429	366,419
PPT	614,541	603,092	581,284
Separations	116,044	109,148	113,562

General notes

1. Information in this report is sourced from data provided by retailers and in some cases data manually uploaded by health services into Eden Suite. Data has not been externally validated. All annual values represent a year ending 30 June.
2. Emissions are calculated using the carbon factors for the year in which the emissions were generated. For health services provided with energy (electricity and steam) under the co-generation ESA (energy services agreement) carbon factors provided by the energy retailer are used.
3. Electricity consumption values exclude line losses; some energy retailers include losses in reported values.
4. Occupied bed days (OBD) include both inpatient and aged care data, unless stated otherwise.

Footnote 1 - The findings and conclusions in this report are based on the data extracted from the Environmental Data Management System (EDMS), Eden Suite, which is managed by the Department of Health. Data are current as of 25 July, 2022.

Footnote 2 - Our total greenhouse gas emissions included in the annual report consists of Scope 1, and Scope 2 emissions. Scope 1 emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by Alfred Health (e.g. natural gas, medical gases, fleet). Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Although scope 2 emissions physically occur at the facility where they are generated, they are accounted for in our total emissions because they are a result of our energy use.

Green initiatives such as 'Operation Clean Up' introduced comingled recycling bins in theatre preparation rooms.

Governance

Being responsive and making sound, transparent decisions are key principles of Alfred Health's governance process.

Alfred Health's Board is accountable to the Minister for Health. Its role is to exercise good governance in achieving the objectives, as outlined in Alfred Health's Strategic Plan 2021–23 and the annual Statement of Priorities.

The Board comprises up to nine independent non-executive directors who are elected for a period of up to three years and can be re-elected to serve for up to nine years. During the year the Board had nine directors.

Objectives, functions, power and duties

The core objective of the service 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* (Vic) ('the Act').

The other objectives of the service as a public health service are to:

1. Provide high-quality health services to the community, which aim to meet community needs effectively and efficiently
2. Integrate care as needed across service boundaries in order to achieve continuity of care and promote the most appropriate level of care to meet individual needs
3. Ensure that health services are aimed at improvements in individual health outcomes and population health status by allocating resources according to best-practice healthcare approaches
4. Ensure that the service strives to continuously improve quality and foster innovation
5. Support a broad range of high-quality health research to contribute to new knowledge and to take advantage of knowledge gained elsewhere
6. Operate in a businesslike manner, which maximises efficiency, effectiveness and cost-effectiveness and ensures the service's financial viability
7. Ensure that mechanisms are available to inform consumers and protect their rights and to facilitate consultation with the community
8. Operate a public health service as authorised by or under the Act
9. Carry out any other activities that may be conveniently carried out in connection with the operation of a public health service or calculated to make more efficient any of the service's assets or activities.

The powers and duties of Alfred Health are as prescribed by the Act.

Board of Directors as of 30 June 2022

Mr Michael Gorton
AM BCom, LLB
Board Chair

Mr Gorton is a senior partner at Russell Kennedy Lawyers and has more than 25 years' experience advising the health and medical sector on all aspects of commercial law.

He has assisted boards of health organisations to understand their legal obligations for effective governance structures, governance policies and implementing risk management strategies.

Mr Gorton is a Board Member of Ambulance Victoria, Holmesglen Institute and the Australasian College of Emergency Medicine.

He is a former Board Member of Melbourne Health, Melbourne Primary Health Network (PHN) and the former Chair of the Australian Health Practitioner Regulation Agency (AHPRA) and the Victorian Equal Opportunity and Human Rights Commission.

Associate Professor Victoria Atkinson
MBBS, FRACS, AFRACMA,
Master of Health Management
Board Member

Associate Professor Victoria Atkinson is a cardiac surgeon and former Chief Medical Officer at St Vincent's Health Australia. In 2018 she became the national Chief Medical Officer of Healthscope Ltd.

Building on a strong clinical background, Associate Professor Atkinson works to integrate the clinical, operational and governance aspects of healthcare to enhance patient care. She believes that executive, clinical and Board must come together to achieve patient focused and harm-free care.

Associate Professor Atkinson is the Deputy Chair of the Board for Better Care Victoria and a Board Member of the Royal Flying Doctor Service (Victoria). She holds an MBBS, FRACS, AFRACMA and a Master of Health Management, is a Graduate of the Australian Institute of Company Directors and holds an EDAC qualification from the Center for Healthcare Design in the USA.

Mrs Sally Campbell
BA, LLB, GAICD
Board Member

Mrs Campbell has extensive executive and nonexecutive private and public sector experience gained in Australia, New Zealand and the United Kingdom. Mrs Campbell's diverse background illustrates a career committed to delivering exceptional customer service, high performance team management along with operational excellence in a diverse background that spans health management, law, informatics, digital technologies, biotechnology commercialisation, logistics, fulfilment and building services. That experience is supplemented with highly developed skills in strategic planning, governance and risk management and business development.

Sally has a proven record in designing and delivering major business strategies and systems; she has driven significant cultural changes, improvements and delivered exemplary operational results for large, complex, organisations. Sally currently sits on the Board of Forensicare, and is the Chair of the Forensicare Audit Committee.

Ms Melanie Eagle
BA BSW LLB
Post Graduate Diploma of International Development GAICD
Board Member

Ms Eagle has qualifications in Arts, Social Work, the Law, and is a Graduate of the Australian Institute of Company Directors.

Her professional work has included the public sector (city strategic planning, social policy, women's policy, law reform, and equal opportunity); the private sector, (a solicitor); and the union movement. For the last decade she was the CEO of LiverWELL (the peak organisation for people living with or affected by viral hepatitis and liver disease, previously named Hepatitis Victoria) and served on the Board of Hepatitis Australia.

Current governance roles include Inaugural Chair of the Disability Worker Registration Board, Trust member for the Queen Victoria Women's Centre, and the St Vincent's Institute for Medical Research.

Previously she has been the Mayor and a Councillor of the City of St Kilda and served on the boards of a wide range of organisations including Star Health, Hanover Welfare, Prahran Mission, the Chronic Illness Alliance of Victoria and the Epilepsy Foundation. She was the Inaugural Chair of Respect Victoria.

Ms Chloe Shorten
BA (Comm), GAIST, CertGovPrac GIA
Board Member

Ms Shorten is a governance and risk professional in the for-purpose sector. Building on her experience as an executive in the resources and technology industries, she has advised boards on media, investor, government and community relations. Ms Shorten has commercial expertise in reputational risk management.

In her corporate roles, Ms Shorten established issues and crisis management capabilities, directed brand strategy and corporate communications and engaged investor and local communities in change processes.

an advocate for equality Ms Shorten has been committed to improving the lives of women, children and people with disabilities through her 25 year involvement with not-for-profit organisations, particularly those in research. She is a columnist and has written two books on contemporary Australian families.

She is currently a Non-Executive Director of Industry Financial Services and serves on their Audit and Risk Committee and is Deputy Chair of the Australian Institute of Superannuation Trustees Special Interest Group.

Ms Shorten is also Ambassador for Our Watch; a strategic advisor to Burnet Institute for their Healthy Mothers, Healthy Babies Program; and the Inaugural Ambassador for the Foyer Foundation.

Ms Anne Howells
BCom, CA, MB (Corporate Governance), GAICD – Chair Finance & Audit Committee
Board Member

Ms Howells is a hands-on leader who is passionate about excellence in customer service, high team engagement and operational excellence. She is a Chartered Accountant with deep expertise in risk management, compliance and corporate governance.

She began her career with PwC advising small and medium sized enterprises and later consulting in risk management, compliance and corporate governance. She was appointed Assistant Company Secretary, Governance & Compliance by Telstra in 2005 and subsequently held a number of senior customer services, quality and complaints management roles as part of Telstra's journey to improve customer service.

Ms Howells was the General Manager of a nursing agency and then Director, Compliance and Policy at PwC. She was the Chairman of Family Planning Victoria, and is the Director of CP Solutions Pty Ltd.

Ms Kaye McNaught
BA (PSYCH, CRIM) LLB (MELB)
Board Member

Ms McNaught has over 20 years' experience working in the public health system.

Between 1985 and 1995 she was employed at the Royal Children's Hospital Melbourne as the HIV/AIDS and Haemophilia Clinical Nurse Consultant and Counsellor. This statewide service was provided to families, individuals and staff. During this time Ms McNaught was a member of various committees, some of which included the National AIDS Counsellor Association, Paediatric AIDS Task Force, the AIDS Education Strategy Committee, the RCH Infection Control Committee and the AIDS Health Department task force education program.

From 1993 until 1995 she was a member of the Board of Management of the Mordialloc-Cheltenham Community Hospital. Since 2001, Ms McNaught has been a barrister at the Victorian Bar and currently is a member of the Law Institute of Victoria's Children and Youth Issues Committee.

Governance

Ms Anna Leibel
GAICD, GCertITMgt
Board Member

Ms Leibel is a Director of The Secure Board, a Non-Executive Director and senior executive across the financial services, management consulting, telecommunications and technology industries. With three decades experience in leading customer, business and digital change, she is a sought after advisor to Boards, Chief Executives and IT leaders on digital transformation, data, cyber, leadership and culture.

Ms Leibel was previously the Chief Delivery and Information Officer with $100 Billion superannuation fund, UniSuper, with accountability for Operations, IT and Project Delivery. Her cross-industry career spans all aspects of IT-Digital, Data, Cyber, Cloud and legacy systems – management consulting and launching new IT services to global markets. She has extensive experience in balancing commercial interests with risk management and complex regulated sectors including Telstra, PwC, NAB and Seek.

Ms Leibel is a Non Executive Director of Ambulance Victoria, was appointed as the Chair of the Audit and Risk Committee on July 1, 2021, and serves on their People and Culture Committee.

Anna is a graduate of the Australian Institute of Company Directors and has completed two executive management programs at Massachusetts Institute of Technology (MIT) in the USA. She is a Chief Executive Women Scholar and in 2019 was named in Australia's Top 50 CIOs. She mentors elite sportswomen as a volunteer with the Minerva Network.

Mr Lynton Norris
FCPA GAICD BBus (Acc) BBus (IntTrade)
Board Director

Mr Norris is a consultant and experienced company director. He is a recognised leader in funding and payment models, compliance and performance reporting, policy development and complex data analysis and analytics.

Mr Norris has over 20 years' experience in both government and the private sector and held senior executive roles in the Commonwealth, State and Territory Government health and human service portfolios at the Deputy Director-General, Chief Executive Officer and Director level. He has led and served on various government expert and advisory panels, pertaining to national funding agreements, disaster recovery, data integrity and analysis.

Mr Norris is currently a Member of the Australian Health Practitioner Regulation Agency's (AHPRA) Agency Management Committee (the AHPRA Board), a Director of Aristotle Cloud Services Australia, and was a member of Health Purchasing Victoria's (now HealthShare Victoria) Finance and Risk Management Committee for nine years.

He holds degrees in International Trade and Accounting, is a Fellow Certified Practising Accountant (FCPA), and a graduate member of the Australian Institute of Company Directors (GAICD).

Board committees

The Alfred Health Board established a number of committees and advisory committees in accordance with sections 65S and 65ZA of the Act and Victorian Government's Public Entity Executive Remuneration Policy.

Audit Committee

The Audit Committee assists the Board to fulfil its statutory and fiduciary duties relating to the financial management of Alfred Health with respect to internal controls, accounting and reporting practices.

It aims to ensure that those duties are carried out in accordance with the Act, the Financial Management Compliance Framework, the Risk Management Framework and any other relevant legislation. This committee is responsible for overseeing the internal audit function and developing and reviewing the Alfred Health Internal Audit Plan.

It is also responsible for:

- Overseeing the maintenance of an effective system of internal monitoring and control of data integrity risk management
- Reviewing the implications of external audit findings for internal controls
- Reviewing the annual accounts for recommendation to the Board.

Community Advisory Committee

The Community Advisory Committee (CAC) provides advice to the Board on consumer, carer and community participation and other Alfred Health community initiatives. It advises on priority areas and issues requiring consumer and carer participation. This includes matters of community interest and concern to culturally, religiously and linguistically diverse (CALD) communities. It is a forum through which members of the community can work in partnership with Alfred Health as consumer representatives to improve patient experiences.

Finance Committee

The Finance Committee assists the Board to fulfil its financial responsibilities. This includes reporting to the Board on Alfred Health's financial position and the appropriateness of the financial information prepared by management, receiving and reviewing the annual budget and key budget strategies, and overseeing and supervising the management and implementation of actions to address financial management risks. In addition, the committee considers and recommends to the Board financial commitments that require approval.

Primary Care and Population Health Advisory Committee

The Primary Care and Population Health Advisory Committee assists the Board in ensuring that:

- The health service provided meets the needs of our communities
- The views of users and providers are taken into account
- Arrangements are put in place with other relevant agencies and service providers to enable effective and efficient service delivery and continuity of care.

Quality, People and Culture Committee

The Quality, People and Culture Committee assist the Board to oversight quality and safety of the clinical services provided by Alfred Health and to ensure that the experience of patients and staff is constantly being reviewed and challenged. This involves making certain that:

- There is a high level of aspiration for the clinical quality and patient experience of services provided by Alfred Health;
- Priorities and strategic directions for clinical quality and safety are set monitored, and managed;
- Effective and accountable systems are in place to monitor and improve the quality and effectiveness of health services;
- Systemic problems identified with the quality and effectiveness of health services are addressed.

Remuneration Committee

The Remuneration Committee provides advice to the Board on executive remuneration matters and monitors the implementation of an executive remuneration policy that is consistent with the business objectives and human resources needs of Alfred Health, the Victorian Government's Public Entity Executive Remuneration Policy and prevailing legislation.

Committee membership 2021-22

Audit Committee
- Ms Sally Campbell (Chair)
- Ms Anna Leibel (Deputy Chair)
- Ms Anne Howells
- Mr Des Pearson
- Mr Michael Gorton AM (ex officio)

Community Advisory Committee (CAC)
- Ms Chloe Shorten (Chair)
- Ms Carol Gordon (Deputy Chair)
- Mr Lynton Norris
- Ms Kaye McNaught
- Ms Kim Hungerford
- Mr Terry McNamara
- Mr Kevin Boyce
- Ms Irene Havryluk-Davies
- Ms Kriss Will
- Ms Amtur Rafiq
- Mr Max Niggl
- Ms Kay Currie

Finance Committee
- Ms Anne Howells (Chair)
- Mr Lynton Norris
- Mr Michael Gorton
- Ms Anna Leibel
- A/Prof Victoria Atkinson
- Prof Andrew Way AM

Primary Care and Population Health Advisory Committee (PCPHA)
- Ms Kaye McNaught (Chair)
- Ms Sally Campbell
- Ms Melanie Eagle
- Prof Andrew Way AM
- Dr Simon Stafrace
- A/Prof Peter Hunter
- Dr Joseph Doyle
- Mr Damian Ferrier
- Ms Cath Harrod
- Dr Galina Daraganova – commenced April 2022
- Dr Sudeep Saraf – July 21 – April 22
- Dr Deveny – July 21 – April 22

Quality, People and Culture Committee
- A/Prof Victoria Atkinson, Chair
- Mr Michael Gorton
- Ms Chloe Shorten
- Ms Melanie Eagle
- Dr Cathy Balding
- Ms Michelle Tuck
- Dr Rob Stirling
- Ms Kay Currie

Remuneration Committee
- Mr Michael Gorton AM (Chair)
- Ms Anne Howells
- Mr Lynton Norris
- Mr Anna Leibel

Risk management

Alfred Health has an integrated clinical and enterprise risk register which currently consists of 35 open risks at the end of 2021-22. High and extreme risks are addressed by specific committees with responsibilities such as falls prevention, pressure injuries, medication safety and behaviours of concern. This ensures focus and coordination of effort on the important issues for Alfred Health and our patients and uses the data to support improvement in safety. The Risk Management Framework aligns with the international Risk Management Standard (AS/NZ ISO 31000:2018-02) and each year the risk profile of the health service is reviewed.

The incident reporting system, using the dataset of the Victorian Health Incident Management System (VHIMS), is an integral component of Alfred Health's risk management framework. The VHIMS 2 dataset was implemented at Alfred Health in October 2021. Alfred Health provides regular VHIMS data to the Victorian Agency for Health Information (VAHI) for analysis in order to inform patient safety efforts at a state level. VAHI has introduced a new secure portal for transmission of this incident data daily. This will support Safer Care Victoria's plans to develop an Early Warning System.

Regular training and information and support are provided for staff on the use of the incident reporting database throughout the year and all staff members are encouraged to report adverse events within a culture of 'no blame'.

The incident data are routinely analysed for trends and reported to the various committees and groups responsible, including to the Executive Committee and the Board Quality Sub-Committee. In the event of a serious adverse event, staff undertake formal in-depth reviews to identify contributing factors and opportunities for improvement to Alfred Health systems and processes.

Once reviewed, serious adverse events are discussed by the Clinical Outcomes Review Committee with a membership of senior staff from all disciplines across the organisation. Grand Rounds, newsletters and clinical alerts are used to provide feedback to staff on the outcomes of reviews and any related system changes for implementation. The Operations Comprehensive Care Committee provides oversight of follow-up and completion of the recommended actions and improvements from these formal reviews

Safe Patient Care Act 2015

In accordance with our obligations under section 40 of the *Safe Patient Care Act 2015 (Vic)*, we report that Alfred Health was not subject to any adverse findings, injunctions, penalties or directions.

Governance

Senior officers

Chief Executive

Professor Andrew Way AM
RN BSc (Hons) MBA FAICD FCHSM

Professor Way has served as Alfred Health's Chief Executive since 2009. His focus is on improving access, ensuring high quality, safe services with low mortality, within a strong financial framework and a research-supportive environment. Alfred Health is now seen as a leader in these areas.

Professor Way led the development of Victoria's first Academic Health Science Centre – Monash Partners, now an accredited NHMRC Advanced Health and Research Translation Centre. He was appointed as an Adjunct Clinical Professor in the School of Public Health and Preventative Medicine, Faculty of Medicine Nursing and Health Sciences, Monash University in 2015.

He is also a director of other health-related organisations and is a member of several government and other advisory groups. Prior to his relocation to Melbourne in 2009, Professor Way had an extensive career in the NHS in the United Kingdom, latterly as CEO of the Royal Free Hampstead NHS Trust.

Chief Operating Officer

Ms Simone Alexander
MHAdmin, MClinNurs, BN

Ms Alexander has more than 25 years' experience in the healthcare sector and has served as Alfred Health's Chief Operating Officer role since December 2017.

Ms Alexander is responsible for the management and performance of the health services' clinical operations. Most recently she has led the Operations team response in the COVID-19 pandemic including the Hotel Support Services program providing exemplary leadership, governance and clinical standards to protect the broader Victorian Community.

Ms Alexander chairs the Alfred Health Emergency Management Committee, Comprehensive Care Committee and is a co-chair of the Alfred Health Gender Equity Committee.

Executive Director, Medical Services and Chief Medical Officer

Dr Lee Hamley
MBBS MBA FRACMA

As Executive Director Medical Services and Chief Medical Officer, Dr Hamley reports to the Chief Executive.

She is responsible for clinical governance, risk management and patient safety, the development of the clinical workforce across Alfred Health, professional medical issues, investigative services (pathology, radiology, and nuclear medicine) and pharmacy.

Dr Hamley chairs the Alfred Health Infection Control Committee, Medical Appointments Committee and Credentialing Committee.

Dr Hamley's external appointments include being a member of the Council of the Victorian Institute of Forensic Medicine.

Executive Director, Nursing Services and Chief Nursing Officer

Kethly Fallon
BScN, MBA, Grad Cert Cancer and Palliative Care

As the Executive Director of Nursing Services Ms Fallon is responsible for profession leadership of Alfred Health's nursing workforce along with operational leadership of Allied Health and Non Clinical Support Services.

Ms Fallon has over 35 years' experience as a nurse and has held various operational and professional leadership roles both at Alfred Health and across Metropolitan Melbourne. She is the chair and executive sponsor for many clinical and quality care initiatives, workforce strategies, and has a particular interest in workforce planning, models of care and the impacts that the changing dynamic in health care will have on nursing practice. The position is accountable for site coordination of Sandringham Hospital and Caulfield Hospital.

Ms Fallon has worked with Alfred Health since 2010 as the Clinical Service Director for Cancer and Specialty Medicine and more recently as the Deputy Chief Nurse.

Executive Director, Strategy and Planning

Jenny Walsh
BHSc

Ms Walsh is responsible for ensuring Alfred Health has a clear future direction through our Strategic Plan. The plan, with its defined goals and objectives, supports the health and wellbeing of all Victorians and builds capability as a quaternary teaching hospital and international health and medical research centre.

She has direct responsibility for Alfred Health's service planning and capital and infrastructure functions including the Major Capital Project, Victorian Melanoma and Clinical Trials Centre. These functions are central to providing clinical and other corporate programs with a safe, efficient and effective operating environment. Ms Walsh is also responsible for the leadership and management of the organisation's Outpatients Program.

Ms Walsh has held a number of senior management positions across the Queensland and Victorian public health systems. Her experience and interests lie in strategic planning and system design, creating opportunity to influence, transform and redesign systems and processes in response to changing health system environments.

Director, Research

Professor Stephen Jane
MBBS PhD FRACP FRCPA FAHMS

Professor Jane is responsible to the Chief Executive for the strategic direction and governance of research at Alfred Health.

An experienced haematologist, Professor Jane has a strong interest in translational research and, through his role, is a key player in Alfred Health's efforts to establish an Academic Health Science Centre (AHSC).

He joined Alfred Health in 2011, following 10 years as head of one of the country's foremost bone marrow research laboratories at Royal Melbourne Hospital – a group of researchers he brought with him to The Alfred.

Executive Director, Finance

Mr Peter Joyce
BCom FCPA

As Executive Director Finance and CFO, Mr Joyce is responsible for all finance and procurement functions.

This includes financial accounting, management accounting and analysis, clinical performance unit, payroll services, supply and internal and external financial reporting.

Mr Joyce has had a long and diverse career as a senior financial executive and general manager as well as a number of years as a small business owner. He has worked in Europe, Asia and Australia in consumer products, financial services and IT and has a significant background in process improvement and organisational change. He has had major involvement for a long period of time in mergers and acquisitions, including the integration of new businesses into existing structures especially related to systems, processes and human resources.

Mr Joyce has spent ten years at Alfred Health and before that spent over a decade as a consultant, small business owner in the IT industry and as CFO of a company providing services in the financial products industry.

Chief Experience Officer

Mr Jarrad O'Brien
BSc(Hons)

Mr O'Brien commenced as Alfred Health's first Chief Experience Officer in December 2021, leading the organisation to understand patient and staff experience, and use these to drive improvement and innovation.

He is responsible for providing leadership and direction to demonstrate the link between staff wellbeing and better experience and outcomes for patients.

Mr O'Brien's team includes Patient Experience and Consumer Engagement, Human Resources and Employee Experience, Organisational Development, Redesigning Care, and Learning and Innovation support. Collectively the team helps the organisation to understand patient and staff experience, and use these to drive improvement and innovation.

Mr O'Brien is an anthropologist by background and has worked for more than 20 years in public health systems in the UK, NZ and Australia. He is passionate about putting people at the heart of healthcare delivery and bringing people together to co-design innovative solutions to health problems. Mr O'Brien is committed to equity, diversity and inclusion, and is currently completing his PhD looking at the contemporary impact of colonisation on indigenous health experience in NZ.

Executive Director, Information Development

Ms Amy McKimm
BAppSc (Hons) CHIA
ProfCert Health Systems Management

As Executive Director of Information Development (IDD), Ms McKimm is responsible for supporting Alfred Health through its digital transformation. This includes the strategic use of data and systems so clinical care at the bedside is performed with all the information required for excellence.

IDD covers all aspects of IT infrastructure and support, projects, applications development, cybersecurity, privacy, and the ongoing development of the electronic medical record which is a strategic focus for the organisation.

She has worked in a number of clinical and operational roles in health services in Australia and the United Kingdom. Throughout her career Ms McKimm's interest has been in using technology, data, and digital platforms to support healthcare to adapt and change, to better meet the needs of patients and the broader community. In 2018, she completed Leadership Victoria's Williamson Leadership Program. In 2021, she became a Certified Health Informatician of Australasia.

General Counsel

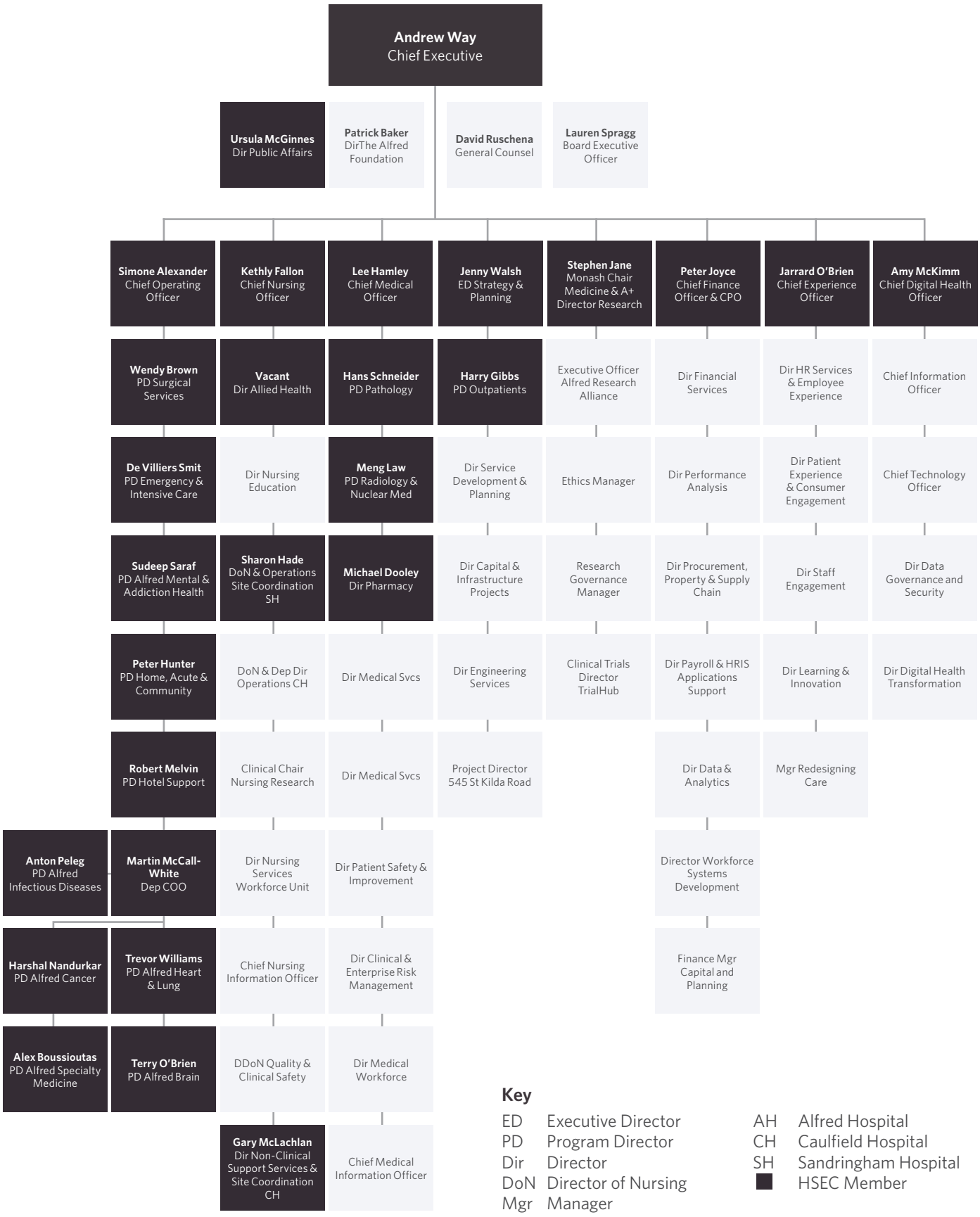
Mr David Ruschena
BSc(Hons) / LLB(Hons), Grad Dip App Sci (OH&S), Phd

Mr Ruschena has been Alfred Health's General Counsel since August 2015. He manages Alfred Health's response to legal and other regulatory obligations, ensuring that responses are proportionate to risk and obligation.

Mr Ruschena has more than 25 years' experience in the junction between healthcare and law, as a researcher, management consultant and lawyer. He has a PhD in regulatory law, examining the public health effects of tobacco litigation.

Governance

Organisational structure



Key

ED	Executive Director
PD	Program Director
Dir	Director
DoN	Director of Nursing
Mgr	Manager
AH	Alfred Hospital
CH	Caulfield Hospital
SH	Sandringham Hospital
■	HSEC Member

Legislation change

There were no legislative changes that materially affected the delivery of medical services in 2021-22, although directions and orders issued pursuant to existing provisions of the Public Health and Wellbeing Act had a definite impact on hospital operations.

General information

Directions of the Assistant Treasurer

All the information described in the directions of the Assistant Treasurer is available to the relevant Minister, Members of Parliament or the public on request.

Statement on National Competition Policy

Alfred Health continues to comply with government policy on competitive neutrality.

Alignment with public administration values

Alfred Health assists staff to identify desired behaviours and ensures that policy and practice are underpinned by core public sector values through its Code of Conduct and Financial Code of Practice. These are approved by the Board of Directors and are consistent with the Public Sector Code of Conduct for Victorian Public Sector Employees issued by the Public Sector Standards Commissioner. Principles of equal opportunity and fair and reasonable treatment of others are included in the Code of Conduct and the range of policies and guidelines. This includes a policy and guideline on conflicts of interest. We ensure that policy and practice are consistent with the *Charter of Human Rights and Responsibilities Act 2006* (Vic).

In addition, we are rolling out a series of animated e-learning modules to assist our people to apply these principles more easily in their day-to-day working lives.

The Freedom of Information Act 1982

Rights of the public under the Freedom of Information Act are published on our website. A request for documents must be in writing or on an application form, sufficiently clear to enable a thorough search for documents, accompanied by a prescribed application fee, which can be waived for those experiencing financial hardship. Contact details of our FOI officer are on our website **alfredhealth.org.au**

This year's requesters included:

- Members of the public

The majority of information requested was released and acceded to in full.

Information about FOI may be obtained from the Office of the Victorian Information Commissioner.

Freedom of Information decisions

2021-22

Applications received	**2,714**
Applications granted (full)	2,482
Applications granted (part)	27
Access denied	2
No documents	44
Not finalised	159

Not finalised 2020-21	**259**
Access granted in full	259
Access granted in part	0
Access denied	0
Other	0

Protected Disclosure Act 2012 (Vic)

Alfred Health complies with its obligations under the *Protected Disclosure Act 2012* (Vic). In particular, procedures for the protection of persons from detrimental action can be found in the Alfred Health policy on protected disclosure which is located on our website: **alfredhealth.org.au**

Hard copies are available from the office of the Alfred Health Legal Counsel.

Complaints about misconduct or corruption involving public health services in Victoria can be made by individuals directly to the Independent Broad-based Anti-corruption Commission (IBAC) on 1300 735 135 or via their website at **ibac.vic.gov.au**

DataVic access

In August 2012, the Victorian Government released the DataVic Access Policy, which enables the sharing of government data at no, or minimal, cost to users. Government data from all agencies will be progressively supplied in a machine-readable format that will minimise access costs and maximise use and reuse.

Governance

Consultancy costs

Details of consultancies (under $10,000)

In 2021-22, there were no consultancies where the total fees payable to the consultants were less than $10,000.

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

In 2021-22, there were 14 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 was $880,190 (excl GST). Details of individual consultancies can be viewed at **www.alfred.org.au**

Consultant	Purpose of consultancy	Total approved project fees (excl GST)	Expenditure 2021-22 (excl GST)	Future approved expenditure
Arthur J Gallagher & Co	Design and development of work health and safety elearning modules	23,200	23,200	-
Drawing on Experience	Nutrition & Dietetics Department -Diagnostic review	24,960	24,960	-
Eva & Associates	Chemical Risk Assessments	20,000	20,000	-
Freer Thinking	Compassion Workshop and Launch	18,000	18,000	-
Impact Collaborative	Women's Mental Health Service Design	96,238	96,238	-
KPMG	Employee Experience Program	133,769	133,769	-
Louise Catherine Byrne	Addiction and Mental Health transformation strategy	19,450	19,450	-
Nous Group	Patient Co-payment review	41,100	41,100	
Paper Giant	Addiction and Mental Health transformation strategy	115,500	115,500	
PriceWaterhouseCoopers	Pathology Service Design	235,654	235,654	
The Learning Hook	Project Management and Production Services – Getting Bariatric Care Right	23,100	23,100	
The Learning Hook	Project Management and Production Services – Community Safety Risk Assessment	26,900	26,900	
The Learning Hook	Supporting to Safe Complex Care Delivery	45,700	45,700	
Pitcher Partners	Pathology project due diligence	125,000	56,619	68,381
Total		**948,571**	**880,190**	**68,381**

Local Jobs First Act disclosures

The following information for contracts commenced and/or completed in the financial year has been disclosed under the *Local Jobs First Act 2003*

Project name	Lead contractor	Region type	Location 1 (Mandatory)	Type of project	Category	Date commenced	Date completed	Project value (ex GST)
Main Works Construction Package – Paula Fox Melanoma and Cancer Centre (PFMCC) Project	Kane Constructions Pty Ltd	Metro	Melbourne – Inner	Construction	Hospitals, Medical Centres & Aged care	06/05/2022		$90,130,863
FF&E Consultancy Services – Victorian Melanoma & Clinical Trial Centre (VMCTC) Project	The Trustee for Redback Health Services Trust	Metro	Melbourne – Inner	Construction	Hospitals, Medical Centres & Aged care	29/10/2021		$97,500
Principal Consultant – Level 4 & 5 Sub-Acute Ward & Doctors Lounge Development Project	Vincent Chrisp – Partners Pty Ltd	Metro	Melbourne – Inner	Construction	Hospitals, Medical Centres & Aged care	30/06/2022		$331,130
Quantity Surveyor – Level 4 & 5 Sub-Acute Ward & Doctors Lounge Development Project	MBMpl Pty Ltd	Metro	Melbourne – Inner	Construction	Hospitals, Medical Centres & Aged care	27/06/2022		$32,280
Central Sterilising Department – Equipment Upgrade	Getinge Aust. Pty Ltd.	Metro	Melbourne Inner	Medical equipment	Hospitals, Medical Centres & Aged care	10/03/2022		$5,258,011
	In Vitro Tech. Pty Ltd.							$99,972
Principal Consultant – Central Sterilising Department Project	Clarke Hopkins Clarke	Metro	Melbourne Inner	Construction	Hospitals, Medical Centres & Aged care	24/03/2022		$433,185
External Project Manager – Central Sterilising Department Project	Turner and Townsend	Metro	Melbourne Inner	Construction	Hospitals, Medical Centres & Aged care	24/03/2022		$168,720
Quantity Surveyor – Central Sterilising Department Project	Currie Brown	Metro	Melbourne Inner	Construction	Hospitals, Medical Centres & Aged care	24/03/2022		$46,280

Governance

Project name	Lead contractor	Region type	Location 1 (Mandatory)	Type of project	Category	Date commenced	Date completed	Project value (ex GST)
Building Surveyor – Central Sterilising Department Project	Approval Systems	Metro	Melbourne Inner	Construction	Hospitals, Medical Centres & Aged care	24/03/2022		$9,300
Architectural Consultancy – Philip Block Level 3 Cardiac Services Redevelopment	Vincent Chrisp & Partners	Metro	Melbourne – Inner	Construction	Hospitals, Medical Centres & Aged care	01/07/2021	30/10/2021	$161,000
Engineering Consultancy – Philip Block Level 3 Cardiac Services Redevelopment Service	Waterman AHW (VIC)	Metro	Melbourne – Inner	Construction	Hospitals, Medical Centres & Aged care	01/07/2021	30/10/2021	$60,645
Philip Block Level 3 (Stage 1) Cardiac Services Redevelopment Works	Formula Interiors	Metro	Melbourne – Inner	Construction	Hospitals, Medical Centres & Aged care	26/04/2021	30/09/2021	$1,609,179
Principal Consultancy Services – Caulfield Hospital Aged Care Block Upgrade	Vincent Chrisp & Partners	Metro	Melbourne – Inner	Construction	Hospitals, Medical Centres & Aged care	21/10/2021		$260,700
Quantity Surveyor Services – Residential Eating Disorder Treatment Centre Project	Currie & Brown	Metro	Melbourne – Inner	Construction	Hospitals, Medical Centres & Aged care	15/02/2022		$55,930
Building Surveyor Services – Residential Eating Disorder Treatment Centre Project	Approval Systems	Metro	Melbourne – Inner	Construction	Hospitals, Medical Centres & Aged care	23/02/2022		$11,800
Project Manager Consultancy Services – Residential Eating Disorder Treatment Centre Project	Capital Insight	Metro	Melbourne – Inner	Construction	Hospitals, Medical Centres & Aged care	20/10/2021		$224,650

Project name	Lead contractor	Region type	Location 1 (Mandatory)	Type of project	Category	Date commenced	Date completed	Project value (ex GST)
Principal Consultancy Services – Residential Eating Disorder Treatment Centre Project	NTC Architects	Metro	Melbourne – Inner	Construction	Hospitals, Medical Centres & Aged care	08/02/2022		$774,060
Reverse Osmosis Water Plants for Sterilising Services and Haemodialysis	Southland Filtration Pty Ltd	Metro	Melbourne Inner and Melbourne South East	Equipment & Maintenance	Clinical	12/07/2021		$2,567,950

Additional information

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

a. A statement of pecuniary interest has been completed.

b. Details of shares held by senior officers as nominee or held beneficially.

c. Details of publications produced by the Department about the activities of the Health Service and where they can be obtained.

d. Details of changes in prices, fees, charges, rates and levies charged by the Health Service.

e. Details of any major external reviews carried out on the Health Service.

f. Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the Report of Operations or in a document that contains the financial statements and Report of Operations.

g. Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.

h. 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.

i. Details of assessments and measures undertaken to improve the occupational health and safety of employees.

j. General statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the Report of Operations.

k. A list of major committees sponsored by the Health Service, the purposes of each committee and the extent to which those purposes have been achieved.

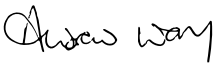
l. Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

Governance

Attestations

Data integrity

I, Andrew Way, certify that Alfred Health has put in place appropriate internal controls and processes to ensure that reported data accurately reflect actual performance. Alfred Health has critically reviewed these controls and processes during the year.



Professor Andrew Way AM

Chief Executive

Melbourne
22 August 2022

Financial management compliance

I, Michael Gorton, on behalf of the Responsible Body, certify that Alfred Health has No Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

Michael Gorton AM

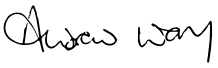
Chair

Melbourne
22 August 2022

Conflict of interest

I, Andrew Way, certify that Alfred 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 Victorian Public Sector Commission. Declaration of private interest forms have been completed by all executive staff within Alfred 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.



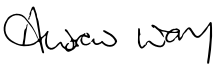
Professor Andrew Way AM

Chief Executive

Melbourne
22 August 2022

Integrity, fraud and corruption

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



Professor Andrew Way AM

Chief Executive

Melbourne
22 August 2022

Disclosure index

The annual report of Alfred 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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		Chairman / CEOs Year in Review	10-11
FRD 22	Activities, programs and achievements for the reporting period	Chairman / CEOs Year in Review	10-11
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FRD 22	Operational and budgetary objectives and performance against objectives	Performance: Statement of Priorities	47-55
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Governance

Legislation	Requirement	Chapter / section in Annual Report	Page
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FRD 22	Compliance with building and maintenance provisions of *Building Act 1993*	Projects and infrastructure: Building project status	63
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Financial statements

for the year ended 30 June 2022

Board member's, accountable officer's and chief finance & accounting officer's declaration

The attached consolidated financial statements for Alfred Health Service and the Consolidated Entity 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 Alfred Health Service and the Consolidated Entity 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 22 August 2022.

Mr Michael Gorton AM
Board Chair

Melbourne
22 August 2022

Prof Andrew Way AM
Chief Executive & Accountable Officer

Melbourne
22 August 2022

Mr Peter Joyce
Chief Finance & Accounting Officer

Melbourne
22 August 2022

Established as Bayside Health, the name of the health service was changed to Alfred Health from 10 September 2008, by order of the Governor in Council.

Audit report

Independent Auditor's Report

To the Board of Alfred Health

Opinion	I have audited the consolidated financial report of Alfred Health (the health service) and its controlled entities (together the consolidated entity), which comprises the: • Consolidated entity and health service Balance sheets as at 30 June 2022 • Consolidated entity and health service Comprehensive operating statements for the year then ended • Consolidated entity and health service Statements of changes in equity for the year then ended • Consolidated entity and health service Cash flow statements for the year then ended • Notes to the financial statements, including significant accounting policies • Board member's, accountable officer's and chief finance & accounting officer's declaration. In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and 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 and the consolidated entity 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 and the consolidated entity'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 and the consolidated entity'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 and the consolidated entity'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 and the consolidated entity 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
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the health service and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the health service and the consolidated entity. I remain solely responsible for my audit opinion.

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

Lighting up 150 years of The Alfred

To mark The Alfred's 150th anniversary, an impressive lighting display was put on show in December 2021. The event was also used to acknowledge the incredible work of our staff over the year, and as a thank you to the community for their outstanding support.

Comprehensive operating statement

for the financial year ended 30 June 2022

	Note	Parent entity 2022 $'000	Parent entity 2021 $'000	Consolidated 2022 $'000	Consolidated 2021 $'000
Revenue and income from transactions					
Operating activities	2.1	1,759,579	1,616,769	1,759,314	1,616,304
Non-operating activities	2.1	2,882	1,921	4,240	2,481
Total revenue and income from transactions		**1,762,461**	**1,618,690**	**1,763,554**	**1,618,785**
Expenses from transactions					
Employee expenses	3.1	(1,169,255)	(1,052,395)	(1,169,255)	(1,052,395)
Supplies and consumables	3.1	(364,016)	(342,697)	(364,016)	(342,697)
Finance costs	3.1	(1,583)	(1,340)	(1,583)	(1,340)
Depreciation and amortisation	3.1	(93,919)	(98,653)	(93,919)	(98,653)
Other operating expenses	3.1	(156,899)	(124,146)	(157,089)	(124,236)
Total expenses from transactions		**(1,785,672)**	**(1,619,231)**	**(1,785,862)**	**(1,619,321)**
Net result from transactions – net operating balance		**(23,211)**	**(541)**	**(22,308)**	**(536)**
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	3.2	210	20	210	20
Net gain/(loss) on financial instruments at fair value	3.2	(8,785)	3,726	(11,041)	6,334
Other gain/(loss) from other economic flows	3.2	(8,356)	899	(8,356)	899
Total other economic flows included in net result		**(16,931)**	**4,645**	**(19,187)**	**7,253**
Net result for the year		**(40,142)**	**4,104**	**(41,495)**	**6,717**
Other comprehensive income					
Items that will not be reclassified to net result					
Changes in property, plant and equipment revaluation surplus	4.4	-	36,297	-	36,297
Total other comprehensive income		**-**	**36,297**	**-**	**36,297**
Comprehensive result for the year		**(40,142)**	**40,401**	**(41,495)**	**43,014**

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

Balance sheet

as at 30 June 2022

	Note	Parent entity 2022 $'000	Parent entity 2021 $'000	Consolidated 2022 $'000	Consolidated 2021 $'000
Current assets					
Cash and cash equivalents	6.2	200,171	101,227	200,196	101,480
Receivables and contract assets	5.1	80,706	61,881	81,170	62,010
Inventories		15,586	14,980	15,586	14,980
Other assets		10,173	16,839	10,173	16,839
Total current assets		**306,636**	**194,927**	**307,125**	**195,309**
Non-current assets					
Receivables and contract assets	5.1	30,351	27,588	30,351	27,588
Investments and other financial assets	4.1	50,988	51,779	70,308	72,726
Property, plant and equipment	4.2(a)	1,219,136	1,254,246	1,219,136	1,254,246
Right-of-use assets	4.3	68,782	52,933	68,782	52,933
Intangible assets	4.5	5,958	4,918	5,958	4,918
Total non-current assets		**1,375,215**	**1,391,464**	**1,394,535**	**1,412,411**
Total assets		**1,681,851**	**1,586,391**	**1,701,660**	**1,607,720**
Current liabilities					
Payables and contract liabilities	5.2	276,467	186,780	276,508	186,988
Borrowings	6.1	7,865	7,677	7,865	7,677
Employee benefits	3.3	278,745	246,696	278,745	246,696
Other liabilities		70	70	70	70
Total current liabilities		**563,147**	**441,223**	**563,188**	**441,431**
Non-current liabilities					
Borrowings	6.1	42,826	28,372	42,826	28,372
Employee benefits	3.3	39,276	40,552	39,276	40,552
Total non-current liabilities		**82,102**	**68,924**	**82,102**	**68,924**
Total liabilities		**645,249**	**510,147**	**645,290**	**510,355**
Net assets		**1,036,602**	**1,076,244**	**1,056,370**	**1,097,365**
Equity					
Property, plant and equipment revaluation surplus	4.4	985,823	985,823	985,823	985,823
General purpose surplus		96,640	88,507	96,640	88,507
Restricted specific purpose surplus		46,393	43,948	66,159	65,085
Contributed capital		329,504	329,004	329,504	329,004
Accumulated deficits		(421,758)	(371,038)	(421,756)	(371,054)
Total equity		**1,036,602**	**1,076,244**	**1,056,370**	**1,097,365**

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

Statement of changes in equity

for the financial year ended 30 June 2022

Consolidated	Property, plant & equipment revaluation surplus $'000	General purpose surplus $'000	Restricted specific purpose surplus $'000	Contributed capital $'000	Accumulated deficits $'000	Total $'000
Balance at 30 June 2020	**949,526**	**83,750**	**68,786**	**329,004**	**(376,715)**	**1,054,351**
Net result for the year	-	-	-	-	6,717	6,717
Other comprehensive income for the year	36,297	-	-	-	-	36,297
Transfer from/(to) accumulated deficit	-	4,757	(3,701)	-	(1,056)	-
Balance at 30 June 2021	**985,823**	**88,507**	**65,085**	**329,004**	**(371,054)**	**1,097,365**
Net result for the year	-	-	-	-	(41,495)	(41,495)
Other comprehensive income for the year	-	-	-	500	-	500
Transfer from/(to) accumulated deficit	-	8,133	1,074	-	(9,207)	-
Balance at 30 June 2022	**985,823**	**96,640**	**66,159**	**329,504**	**(421,756)**	**1,056,370**

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

Parent	Property, plant & equipment revaluation surplus $'000	General purpose surplus $'000	Restricted specific purpose surplus $'000	Contributed capital $'000	Accumulated deficits $'000	Total $'000
Balance at 30 June 2020	**949,526**	**83,750**	**50,277**	**329,004**	**(376,714)**	**1,035,843**
Net result for the year	-	-	-	-	4,104	4,104
Other comprehensive income for the year	36,297	-	-	-	-	36,297
Transfer from/(to) accumulated deficit	-	4,757	(6,329)	-	1,572	-
Balance at 30 June 2021	**985,823**	**88,507**	**43,948**	**329,004**	**(371,038)**	**1,076,244**
Net result for the year	-	-	-	-	(40,142)	(40,142)
Other comprehensive income for the year	-	-	-	500	-	500
Transfer from/(to) accumulated deficit	-	8,133	2,445	-	(10,578)	-
Balance at 30 June 2022	**985,823**	**96,640**	**46,393**	**329,504**	**(421,758)**	**1,036,602**

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

Cash flow statement

for the financial year ended 30 June 2022

	Note	Parent entity 2022 $'000	Parent entity 2021 $'000	Consolidated 2022 $'000	Consolidated 2021 $'000
Cash flows from operating activities					
Operating grants from government		1,471,283	1,337,707	1,471,283	1,337,707
Capital grants from government - State		37,659	48,353	37,659	48,481
Capital grants from government - Commonwealth		25,786	27,903	25,786	27,903
Patient fees received		27,850	35,544	27,850	35,532
Private practice fees received		73,432	60,326	73,432	60,309
Donations and bequests received		3,657	1,301	3,657	1,301
GST received from/(paid to) ATO		35,640	32,827	35,640	32,827
Interest received		437	324	437	325
Car park income received		5,300	9,577	5,300	9,574
Other capital receipts		1,570	1,570	1,570	1,570
Other receipts		118,230	89,370	118,626	89,579
Total receipts		**1,800,844**	**1,644,802**	**1,801,240**	**1,645,108**
Employee expenses paid		(1,117,097)	(1,004,702)	(1,117,097)	(1,004,699)
Non-salary labour costs		(18,849)	(17,866)	(18,849)	(17,866)
Payments for supplies and consumables		(479,885)	(461,055)	(480,509)	(461,541)
Payments for repairs and maintenance		(39,221)	(35,720)	(39,221)	(35,723)
Finance costs		(1,478)	(1,202)	(1,478)	(1,202)
Total payments		**(1,656,530)**	**(1,520,545)**	**(1,657,154)**	**(1,521,031)**
Net cash flow from operating activities	8.1	**144,314**	**124,257**	**144,086**	**124,077**
Cash flows from investing activities					
Purchase of non-financial assets		(55,023)	(68,331)	(55,023)	(68,460)
Proceeds from disposal of non-financial assets		210	20	210	20
Purchase of investments		-	-	-	(6,426)
Proceeds from disposal of investments		-	1,311	-	1,311
Capital donations and bequests received		18,545	15,383	18,545	15,383
Net cash flows (used in) investing activities		**(36,268)**	**(51,617)**	**(36,268)**	**(58,172)**
Cash flows from financing activities					
Repayment of borrowings		(1,932)	(17,833)	(1,932)	(17,833)
Receipt of capital contribution		500	-	500	-
Cash outflow for leases		(7,670)	(5,680)	(7,670)	(5,680)
Net cash flows (used in) financing activities		**(9,102)**	**(23,513)**	**(9,102)**	**(23,513)**
Net increase/(decrease) in cash and cash equivalents held		**98,944**	**49,127**	**98,716**	**42,392**
Cash and cash equivalents at beginning of financial year		101,227	52,100	101,480	59,088
Cash and cash equivalents at end of financial year	**6.2**	**200,171**	**101,227**	**200,196**	**101,480**

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

Notes to the financial statements

30 June 2022

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Notes to the financial statements

Note 1 Summary of significant accounting policies

Basis of preparation

These Alfred Health annual financial statements represent the audited general purpose financial statements for Alfred Health and the Consolidated Entity for the year ended 30 June 2022. The report provides users with information about Alfred Health's stewardship of the resources entrusted to it.

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

(a) Basis of preparation of the financial statements

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

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

Alfred 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 year.

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 Alfred Health.

The amounts presented in the financial statements have been rounded to the nearest thousand dollars. The annual financial statements were authorised for issue by the Board of Alfred Health and its controlled entities on 22 August 2022.

(b) Impact of the 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.

Since March 2020, to contain the spread of COVID-19 and prioritise the health and safety of our community, Alfred Health was required to comply with various directions announced by the Commonwealth and State Governments, which in turn, have continued to impact the way in which Alfred Health operates.

Alfred Health introduced a range of measures in both the prior and current financial years, including:

- introducing restrictions on non-essential visitors;
- greater utilisation of telehealth services;
- implementing reduced visitor hours;
- deferring elective surgery and reducing activity;
- performing COVID-19 testing;
- supporting COVID-19 Quarantine Victoria (CQV);
- changed infection control practices;
- implementing work from home arrangements where appropriate; and
- implementing a vaccination hub for staff and the community.

The financial 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

(c) Abbreviations and terminology used in the financial statements

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

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

(d) Principles of consolidation

The financial statements include the assets and liabilities of Alfred Health and its controlled entities as a whole as at the end of the financial year and the consolidated results and cash flows for the year.

These statements are presented on a consolidated basis in accordance with *AASB 10 Consolidated Financial Statements*.

Alfred Health controls the following entities:

- Alfred Hospital Whole Time Medical Specialists' Private Practice Trust;
- John F Marriott for HIV Trust; and
- Marriott for HIV Ltd.

Details of the controlled entities are set out in Note 8.9 – Controlled entities.

The parent entity is not disclosed separately in the notes to the financial statements.

An entity is considered to be a controlled entity where Alfred Health has the power to govern the financial and operating policies of an organisation so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account.

Alfred Health consolidates the results of its controlled entities from the date on which the health service gains control until the date the health service ceases to have control. Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

Transactions between segments within Alfred Health have been eliminated to reflect the extent of Alfred Health's operations as a group.

(e) 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.

(f) 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 Alfred Health and their potential impact when adopted in future periods are outlined in Note 8.6 – Australian Accounting Standards issued that are not yet effective.

(g) 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 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 operating cash flow.

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

(h) Reporting entity

The financial statements include all the controlled activities of Alfred Health. Its principal address is:

55 Commercial Road
Melbourne
Victoria 3004

A description of the nature of Alfred Health's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

(i) Comparatives

Where applicable, the comparative figures have been restated to align with the presentation in the current year.

Notes to the financial statements

Note 2 Funding delivery of our services

Alfred Health's overall objective is to deliver programs and services that support and enhance the wellbeing of all Victorians.

To enable Alfred Health to fulfil this objective it receives revenue and income based on parliamentary appropriations, and is predominately funded by accrual-based grant funding for the provision of outputs. Alfred Health also receives revenue and 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

2.3 Other income from operating and non-operating activities

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 and its impact on our economy and the health of our community.

Activity based funding increased in FY2021-22 but remained lower than pre-pandemic levels. The level of activity agreed in the Statement of Priorities could not be delivered due to reductions in activity.

This was offset by additional funding provided by the DH 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;
- pathology testing costs due to COVID-19 tests;
- increased personal protective equipment costs; and
- costs related to the expansion of emergency services.

Funding provided included:

- COVID-19 grants (including direct and indirect impacts of COVID-19, capital grants, funding for a COVID-19 testing site and vaccination hub);
- state repurposed grants;
- sustainability funding;
- additional elective surgery funding; and
- local public health unit (LPHU) funding.

For FY2021-22, the COVID-19 pandemic has impacted Alfred Health's ability to satisfy its performance obligations contained within its contracts with customers. Alfred Health received indication there would be no obligation to return funds to each relevant funding body where performance obligations had not been met.

This resulted in approximately $41.1m being recognised as income for FY2021-22 (FY2020-21: $45.8m) 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 Alfred 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	Alfred 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 Alfred 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	Alfred 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	Alfred 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

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Revenue from contracts with customers			
Government grants (State) – Operating		775,019	746,711
Government grants (Commonwealth) – Operating		156,500	153,328
Patient fees		37,336	39,877
Private practice fees		63,866	56,016
Commercial activities		8,255	10,909
Total revenue from contracts with customers		**1,040,976**	**1,006,841**
Other sources of Income			
Government grants (State) – Operating [(i)]		542,679	425,120
Government grants (State) – Capital		30,939	52,439
Government grants (Commonwealth) – Capital		11,826	217
Other capital purpose income		25,773	34,156
Consumables received free of charge or for nominal consideration	2.2	17,881	16,384
Assets received free of charge or for nominal consideration	2.2	2,176	11,520
Other income from operating activities (including non-capital donations)	2.3	87,064	69,627
Total other sources of Income		**718,338**	**609,463**
Total revenue and income from operating activities		**1,759,314**	**1,616,304**
Non-operating activities			
Other interest and investment income	2.3	4,240	2,481
Total income from non-operating activities		**4,240**	**2,481**
Total revenue and income from transactions		**1,763,554**	**1,618,785**

(i) Government Grant (State) – Operating includes additional funding from the COVID -19 submission of $160.4m (2021: $106.0m) which was received to negate the financial impact of COVID-19.

Revenue recognition and income from transactions

Government operating grants

To recognise revenue, Alfred 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, the health service:

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

If a contract liability is recognised, Alfred 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, the health service:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount in accordance with AASB 1058 *Income for Not-for-Profit Entities*.

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

Notes to the financial statements

Note 2.1 Revenue and income from transactions (continued)

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

Government grant	Performance obligation
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) case mix	The performance obligations for ABF are the number and mix of patients admitted to hospital (defined as 'case mix') 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 was 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 statewide (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 statewide services (which includes specified grants, statewide 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 are weighted for clinical complexity. Revenue is recognised at point in time, which is when a patient is discharged.
Other Victorian and Commonwealth funding	Alfred Health receives various funding initiatives for the provision of Health services from both the Victorian and Commonwealth departments. The performance obligations are defined in accordance with the levels of activity agreed to within each grant agreement. Revenue is recognised at a point in time, which is when the service is provided.

Capital grants

Where Alfred 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 Alfred Health's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

Patient and resident fees

Patient and resident fees are charges that can be levied on patients for some services they receive. Patient and resident fees are recognised at a point in time when the performance obligation, the provision of services, is satisfied, except where the patient and resident fees relate to accommodation charges. Accommodation charges are calculated daily and are recognised over time, to reflect the period accommodation is provided.

Private practice fees

Private practice fees include recoupments from various private practice organisations for the use of hospital facilities. Private practice fees are recognised over time as the performance obligation, the provision of facilities, is provided to customers.

Commercial activities

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

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

	Consolidated 2022 $'000	Consolidated 2021 $'000
Alfred Health disaggregates revenue by the timing of revenue recognition.		
Goods and services transferred to customers:		
Over time	968,855	939,916
At a point in time	72,121	66,925
Total revenue from contracts with customers	**1,040,976**	**1,006,841**

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

	Consolidated 2022 $'000	Consolidated 2021 $'000
Plant and equipment	91	1,097
Consumables received free of charge under State supply arrangements	17,881	16,384
Assets received free of charge under State supply arrangements	2,085	10,423
Total fair value of assets and services received free of charge or for nominal consideration	**20,057**	**27,904**

Recognition of 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 Alfred 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.

State Supply arrangements

In order to meet the State of Victoria's health system supply needs during the COVID-19 pandemic, arrangements were put in place to centralise the purchasing of essential personal protective equipment (PPE) and other essential plant and equipment. The general principles of the State Supply Arrangement were that Health Share Victoria sourced, secured and agreed terms for the purchase of the PPE products, funded by the Department of Health, while Monash Health took delivery, and distributed an allocation of the products to Alfred Health as resources provided free of charge. Health Share Victoria and Monash Health were acting as an agent of the Department of Health under this arrangement.

Contributions

Alfred Health may receive assets for nil or nominal consideration to further its objectives. The assets are recognised at their fair value when Alfred 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, Alfred 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. Alfred Health recognises income immediately in the profit or loss as the difference between the initial fair value of the asset and the related amounts. The exception to this policy is when an asset is received from another government agency or department as a consequence of a restructuring of administrative arrangements, in which case the asset will be recognised at its carrying value in the financial statements of Alfred Health as a capital contribution transfer.

Voluntary Services

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

Non-cash contributions from the Department of Health

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

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Alfred 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.

Notes to the financial statements

Note 2.3 Other income from operating and non-operating activities

	Consolidated 2022 $'000	Consolidated 2021 $'000
Other income from operating activities		
Cash donations and gifts (non-capital)	3,677	1,301
Rental income	1,015	345
Salary and other recoveries	59,155	51,637
Research and sundry revenue	23,217	16,344
Total other income from operating activities	**87,064**	**69,627**
Income from non-operating activities		
Investment income	3,803	2,156
Other interest income	437	325
Total income from non-operating activities	**4,240**	**2,481**

Other income includes recoveries for salaries and wages and external services provided, and donations and bequests. If donations are for a specific purpose, they may be appropriated to a surplus, such as the specific restricted purpose surplus.

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield of the financial asset, which allocates interest over the relevant period.

Rental income

Rental income from leasing of properties is recognised on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the pattern of use of the underlying asset.

Operating leases relate to properties owned by Alfred Health with various lease terms. All operating lease contracts contain market review clauses. The lessee does not have an option to purchase the property at the expiry of the lease period. The risks associated with rights that Alfred Health retains in underlying assets are not considered to be significant.

Where a lease incentive is provided to a lessee, this is considered an integral part of the net consideration agreed for the use of the lease asset and therefore the incentive is recognised as a reduction of rental income over the period to which it relates.

Note 3 The cost of delivering services

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

Structure

3.1 Expenses from transactions

3.2 Other economic flows included in net result

3.3 Employee benefits in the balance sheet

3.4 Superannuation

Impact of the COVID-19 pandemic

Expenses incurred to deliver our services increased during the financial year which were partially attributable to the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Additional costs were incurred to deliver the following additional services:

- facilities within Alfred Health for the treatment of suspected and confirmed COVID-19 patients resulting in an increase in employee costs and additional consumables;
- operation of Complex Health and Health Hotels on behalf of COVID-19 Quarantine Victoria resulting in an increase to employee costs and additional consumables;
- COVID safe practices throughout Alfred Health including increased cleaning, increased security and consumption of personal protective equipment provided as resources free of charge;
- COVID-19 case management, contact tracing, outbreak management and support of positive patients in the community contributing to an increase in employee costs;
- implement work from home arrangements resulting in increased ICT infrastructure costs and additional equipment purchases;
- a vaccination clinic to administer vaccines to staff and the community resulting in an increase in employee costs and additional consumables purchased; and
- COVID testing facilities for staff and the community, resulting in an increase in employee costs and additional equipment and consumables purchased.

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Notes to the financial statements

Note 3.1 Expenses from transactions

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Employee expenses			
Salaries and wages		920,675	827,562
On-costs		221,527	198,085
Agency expenses		15,166	13,971
Fee for service medical officer expenses		3,683	3,895
WorkCover premium		8,204	8,882
Total employee expenses		**1,169,255**	**1,052,395**
Supplies and consumables			
Drug supplies		150,382	147,449
Medical and surgical supplies (including prostheses)		69,328	67,763
Diagnostic and radiology supplies		30,833	22,231
Other supplies and consumables		113,473	105,254
Total supplies and consumables		**364,016**	**342,697**
Finance costs			
Finance costs		1,583	1,340
Total finance costs		**1,583**	**1,340**
Other operating expenses			
Fuel, light, power and water		9,611	10,045
Repairs and maintenance		28,479	22,174
Maintenance contracts		19,317	18,572
Medical indemnity insurance		12,114	11,580
Expenses related to short-term leases		466	100
Other administrative expenses		86,823	61,274
Expenditure for capital purposes		279	491
Total other operating expenses		**157,089**	**124,236**
Other non-operating expenses			
Depreciation and amortisation	4.6	93,919	98,653
Total other non-operating expenses		**93,919**	**98,653**
Total expenses from transactions		**1,785,862**	**1,619,321**

Recognition of 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, terminations payments);
- on-costs;
- agency expenses;
- fee for service medical officer expenses; and
- work cover premiums.

Supplies and consumables

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

Finance costs

Finance costs include:

- interest on 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 costs such as:

- fuel, light and power;
- repairs and maintenance;
- other administrative expenses;
- expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold); and
- Department of Health payments on behalf of Alfred 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.

Other non-operating expenses

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

Notes to the financial statements

Note 3.2 Other economic flows included in net result

	Consolidated 2022 $'000	Consolidated 2021 $'000
Net gain/(loss) on nonfinancial assets		
Net gain/(loss) on disposal of property plant and equipment	210	20
Total gain/(loss) on nonfinancial assets	**210**	**20**
Net gain/(loss) on financial instruments at fair value		
Allowance for impairment losses of contractual receivables	(6,390)	(5,386)
Net gain/(loss) on revaluation of financial instruments (investments)	(4,651)	11,720
Total net gain/(loss) on financial instruments at fair value	**(11,041)**	**6,334**
Other gain/(loss) from other economic flows		
Net gain/(loss) arising from revaluation of long service liability	(8,356)	899
Total other gain/(loss) from other economic flows	**(8,356)**	**899**
Total gain/(loss) from economic flows included in net result	**(19,187)**	**7,253**

Recognition of other economic flows

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

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

Net gain/(loss) on non-financial assets

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

- revaluation gains/(losses) of non-financial physical assets (refer to Note 4.2 – Property plant and equipment); and
- net gain/(loss) on disposal of non-financial assets and is recognised at the date of disposal.

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments at fair value include:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost (refer to Note 7.1 – Financial Instruments); and
- disposals of financial assets and derecognition of financial liabilities.

Note 3.3 Employee benefits in the balance sheet

	Consolidated 2022 $'000	Consolidated 2021 $'000
Current provisions		
Employee benefits [i]		
Accrued days off		
– Unconditional and expected to be settled wholly within 12 months [ii]	2,718	2,156
Annual leave		
– Unconditional and expected to be settled wholly within 12 months [ii]	91,312	83,625
– Unconditional and expected to be settled after 12 months [iii]	9,904	9,689
Long service leave		
– Unconditional and expected to be settled wholly within 12 months [ii]	12,945	8,410
– Unconditional and expected to be settled after 12 months [iii]	132,124	120,098
	249,003	**223,978**
Provisions related to employee benefit on-costs		
– Unconditional and expected to be settled within 12 months [ii]	11,644	9,118
– Unconditional and expected to be settled after 12 months [iii]	18,098	13,600
	29,742	**22,718**
Total current provisions	**278,745**	**246,696**
Non-current provisions		
Conditional long service leave [iii]	34,776	36,681
Provisions related to employee benefit on-costs [iii]	4,500	3,871
Total non-current provisions	**39,276**	**40,552**
Total employee benefits and related costs	**318,021**	**287,248**

(i) Employee benefits consist of amounts for accrued days off, annual leave and long service leave accrued by employees, not including on-costs.

(ii) The amounts disclosed are nominal amounts.

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

Recognition of employee benefits

Employee benefit recognition

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

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

Provisions

Provisions are recognised when Alfred 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 Alfred Health does not have an unconditional right to defer settlement of those liabilities.

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

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

Notes to the financial statements

Note 3.3 Employee benefits in the balance sheet (continued)

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 Alfred 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 – the component that Alfred Health expects to wholly settle within 12 months; and
- Present value – the component that Alfred Health does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

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

On-costs related to employee expenses

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

	Consolidated 2022 $'000	Consolidated 2021 $'000
Employee benefits and related on-costs		
Current employee benefits and related on-costs		
Unconditional long service leave entitlements	163,525	142,068
Annual leave entitlements	112,502	102,244
Accrued days off	2,718	2,384
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	39,276	40,552
Total employee benefits and related on-costs	**318,021**	**287,248**

Provision for related on-costs movement schedule

	Consolidated 2022 $'000	Consolidated 2021 $'000
Carrying amount at start of year	**26,589**	**24,004**
Additional provisions recognised	18,519	12,048
Amounts incurred during the year	(11,795)	(9,377)
Net gain/(loss) arising from revaluation of long service liability	929	(86)
Carrying amount at end of year	**34,242**	**26,589**

Note 3.4 Superannuation

	Contribution paid or payable for the year		Contribution outstanding at year end	
	Consolidated 2022 $'000	Consolidated 2021 $'000	Consolidated 2022 $'000	Consolidated 2021 $'000
Defined benefit superannuation plans[(i)]:				
Health Super	513	620	87	110
Defined contribution superannuation plans:				
Aware Super	37,163	34,873	3,115	3,025
Hesta	33,536	28,856	3,447	2,877
Other	22,450	15,272	5,354	4,186
Total superannuation	**93,662**	**79,621**	**12,003**	**10,198**

(i) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

Recognition of superannuation

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

Defined benefit superannuation plans

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

Alfred Health does not recognise any unfunded defined benefit liability in respect of the superannuation plans because Alfred Health 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 employee benefits in the Comprehensive Operating Statement of Alfred Health.

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

Defined contribution superannuation plans

In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is 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.

Notes to the financial statements

Note 4 Key assets to support service delivery

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

Structure

Impact of the COVID-19 pandemic

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.

The following key assets were impacted:

- Fair Value of Investments – the COVID-19 pandemic has created volatility in the financial market. Performance of the financial markets may continue to fluctuate and impact the fair value of financial assets and investments in future reporting periods; and
- Right-of-use Assets – the COVID-19 pandemic has impacted the way in which all businesses conduct their operations including the society-wide change to working from home. This change has impacted the demand for office rentals adjacent to the Alfred Hospital site leading to a reduction in expected net rental rates for new leases. The fair value of right-of-use buildings have been assessed per FRD 103I. There has been no change in the fair value of right-of-use assets during the year (FY2020-21: $6.4m).

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment	Alfred Health obtains independent valuations for its non-current assets at least once every five years. If an independent valuation has not been undertaken at balance date, the health service estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices. Management adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken. Management regards the VGV indices to be a reliable and relevant data set to form the basis of their assessment. While these indices are applicable to 30 June 2022, the fair value of land and buildings will continue to be subject to the impact of COVID-19 in future reporting periods. The land and building balances are considered to be sensitive to market conditions.
Estimating useful life and residual value of property, plant and equipment	Alfred Health assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset. The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. Alfred Health applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Estimating the useful life of intangible assets	Alfred 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, Alfred 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 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; and • If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.

Notes to the financial statements

Note 4.1 Investments and other financial assets

	Note	Operating Fund 2022 $'000	Operating Fund 2021 $'000	Consolidated 2022 $'000	Consolidated 2021 $'000
Non-current assets					
Financial assets at fair value through the net result					
Managed funds		67,627	69,793	67,627	69,793
Financial assets at amortised cost					
Managed funds		2,681	2,933	2,681	2,933
Total investments and other financial assets	7.1	**70,308**	**72,726**	**70,308**	**72,726**
Represented by:					
Investments held in trust		70,308	72,726	70,308	72,726
Total investments and other financial assets		**70,308**	**72,726**	**70,308**	**72,726**

Recognition of investments and other financial assets

Alfred's Health's investments are made in accordance with Standing Direction 3.7.2 – Treasury Management, including the Central Banking System.

Alfred Health manages its investments and other financial assets in accordance with an investment policy approved by the Board. Investments held by the controlled entities, Whole Time Medical Specialists' Private Practice Trust and John F Marriott for HIV Trust are managed by their respective trustees.

Investments held by Alfred Health do not fall within the scope of the Standing Directions as they are not public entity funds (i.e. not controlled by the government). However, such investments are consolidated into Alfred Health's financial statements as Alfred Health has control.

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

Alfred Health classifies its other financial assets between current and non-current assets based on the Board's intention at balance date with respect to the timing of disposal of each asset.

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

Note 4.2 Property, plant and equipment

(a) Gross carrying amount and accumulated depreciation

	Consolidated 2022 $'000	Consolidated 2021 $'000
Land		
Crown land at fair value	279,382	279,382
Freehold land at fair value	31,000	31,000
Total land	**310,382**	**310,382**
Buildings		
Buildings under construction at cost	23,483	11,858
Buildings at fair value	954,378	947,377
– Less accumulated depreciation	(186,790)	(124,448)
Subtotal buildings at fair value	791,071	834,787
Leasehold improvements at fair value	7,158	5,972
– Less accumulated amortisation	(2,355)	(1,933)
Subtotal leasehold improvements	4,803	4,039
Total buildings	**795,874**	**838,826**
Plant & equipment, furniture & fittings		
Medical equipment at fair value	225,203	219,991
– Less accumulated depreciation	(144,223)	(143,862)
Total medical equipment	80,980	76,129
Computers & communication equipment at fair value	51,261	50,707
– Less accumulated depreciation	(49,671)	(49,084)
Total computers & communication equipment	1,590	1,623
Furniture & fittings at fair value	6,376	6,481
– Less accumulated depreciation	(5,902)	(5,893)
Total furniture & fittings	474	588
Other plant and equipment at fair value	70,604	64,175
– Less accumulated depreciation	(48,108)	(45,332)
Total other plant and equipment	22,496	18,843
Plant & equipment – work in progress at cost	7,340	7,855
Total plant & equipment and furniture & fittings	**112,880**	**105,038**
Total property, plant and equipment	**1,219,136**	**1,254,246**

Notes to the financial statements

Note 4.2 Property, plant and equipment (continued)

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

Consolidated	Note	Land $'000	Buildings $'000	Leasehold improve-ments $'000	Medical equipment $'000	Computers and communication equipment $'000	Furniture and Fittings $'000	Other plant and equipment $'000	Totals $'000
Balance at 1 July 2020		**248,904**	**885,679**	**3,986**	**62,858**	**2,232**	**628**	**29,382**	**1,233,669**
Additions /(WIP transfers) (i)		31,000	11,836	312	26,222	1,049	123	61	70,603
Disposals (WDV)		-	-	-	(5)	-	-	-	(5)
Assets received free of charge		-	-	-	-	-	-	606	606
Transfer (ii)		(12,025)	-	-	-	-	-	-	(12,025)
Revaluation Increments		42,503	-	-	-	-	-	-	42,503
Depreciation	4.6	-	(62,728)	(259)	(12,946)	(1,658)	(163)	(3,351)	(81,105)
Balance at 30 June 2021	**4.2(a)**	**310,382**	**834,787**	**4,039**	**76,129**	**1,623**	**588**	**26,698**	**1,254,246**
Additions / (WIP transfers)		-	18,625	1,186	19,334	1,041	33	6,684	46,903
Disposals (WDV)		-	-	-	(126)	-	-	(2)	(128)
Transfer		-	-	-	-	-	-	17	17
Depreciation	4.6	-	(62,341)	(422)	(14,357)	(1,074)	(147)	(3,561)	(81,902)
Balance at 30 June 2022	**4.2(a)**	**310,382**	**791,071**	**4,803**	**80,980**	**1,590**	**474**	**29,836**	**1,219,136**

(i) On 14th April 2021 final settlement on land at 545 St Kilda Road was made to secure land for construction of the Paula Fox Melanoma and Cancer Centre.

(ii) $12m was transferred to Right-of-use Land due to identification of a peppercorn lease over the Alfred Centre held with the Department of Climate and Environment. The amount transferred represents the fair value of the land.

Recognition of property, plant and equipment

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

Initial recognition

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

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

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 are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

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

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

Revaluation

Fair value is based on periodic valuations by independent valuers, which normally occur once every five years. These are 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, Alfred Health performs a managerial assessment to estimate possible changes in the 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%, Alfred Health would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of Alfred Health's property, plant and equipment was performed by the VGV in June 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The managerial assessment performed at 30 June 2022, indicated an overall:

- increase in fair value of land of 3.87% ($13.7m) since 30 June 2021; and
- increase in the fair value of buildings of 5.75% ($44.2m) since 30 June 2019.

As the cumulative movement was less than 10% for land and buildings since the last revaluation, a managerial revaluation adjustment was not required as at 30 June 2022.

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

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

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

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

Notes to the financial statements

Note 4.3 Right-of-use assets

(a) Gross carrying amount and accumulated depreciation

	Consolidated 2022 $'000	Consolidated 2021 $'000
Land		
Right-of-use concessionary land at fair value	36,336	36,336
Less accumulated depreciation	**(2,654)**	**(1,691)**
Total right-of-use land at fair value	**33,682**	**34,645**
Buildings		
Right-of-use buildings at fair value	45,330	26,801
Less accumulated depreciation	(12,911)	(10,728)
Subtotal buildings at fair value	**32,419**	**16,073**
Total right-of-use concessionary land and buildings	**66,101**	**50,718**
Plant & equipment & motor vehicles		
Right-of-use – plant & equipment and motor vehicles	4,736	3,916
Less accumulated depreciation	(2,055)	(1,701)
Total right-of-use – plant & equipment & motor vehicles	2,681	2,215
Total right-of-use assets	**68,782**	**52,933**

(b) Reconciliations of carrying amount by class of asset

	Note	Right-of-use Concessional Land $'000	Right-of-use Buildings $'000	Right-of-use PE & MV $'000	Total $'000
Balance at 1 July 2020		24,312	20,610	1,694	46,616
Additions		-	13,565	1,578	15,143
Disposals		-	(6,551)	(105)	(6,656)
Transfer [(i)]		12,025	-	-	12,025
Revaluation increments /(decrements)		-	(6,206)	-	(6,206)
Depreciation	4.6	(1,692)	(5,345)	(952)	(7,989)
Balance at 30 June 2021	**4.3(a)**	**34,645**	**16,073**	**2,215**	**52,933**
Additions		-	22,965	1,349	24,314
Disposals		-	(252)	(239)	(491)
Depreciation	4.6	(963)	(6,367)	(644)	(7,974)
Balance at 30 June 2022	**4.3(a)**	**33,682**	**32,419**	**2,681**	**68,782**

(i) $12m was transferred to Right-of-use Land due to identification of a peppercorn lease over the Alfred Centre held with the Department of Climate and Environment. The amount transferred represents the fair value of the land.

Recognition of right-of-use assets

Where Alfred 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 – Borrowings for further information), the contract gives rise to a right-of-use asset and corresponding lease liability. Alfred 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:

Right-of-use asset	Lease term
Leased land	10 to 50 years
Leased buildings	2 to 10 years
Leased plant, equipment, furniture, fittings and vehicles	1 to 5 years

Initial recognition

When a contract is entered into, Alfred Health assesses if the contract contains or is a lease. If a lease is present, a right-of-use asset and corresponding lease liability is recognised. The definition and recognition criteria of a lease is disclosed at Note 6.1 – Borrowings.

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.

Alfred 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 assets at cost. Refer to Note 6.1 – Borrowings for further information regarding the nature and terms of the concessional leases, and Alfred Health's dependency on such lease arrangements.

Subsequent measurement

Right-of-use assets are subsequently measured at fair value, with the exception of right-of-use assets arising from leases with significantly below-market terms and conditions, which are subsequently measured at cost less accumulated depreciation and accumulated impairment losses where applicable. Right-of-use assets are also adjusted for certain re-measurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

Note 4.4 Property, plant and equipment revaluation surplus

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Property, plant and equipment revaluation surplus			
Balance at the beginning of the reporting period		985,823	949,526
Revaluation increment/(decrement)			
– Land	4.2(b)	-	42,503
– Buildings	4.2(b)	-	(6,206)
Total revaluation increment		-	36,297
Balance at the end of the reporting period*		**985,823**	**985,823**
***Represented by:**			
– Land		266,455	266,455
– Buildings		719,368	719,368
		985,823	**985,823**

Notes to the financial statements

Note 4.5 Intangible assets

	Consolidated 2022 $'000	Consolidated 2021 $'000
Intangible assets		
Computer software at cost	60,383	55,299
Less accumulated amortisation	(54,425)	(50,381)
Total intangible assets	**5,958**	**4,918**

Reconciliations of the carrying amounts of intangible assets at the beginning and end of the previous and current financial years are set out below.

	Computer software $'000
Balance at 1 July 2020	11,520
Additions	2,957
Disposals	-
Amortisation (refer to Note 4.6)	(9,559)
Balance at 1 July 2021	**4,918**
Additions	5,083
Disposals	-
Amortisation (refer to Note 4.6)	(4,043)
Balance at 30 June 2022	**5,958**

Recognition of intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance, being computer software and development costs (where applicable).

Initial recognition

Purchased intangible assets are initially recognised at cost.

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

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

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

Subsequent measurement

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

Note 4.6 Depreciation and amortisation

	Consolidated 2022 $'000	Consolidated 2021 $'000
Depreciation		
Buildings	62,341	62,728
Medical equipment	14,357	12,946
Computers and communication equipment	1,074	1,658
Furniture and fittings	147	163
Other plant and equipment	3,561	3,351
Leasehold improvements	422	259
Total depreciation – property, plant and equipment	**81,902**	**81,105**
Right-of-use assets		
Right-of-use land	963	1,692
Right-of-use buildings	6,367	5,345
Right-of-use plant, equipment, furniture and fittings and motor vehicles	644	952
Total depreciation – right-of-use assets	**7,974**	**7,989**
Total depreciation	89,876	89,094
Amortisation		
Computer software	4,043	9,559
Total amortisation	**4,043**	**9,559**
Total depreciation and amortisation	**93,919**	**98,653**

Notes to the financial statements

Note 4.6 Depreciation and amortisation (continued)

Recognition of 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 rates that allocate the asset's value, less any estimated residual value over its estimated useful life.

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

Recognition of amortisation

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

Useful lives

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

	2022	2021
Buildings	25 – 56 years	25 – 56 years
Plant & equipment	10 – 20 years	10 – 20 years
Medical equipment	8 – 10 years	8 – 10 years
Computers and communication equipment	3 years	3 years
Furniture and fittings	10 – 15 years	10 – 15 years
Motor vehicles	8 years	8 years
Intangible assets	3 – 4 years	3 – 4 years
Leasehold improvements	3 – 40 years	3 – 40 years
Right-of-use assets (buildings)	2 – 10 years	2 – 10 years
Right-of-use assets (MV and other PP&E)	1 – 5 years	1 – 5 years
Right-of-use assets (land)	10 – 50 years	10 – 50 years

Note 4.7 Impairment of assets

How we recognise impairment

At the end of each reporting period, Alfred 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 Alfred 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, Alfred 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, Alfred Health estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Note 5 Other assets and liabilities

This section sets out those assets and liabilities that arose from Alfred Health's operations.

Structure

5.1 Receivables and contract assets

5.2 Payables and contract liabilities

Impact of the COVID-19 pandemic

The measurement of other assets and liabilities were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	Alfred 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 Alfred 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. Alfred Health applies significant judgement when measuring the deferred capital grant income balance, which references the estimated stage of completion of the asset at the end of each financial year.
Measuring contract liabilities	Alfred 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.

Notes to the financial statements

Note 5.1 Receivables and contract assets

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Current receivables and contract assets			
Contractual			
Inter hospital debtors		1,985	2,562
Trade debtors		11,165	12,561
Contract assets	5.1(c)	46,704	27,635
Patient fees receivable		22,179	19,908
Total contractual assets before loss allowances		**82,033**	**62,666**
Less allowance for impairment losses			
– Trade debtors		(271)	(382)
– Patient fees		(4,795)	(4,695)
Total allowance for impairment losses	5.1(a)	(5,066)	(5,077)
Total contractual assets		**76,967**	**57,589**
Statutory			
GST receivable		4,203	4,421
Total statutory receivables		4,203	4,421
Total current receivables and contract assets		**81,170**	**62,010**
Non-current			
Contractual assets			
Long service leave – Department of Health		30,351	27,588
Total non-current receivables and contract assets		**30,351**	**27,588**
Total receivables and contract assets		**111,521**	**89,598**

Note 5.1(a) Movement in the allowance for impairment losses

Opening balance brought forward		(5,077)	(4,641)
Amounts written off/(on) during the year		6,401	4,950
Increase in allowance recognised in net result		(6,390)	(5,386)
Balance at end of year		**(5,066)**	**(5,077)**

Note 5.1(b) Financial assets classified as receivables and contract assets

Total receivables and contract assets		111,521	89,598
GST receivable		(4,203)	(4,421)
Total financial assets	**7.1**	**107,318**	**85,177**

Recognition of receivables

Receivables consist of:

- Contractual receivables, includes debtors in relation to goods and services. These receivables are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. Alfred Health holds the contractual receivables with the objective to collect the contractual cash flows which are subsequently measured at amortised cost using the effective interest method, less any impairment.
- Statutory receivables, includes Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. Alfred 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*.

Alfred Health is not exposed to any significant credit risk 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.

Impairment losses of contractual receivables

Refer to Note 7.2(a) – Credit risk for Alfred Health's contractual impairment losses.

Note 5.1(c) Contract assets

	Consolidated 2022 $'000	Consolidated 2021 $'000
Current contract assets		
Opening balance brought forward	27,635	17,137
Add: Additional costs incurred that are recoverable from the customer	46,704	27,635
Less: Transfer to trade receivable or cash at bank	(27,635)	(17,137)
Total current contract assets*	**46,704**	**27,635**
***Represented by**		
Current contract assets	46,704	27,635
Non-current contract assets	-	-

Recognition of contract assets

Contract assets relate to the Alfred 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 the time an invoice is issued. Contract assets are expected to be recovered early in FY2022-23.

Notes to the financial statements

Note 5.2 Payables and contract liabilities

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Current payables and contract liabilities			
Contractual			
Trade creditors		13,501	8,224
Accrued expenses		70,908	50,521
Accrued salaries and wages		37,376	26,454
Deferred grant revenue	5.2(b)	97,112	75,803
Contract liabilities – income received in advance	5.2(c)	41,936	11,984
Salary packaging		3,672	3,804
Superannuation		12,003	10,198
Total current payables and contract liabilities[(i)]		**276,508**	**186,988**
Financial liabilities classified as payables and contract liabilities			
Total current payables and contract liabilities		276,508	186,988
Deferred grant revenue		(97,112)	(75,803)
Contract liabilities		(41,936)	(11,984)
Total financial liabilities	**7.1**	**137,460**	**99,201**

(i) The average time taken to pay trade creditors is 37 days (2021: 30 days). No interest is charged on payables. Creditor days are calculated on trade creditors and accrued expenses excluding amounts owing to the Department of Health.

Recognition of payables and contract liabilities

Payables consist of:

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

Maturity analysis of payables

Please refer to Note 7.2(b) – Liquidity Risk for the ageing analysis of payables.

Note 5.2(a) Deferred capital grant revenue

	Consolidated 2022 $'000	Consolidated 2021 $'000
Opening balance of deferred grant income	67,843	38,244
Grant consideration for capital works received during the year	67,987	77,475
Grant revenue for capital works recognised consistent with the capital works undertaken during the year	(49,649)	(47,876)
Closing balance of deferred capital grant income	**86,181**	**67,843**

Recognition of deferred capital grant revenue

Grant consideration was received from the Department of Health to support the construction of multiple capital projects. Capital grant revenue is recognised progressively as the asset is constructed, since this is the time when Alfred 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, Alfred Health has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Alfred Health expects to recognise all of the remaining deferred capital grant revenue in line with capital works undertaken during future years.

Note 5.2(b) Grant consideration

	Consolidated 2022 $'000	Consolidated 2021 $'000
Revenue recognised from performance obligations satisfied in previous periods		
Transaction price allocated to the remaining performance obligations from contracts with customers to be recognised in:		
Not longer than one year	10,931	7,960
Longer than one year but not longer than five years	-	-
Longer than five years	-	-
Total grant consideration	**10,931**	**7,960**
Total deferred capital grant income 5.2(a)	86,181	67,843
Total deferred grant revenue	**97,112**	**75,803**

In addition, grant consideration was also received from the State Government in support of medical and associated services. Grant income is recognised as service obligations are met. Differences in the number of some services provided may be adjusted in the funding provided annually. The remaining grant revenue is recognised when the service obligations are delivered in the following year.

Notes to the financial statements

Note 5.2 Payables and contract liabilities (continued)

Note 5.2(c) Contract liabilities – income received in advance

	Consolidated 2022 $'000	Consolidated 2021 $'000
Opening balance of contract liabilities	**11,984**	**5,621**
Payments received for performance obligations yet to be completed during the period [(i)]	11,298	1,006
Grant consideration for sufficiently specific performance obligations received during the year [(ii)]	27,622	8,968
Revenue recognised in the reporting period for the completion of a performance obligation	-	-
Grant revenue for sufficiently specific performance obligations works recognised consistent with the performance obligations met during the year	(8,968)	(3,611)
Total contract liabilities	**41,936**	**11,984**
Represented by		
Current contract liabilities	41,936	11,984
Non-current contract liabilities	-	-

(i) Contract liabilities for donations with specific performance obligations that have not been met. During FY2021-22 $11.3m of capital donations were received for the Paula Fox Melanoma and Cancer Centre (FY2020-21: $1.0m).

(ii) Contract liabilities for the recognition of performance obligations not met in relation to activity-based funding and COVID-19 grants in the current financial year.

Recognition of contract liabilities

Contract liabilities include consideration received in advance from government entities, Not for Profit (NFP) partners and other entities in respect of the provision of health services to the community.

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

Note 6 How we finance our operations

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

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances).

Note 7.1 – Financial instruments provides additional, specific financial instrument disclosures.

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

Impact of the COVID-19 pandemic

Our finance and borrowing arrangements were not materially impacted by the COVID-19 Coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	Alfred 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	Alfred 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 the 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	Alfred 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, Alfred 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 Alfred Health is reasonably certain to exercise such options. Alfred 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; and • the health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Notes to the financial statements

Note 6.1 Borrowings

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Current			
Australian dollar borrowings			
– Treasury Corporation Victoria loans [(i-iv)]		2,057	1,931
– Lease liability [(v)]	6.1(a)	5,808	5,746
Total current borrowings		**7,865**	**7,677**
Non-current			
Australian dollar borrowings			
– Treasury Corporation Victoria loans [(i-iv)]		6,717	8,774
– Lease liability [(v)]	6.1(a)	36,109	19,598
Total non-current borrowings		**42,826**	**28,372**
Total borrowings	**7.1**	**50,691**	**36,049**

Terms and conditions of borrowings

The following details outlines Alfred Health's terms and conditions on borrowings.

Treasury Corporation Victoria

(i) Repayments for the multi storey car park are quarterly with the final instalment due on 22 March 2024. The principal outstanding for this loan at 30 June 2022 is $1.4m (2021: $2.7m).

(ii) Average interest rate applied during FY2021-22 was 6.44% (FY2020-21: 6.33%). Interest rate is fixed for the life of the loans.

(iii) Repayments for the Alfred Centre car park are quarterly with the final instalment due on 15 June 2027. The principal outstanding for this loan at 30 June 2022 is $7.4m (2021: $8.6m).

(iv) Repayment of these loans has been guaranteed in writing by the Treasurer and are unsecured.

Lease liability

(v) 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.

Recognition of borrowings

Borrowings refer to interest bearing liabilities mainly raised from advances from the Treasury Corporation of Victoria (TCV) and other funds raised through lease liabilities 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 Alfred Health has categorised its liability as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'.

Subsequent measurement

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

Maturity analysis

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

Defaults and breaches

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

Note 6.1(a) Lease liabilities

Repayments in relation to leases are payable as follows:

	Minimum future lease payments		Present value of minimum future lease payments	
	Consolidated 2022 $'000	Consolidated 2021 $'000	Consolidated 2022 $'000	Consolidated 2021 $'000
No later than one year	6,616	6,180	5,808	5,746
Later than 1 year and not later than 5 years	24,597	11,915	22,656	10,877
Later than 5 years	13,750	8,986	13,453	8,721
Minimum lease payments	44,963	27,081	41,917	25,344
Less future finance charges	(3,046)	(1,737)	-	-
Total	**41,917**	**25,344**	**41,917**	**25,344**
Included in the financial statements as:				
Current borrowings – lease liability			5,808	5,746
Non-current borrowings – lease liability			36,109	19,598
Total			**41,917**	**25,344**

The weighted average interest rate implicit for the leases is 2.0% (2021: 1.8%).

Recognition of lease liabilities

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

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

Right-of-use asset	Lease term
Leased land	10 to 50 years
Leased buildings	2 to 10 years
Leased plant, equipment, furniture, fittings and vehicles	1 to 5 years

All leases are recognised on the balance sheet, with the exception of low value leases (less than $10,000 AUD) and short-term leases of less than 12 months.

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.

Notes to the financial statements

Note 6.1 Borrowings (continued)

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 Alfred Health's incremental borrowing rate of 2.0%.

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

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

Building leases may have options to extend the lease term.

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

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

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

Subsequent measurement

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

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

Leases with significantly below market terms and conditions

Alfred 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. These leases are measured at cost.

Alfred Health has four lease agreements with the Department of Health for the use of crown land parcels at various locations across Melbourne. The leases have terms of 10 years. Restrictions placed on these assets include that they must be used for health services.

There is a lease over crown land at 99 Commercial Road (The Alfred Centre) with the Department of Environment, Land, Water and Planning. The lease has a term of 99 years. Restrictions over the asset includes that it must be used for the provision of health, laboratory and research services.

Note 6.2 Cash and cash equivalents

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Cash on hand (excluding monies held in trust)		22	24
Cash at bank (excluding monies held in trust)		24	253
Cash at bank (held in trust)		70	70
Cash at bank – Central Banking System (CBS) (excluding monies held in trust)		200,080	101,133
Total cash and cash equivalents	**7.1**	**200,196**	**101,480**
Represented by			
Cash held for:			
Health service operations		79,325	12,100
Pre-funded capital projects		86,181	67,843
Employee salary packaging		1,976	2,087
Other Committed Funds		32,644	19,380
Total cash excluding funds held in trust		**200,126**	**101,410**
Monies held in trust on behalf of patients		70	70
Total cash held in trust		**70**	**70**
Total cash and cash equivalents		**200,196**	**101,480**

Recognition of cash and cash equivalents

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

The cash flow statement includes monies held in trust.

Notes to the financial statements

Note 6.3 Commitments for expenditure

	Consolidated 2022 $'000	Consolidated 2021 $'000
Capital expenditure commitments:		
Not later than one year	102,649	20,783
Later than one year but not later than five years	36,053	-
Total capital expenditure commitments	**138,702**	**20,783**
Other expenditure commitments:		
Not later than one year	62,429	42,389
Later than one year but not later than five years	86,257	44,958
Later than five years	1,904	3,383
Total other expenditure commitments	**150,590**	**90,730**
Total commitments for expenditure (inclusive of GST)	**289,292**	**111,513**
Less GST recoverable from the Australian Tax Office	**(26,299)**	**(10,138)**
Total commitments for expenditure (exclusive of GST)	**262,993**	**101,375**

How we disclose our commitments

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

Expenditure commitments

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

Short-term and low value leases

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

Note 7 Risks, contingencies & valuation uncertainties

Alfred 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 exposure to financial risks), as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for Alfred 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

7.4 Contingent assets and contingent liabilities

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, Alfred 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. Alfred 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 Alfred Health's specialised and non-specialised land is measured using this approach; and • 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 Alfred Health's specialised buildings, furniture, fittings, plant, equipment and vehicles are measured using this approach. 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. Alfred 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. Alfred Health categorises non-specialised land and right-of-use concessionary land in this level; and • Level 3, where inputs are unobservable. Alfred Health categorises specialised land, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.

Notes to the financial statements

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 Alfred 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*.

Financial instruments: categorisation

Consolidated 2022	Note	Financial assets at amortised cost $'000	Financial assets at fair value through net result $'000	Financial liabilities at amortised cost $'000	Total $'000
Financial assets					
Cash and cash equivalents	6.2	200,196	-	-	200,196
Receivables					
– Trade debtors		10,894	-	-	10,894
– Other receivables		96,424	-	-	96,424
Total Receivables	5.1	107,318	-	-	107,318
Investments and other financial assets					
– Managed funds	4.1	2,681	67,627	-	70,308
Total financial assets (i)		**310,195**	**67,627**	**-**	**377,822**
Financial liabilities					
Payables	5.2	-	-	137,460	137,460
Borrowings	6.1	-	-	50,691	50,691
Other liabilities		-	-	70	70
Total financial liabilities (ii)		**-**	**-**	**188,221**	**188,221**

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. amounts owing from Victorian State Government and GST input tax credit recoverable).

(ii) The total amount of financial liabilities disclosed here exclude statutory liabilities (i.e. amounts payable or deferred grant liabilities recognised against Victorian State Government and taxes payable).

Consolidated 2021		Financial assets at amortised cost $'000	Financial assets at fair value through net result $'000	Financial liabilities at amortised cost $'000	Total $'000
Financial assets					
Cash and cash equivalents	6.2	101,480	-	-	101,480
Receivables					
– Trade debtors		12,179	-	-	12,179
– Other receivables		72,998	-	-	72,998
Total Receivables	5.1	85,177	-	-	85,177
Investments and other financial assets					
– Managed funds	4.1	2,933	69,793	-	72,726
Total financial assets (i)		**189,590**	**69,793**	**-**	**259,383**
Financial liabilities					
Payables	5.2	-	-	99,201	99,201
Borrowings	6.1	-	-	36,049	36,049
Other liabilities		-	-	70	70
Total financial liabilities (ii)		**-**	**-**	**135,320**	**135,320**

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. amounts owing from Victorian State Government and GST input tax credit recoverable).

(ii) The total amount of financial liabilities disclosed here excludes statutory liabilities (i.e. amounts payable or deferred grant liability recognised against Victorian State Government and taxes payable).

Categories of financial assets

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

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

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

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in *AASB 15 Revenue from Contracts with Customers* paragraph 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 Alfred 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.

Alfred Health recognises the following assets in this category:

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

Financial assets at fair value through net result

Alfred 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.

Alfred Health recognises listed equity securities as mandatorily measured at fair value through net result and has designated all managed funds as fair value through net result.

Categories of financial liabilities

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

Financial liabilities at fair value through net result

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

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

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

Notes to the financial statements

Note 7.1 Financial instruments (continued)

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.

Alfred 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, Alfred Health has a legal right to offset the amounts and intends to either settle on a net basis or to realise the asset and settle the liability simultaneously.

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

Derecognition of financial assets

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

- The rights to receive cash flows from the asset have expired; or
- Alfred 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 Alfred 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 Alfred Health has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Alfred 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

Subsequent to initial recognition, reclassification of financial liabilities is not permitted. Financial assets are required to reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when, and only when, Alfred Health's business model for managing its financial assets has changed such that its previous model would no longer apply.

Note 7.2 Financial risk management objectives and policies

As a whole, Alfred 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, including 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.

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

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

Note 7.2(a) Credit risk

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

Credit risk associated with Alfred 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, Alfred 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. Alfred 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 Alfred 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 Alfred Health's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to Alfred Health's credit risk profile in FY2021-22.

Impairment of financial assets under AASB 9 *Financial Instruments*

Alfred 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.

Notes to the financial statements

Note 7.2 Financial risk management objectives and policies (continued)

Contractual receivables at amortised cost

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

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

30-Jun-22	Current	Less than 1 month	1-3 months	3 months -1 year	1-5 years	Total
Expected loss rate	0.8%	8.1%	15.2%	39.7%	39.7%	
Gross carrying amount of contractual receivables ($'000) (i)	59,169	7,999	5,771	5,456	3,638	**82,033**
Loss allowance	**483**	**652**	**880**	**1,831**	**1,220**	**5,066**
30-Jun-21						
Expected loss rate	0.9%	5.2%	14.2%	35.6%	35.6%	
Gross carrying amount of contractual receivables ($'000) (i)	38,149	10,202	4,152	6,098	4,065	**62,666**
Loss allowance	**344**	**529**	**590**	**2,168**	**1,446**	**5,077**

(i) Gross carrying amount excludes Non-Current contractual asset – LSL Debtor due to being an amount not related to the provision of goods or services and the counterparty is the Department of Health, as such the expected credit loss is nil (2021: nil).

Statutory receivables at amortised cost

Alfred 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.

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.

Note 7.2(b) Liquidity risk

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

Alfred 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.

Alfred Health's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

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

	Note	Consolidated Carrying Amount $'000	Consolidated Nominal Amount $'000	Less than 1 Month $'000	1-3 Months $'000	3 Months - 1 Year $'000	1-5 Years $'000	Over 5 Years $'000
30-Jun-22								
Financial Liabilities at amortised cost								
Payables	5.2	137,460	137,460	113,258	19,134	5,068	-	-
Borrowings	6.1	50,691	57,726	710	1,821	6,659	33,037	15,499
Other Financial Liabilities		70	70	70	-	-	-	-
Total Financial Liabilities		**188,221**	**195,256**	**114,038**	**20,955**	**11,727**	**33,037**	**15,499**
30-Jun-21								
Financial Liabilities at amortised cost								
Payables	5.2	99,201	99,201	92,633	3,486	3,082	-	-
Borrowings	6.1	36,049	39,845	484	1,560	6,710	20,355	10,736
Other Financial Liabilities		70	70	70	-	-	-	-
Total Financial Liabilities		**135,320**	**139,116**	**93,187**	**5,046**	**9,792**	**20,355**	**10,736**

Notes to the financial statements

Note 7.2 Financial risk management objectives and policies (continued)

Note 7.2(c) Market risk

Alfred 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

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

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

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. Alfred Health holds minimal interest-bearing financial instruments that are measured at fair value, and therefore has minimal 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. Alfred Health has minimal exposure to cash flow interest rate risks through cash and deposits and term deposits that are at floating interest 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.

Alfred Health has minimal exposure to foreign currency risk.

Equity risk

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

	Carrying amount	Net result	Net result
2022	$'000	(15%)	15%
Investments and other contractual financial assets	67,627	(10,144)	10,144
Total impact	**67,627**	**(10,144)**	**10,144**
2021			
Investments and other contractual financial assets	69,793	(10,469)	10,469
Total impact	**69,793**	**(10,469)**	**10,469**

Note 7.3 Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

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

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

Valuation hierarchy

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

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

Alfred Health determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There have been no transfers between levels during the period.

Alfred 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 Alfred 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.

How we measure the value of financial instruments

Alfred Health currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2021-22 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Payables:
Receivables: • Sale of goods and services • Other receivables	• For supplies and services • Amounts payable to government and agencies • Other payables
Investments and other contractual financial assets: • Managed Funds	Borrowings: • Loans

Financial assets and liabilities measured at fair value

There have been no transfers between levels during the period.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair value.

Managed investment fund

Alfred Health invests in managed funds, which are not quoted in an active market. The managed funds invest in both listed securities and debt securities:

- Listed Securities: The listed securities are valued at fair value with reference to a quoted (unadjusted) market price from an active market. Alfred Health categorises these instruments as Level 1.
- Debt securities: In the absence of an active market, the fair value of the debt securities and government bonds are valued using observable inputs, such as recently executed transaction prices in securities of the issuer or comparable issuers and yield curves. Adjustments are made to the valuations when necessary to recognise differences in the instrument's terms. To the extent that the significant inputs are observable, Alfred Health categorises these investments as Level 2.
- Managed investment funds: The head managed investment fund invests in other managed funds, which may not be quoted in an active market and which may be subject to restrictions on redemptions. In measuring this fair value, the net asset value (NAV) of the funds is adjusted, as necessary, to reflect restrictions and redemptions, future commitments and other specific factors of the fund. In measuring fair value, consideration is also paid to any transactions in the shares of the fund. Alfred Health classifies these funds as Level 2.

Notes to the financial statements

Note 7.3 Fair value determination (continued)

Note 7.3(a) Financial assets and liabilities measured at fair value

	Carrying amount as at 30 June	Fair value measurement at end of reporting period using: Level 1	Level 2	Level 3
30-Jun-22				
Financial assets at fair value through net result				
Managed Funds	67,627	53,681	13,946	-
Total	**67,627**	**53,681**	**13,946**	**-**
30-Jun-21				
Financial assets at fair value through net result				
Managed Funds	69,793	57,743	12,050	-
Total	**69,793**	**57,743**	**12,050**	**-**

Note 7.3(b) Fair value measurement of non-financial physical assets as at 30 June 2022

	Note	Consolidated carrying amount $'000	Fair value measurement at end of reporting period using: Level 1 $'000	Level 2 $'000	Level 3 $'000
Land at fair value					
Non-specialised land		31,000	-	31,000	-
Specialised land		279,382	-	-	279,382
Total land at fair value	**4.2(a)**	**310,382**	**-**	**31,000**	**310,382**
Buildings at fair value					
Specialised buildings	4.2(a)	772,391	-	-	772,391
Total buildings at fair value		**772,391**	**-**	**-**	**772,391**
Plant & equipment, furniture & fittings at fair value					
Medical equipment	4.2(a)	80,980	-	-	80,980
Computers & communication equipment	4.2(a)	1,590	-	-	1,590
Furniture & fittings	4.2(a)	474	-	-	474
Other equipment	4.2(a)	22,496	-	-	22,496
Total plant & equipment and furniture & fittings at fair value		**105,540**	**-**	**-**	**105,540**
Right-of-use concessionary land	4.2(c)	33,682	-	33,682	-
Right-of-use buildings	4.2(c)	32,419	-	-	32,419
Right-of-use plant & equipment and motor vehicles	4.2(c)	2,681	-	-	2,681
Total right-of-use assets at fair value		**68,782**	**-**	**33,682**	**35,100**
Total non-financial physical assets at fair value		**1,257,095**	**-**	**33,682**	**1,223,413**

Note 7.3(c) Fair value measurement of non-financial physical assets as at 30 June 2021

	Note	Consolidated carrying amount $'000	Fair value measurement at end of reporting period using: Level 1 $'000	Level 2 $'000	Level 3 $'000
Land at fair value					
Non-specialised land		31,000	-	31,000	-
Specialised land		279,382	-	-	279,382
Total land at fair value	**4.2(a)**	**310,382**	**-**	**31,000**	**310,382**
Buildings at fair value					
Specialised buildings	4.2(a)	826,968	-	-	826,968
Total buildings at fair value		**826,968**	**-**	**-**	**826,968**
Plant & equipment, furniture & fittings at fair value					
Medical equipment	4.2(a)	76,129	-	-	76,129
Computers & communication equipment	4.2(a)	1,623	-	-	1,623
Furniture & fittings	4.2(a)	588	-	-	588
Other equipment	4.2(a)	18,843	-	-	18,843
Total plant & equipment and furniture & fittings at fair value		**97,183**	**-**	**-**	**97,183**
Right-of-use concessionary land	4.2(c)	34,645	-	34,645	-
Right-of-use buildings	4.2(c)	16,073	-	-	16,073
Right-of-use plant & equipment and motor vehicles	4.2(c)	2,215	-	-	2,215
Total right-of-use assets at fair value		**52,933**	**-**	**34,645**	**18,288**
Total non-financial physical assets at fair value		**1,287,466**	**-**	**34,645**	**1,252,821**

There have been no transfers between levels during the period.

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, Alfred 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

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

For non-specialised land independent valuations are performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets are 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. No formal valuation has been undertaken due to the non-specialised land's recent acquisition and current construction.

Notes to the financial statements

Note 7.3 Fair value determination (continued)

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

An independent valuation of the Alfred Health's specialised land and specialised buildings was performed by independent valuers Urbis Valuations as agent for the Valuer-General Victoria (VGV) to determine the fair value of the land. The valuation was performed using the market approach adjusted for CSO. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation was 30 June 2019.

In accordance with FRD 103I Alfred Health performed an annual fair value assessment of all non-financial physical assets taking into account all fair value indicators, which includes VGV land and building indices.

Vehicles

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

Furniture, fittings, plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2022.

Reconciliation of level 3 fair value measurement

30 June 2022	Land $'000	Buildings $'000	Plant & equipment, furniture & fittings $'000	Right-of-use Land $'000	Right-of use buildings $'000	Right-of-use, plant, equipment, furniture & fittings $'000	Totals $'000
Balance at 30 June 2021	**310,382**	**826,968**	**97,183**	**34,645**	**16,073**	**2,215**	**1,287,466**
Additions/(disposals)	-	8,186	27,479	-	22,713	1,110	59,488
Assets provided free of charge	-	-	17	-	-	-	17
Net transfers between classes	-	-	-	-	-	-	-
Gains or losses recognised in net result							
– Depreciation and amortisation	-	(62,763)	(19,139)	(963)	(6,367)	(644)	(89,876)
– Impairment loss	-	-	-	-	-	-	-
Items recognised in other comprehensive income							
– Revaluation	-	-	-	-	-	-	-
Closing balance as at 30 June 2022	**310,382**	**772,391**	**105,540**	**33,682**	**32,419**	**2,681**	**1,257,095**

There have been no transfers between levels during the period.

30 June 2021	Land $'000	Buildings $'000	Plant & equipment, furniture & fittings $'000	Right-of-use Land $'000	Right-of use buildings $'000	Right-of-use, plant, equipment, furniture & fittings $'000	Totals $'000
Balance at 30 June 2020	**248,904**	**876,833**	**83,244**	**24,312**	**20,610**	**1,694**	**1,255,597**
Additions/(disposals)	31,000	13,122	31,451	-	7,014	1,473	84,060
Assets provided free of charge	-	-	606	-	-	-	606
Net transfers between classes [(i)]	(12,025)	-	-	12,025	-	-	-
Gains or losses recognised in net result							
Depreciation and amortisation	-	(62,987)	(18,118)	(1,692)	(5,345)	(952)	(89,094)
Impairment loss	-	-	-	-	-	-	-
Items recognised in other comprehensive income							
Revaluation	42,503	-	-	-	(6,206)	-	36,297
Closing balance as at 30 June 2021	**310,382**	**826,968**	**97,183**	**34,645**	**16,073**	**2,215**	**1,287,466**

Classified in accordance with the valuation hierarchy, refer to Note 7.3 – Fair value determination.

There have been no transfers between levels during the period.

Notes to the financial statements

Note 7.3 Fair value determination (continued)

Fair value determination of level 3 fair value measurement

Asset class	Likely valuation approach	Significant inputs (level 3 only)
Specialised land	Market approach	Community service obligations adjustments (ii)
Specialised buildings (i)	Current replacement cost approach	Cost per square metre Useful life
Plant and equipment (i)	Current replacement cost approach	Cost per unit Useful life
Vehicles	Market approach	N/A
	Current replacement cost approach	Cost per unit Useful life

(i) Newly built / acquired assets could be categorised as level 2 assets as depreciation would not be a significant unobservable input (based on the 10% materiality threshold).

(ii) CSO adjustment of 20% to 50% was applied to reduce the market approach value for Alfred Health's specialised land.

AASB 13 Fair Value Measurement provides an exemption for not for profit public sector entities from disclosing the sensitivity analysis relating to 'unrealised gains/(losses) on non-financial assets' if the assets are held primarily for their current service potential rather than to generate net cash inflows.

There were no changes in valuation techniques throughout the period to 30 June 2022.

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

Judgements about HBU 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, Alfred Health can assume the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Note 7.4 Contingent assets and contingent liabilities

No contingent assets or liabilities are present for the year ended 30 June 2022 (2021: nil).

Measurement and disclosure of contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service; or
- present obligations that arise from past events but are not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
  - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

Note 8 Other disclosures

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

Structure

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

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Net result for the year		**(41,495)**	**6,717**
Non-cash movements:			
Depreciation	4.6	89,876	89,094
Amortisation of intangible assets	4.5	4,043	9,559
Provision for doubtful debts	3.2	6,667	5,386
Non-cash investment income		(2,631)	(2,063)
Net assets and inventory received free of charge		(2,476)	(11,585)
Net (gain)/loss on revaluation of financial instruments	3.2	4,984	(11,581)
Net gain/(loss) arising from revaluation of long service liability	3.2	8,356	(899)
Net (gain)/loss from disposal of non-financial physical assets	3.2	(210)	(20)
Capital donations received	2.2	(18,545)	(14,377)
Other non-cash movements		(1,051)	-
Movements in assets & liabilities			
– Increase in employee benefits		22,417	29,553
– Increase/(decrease) in payables		89,520	45,784
– Increase/(decrease) in other liabilities		-	(2)
– (Increase)/decrease in receivables		(21,923)	(10,768)
– (Increase)/decrease in prepayments		6,666	(9,826)
– (Increase)/decrease in inventories		(112)	(895)
Net cash inflows/(outflows) from operating activities		**144,086**	**124,077**

Notes to the financial statements

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.

Minister	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:	
Former Minister for Health	1 Jul 2021 - 27 June 2022
Former Minister for Ambulance Services	1 Jul 2021 - 27 June 2022
The Honourable Anthony Carbines:	
Former Minister for Disability, Ageing and Carers	6 Dec 2021 - 27 June 2022
The Honourable James Merlino:	
Former Minister for Mental Health	1 Jul 2021 - 27 June 2022
Former Minister for Disability, Ageing and Carers	11 Oct 2021 - 6 Dec 2021
The Honourable Luke Donnellan:	
Former Minister for Disability, Ageing and Carers	1 Jul 2021 - 11 Oct 2021

Governing Board	Period
Mr Michael Gorton (Chair of the Board) BCom LLB	01 Jul 2021 - 30 Jun 2022
Ms Kaye McNaught BA (PSYCH, CRIM) LLB (MELB)	01 Jul 2021 - 30 Jun 2022
Ms Anna Leibel GAICD, GCertITMgt	01 Jul 2021 - 30 Jun 2022
Ms Melanie Eagle BA BSW LLB, GAICD, GradDip (International Development)	01 Jul 2021 - 30 Jun 2022
Dr Victoria Atkinson MBBS, FRACS, AFRACMA, Masters of Health Management	01 Jul 2021 - 30 Jun 2022
Ms Sally Campbell LLB/BA, GAICD	01 Jul 2021 - 30 Jun 2022
Ms Anne Howells BCom CA, MB (Corporate Governance), GAICD, FGIA	01 Jul 2021 - 30 Jun 2022
Mr Lynton Norris FCPA, GAICD, BBus (Acc) BBus (Int Trade)	01 Jul 2021 - 30 Jun 2022
Ms Chloe Shorten BA (Comms)	01 Jul 2021 - 30 Jun 2022

Accountable Officer	Period
Prof Andrew Way AM (Chief Executive) RN BSc (Hons) MBA FAICD, FACHSM	01 Jul 2021 - 30 Jun 2022

Remuneration of 'responsible persons'

The number of 'responsible persons' are shown in their relevant income bands:

	Consolidated	
Income band	**2022**	**2021**
$50,000 - $59,999	8	8
$100,000 - $109,999	1	1
$590,000 - $599,999	0	1
$610,000 - $619,999	1	0
Total number	**10**	**10**
	2022 $'000	**2021 $'000**
Total remuneration received or due and receivable by 'responsible persons' from the reporting entity amounted to:	**1,184**	**1,160**

Amounts relating to responsible ministers are reported within the States Annual Financial Report as disclosed in Note 8.4 - Related parties, and are not included in the above table.

Note 8.3 Executive officer disclosures

Remuneration of executives

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

Remuneration 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 include amounts such as wages, salaries, 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 include 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 include long service leave, other long service benefit or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Remuneration of executive officers (included in key management personnel disclosed in Note 8.4)	**Consolidated 2022 $'000**	**Consolidated 2021 $'000**
Short term employee benefits	2,495	2,625
Post-employment benefits	180	217
Other long-term benefits	56	60
Total remuneration [(i) (ii)]	**2,731**	**2,902**
Total number of executives	**8**	**10**
Total annualised employee equivalent (AEE) [(iii)]	**7**	**8**

(i) The total number of executive officers includes persons who meet the definition of key management personnel (KMP) of the entity under AASB 124 *Related Party Disclosures* and are also reported within the related parties (refer to Note 8.4 – Related parties).

(ii) The remuneration of executive officers disclosed includes pro-rata remuneration of employees whilst acting in the executive's roles.

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

Notes to the financial statements

Note 8.4 Related parties

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

- All key management personnel (KMP) and their close family members;
- Cabinet Ministers (where applicable) and their close family members;
- All hospitals and public sector entities that are controlled and consolidated into the State of Victoria consolidated financial statements; and
- Controlled entities – Alfred Hospital Whole Time Medical Specialists' Private Practice Trust, John F Marriott for HIV Trust and Marriott for HIV Ltd.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of Alfred Health and its controlled entities, directly or indirectly. Key management personnel (KMP) of the hospital include the portfolio Ministers and cabinet Ministers and KMP as determined by the hospital.

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

Entity	KMPs	Position Title
Alfred Health	Mr Michael Gorton	Board Member
Alfred Health	Ms Sally Campbell	Board Member
Alfred Health	Ms Melanie Eagle	Board Member
Alfred Health	Ms Anne Howells	Board Member
Alfred Health	Ms Kaye McNaught	Board Member
Alfred Health	Mr Lynton Norris	Board Member
Alfred Health	Ms Chloe Shorten	Board Member
Alfred Health	Ms Anna Leibel	Board Member (appointed on 1 July 2021)
Alfred Health	Dr Victoria Atkinson	Board Member
Alfred Health	Prof Andrew Way	Chief Executive Officer
Alfred Health	Ms Simone Alexander	Chief Operating Officer
Alfred Health	Mr Peter Joyce	Chief Financial Officer
Alfred Health	Dr Lee Hamley	Executive Director Medical Services
Alfred Health	Ms Kethly Fallon	Executive Director Nursing Services
Alfred Health	Ms Chris McLoughlin	Executive Director People and Culture (resigned 22 October 2021)
Alfred Health	Mr Jarrard O'Brien	Chief Experience Officer (appointed 13 December 2021)
Alfred Health	Ms Jenny Walsh	Executive Director Strategy and Planning
Alfred Health	Ms Amy McKimm	Executive Director, Digital Health

Entity	KMPs	Position title
Alfred Hospital Whole Time Medical Specialists' Private Practice Trust	Mr John Brown	Trustee
Alfred Hospital Whole Time Medical Specialists' Private Practice Trust	Mr Michael Gorton	Trustee
Alfred Hospital Whole Time Medical Specialists' Private Practice Trust	Dr David Daly	Trustee
Marriott for HIV LTD as Trustee for John F Marriott Trust	Mr William O'Shea	Director
Marriott for HIV LTD as Trustee for John F Marriott Trust	Prof Jennifer Hoy	Director
Marriott for HIV LTD as Trustee for John F Marriott Trust	Ms Ann Larkins	Director
Marriott for HIV LTD as Trustee for John F Marriott Trust	Ms Natalie McDonald	Director

The compensation detailed below excludes the salaries and benefits the portfolio Ministers receive. The Ministers' remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968*, and is reported within the States Annual Financial Report.

Compensation – KMPs	**Consolidated 2022 $'000**	**Consolidated 2021 $'000**
Short-term employee benefits	3,586	3,697
Post-employment benefits	259	291
Other long-term benefits	70	73
Total	**3,915**	**4,061**

Where appropriate KMPs are also reported in Note 8.2 – 'Responsible persons' disclosures or Note 8.3 – Executive officer's disclosures.

Notes to the financial statements

Note 8.4 Related parties (continued)

Significant transactions with government-related entities

Alfred Health received funding from the Department of Health of $1.28b (2021: $1.16b) and indirect contributions of $6.5m (2021: $5.4m).

Alfred Health has a receivable to partially fund Long Service Leave obligations with the Department of Health at 30 June 2022 of $30.4m (2021: $27.6m).

Alfred Health received funding from the Department of Justice of $57.8m (2021: $51.0m) for overseeing the health and welfare needs of all travelers in the COVID-19 Health and Complex Care Hotels.

Alfred Health also provided services to other government related entities that were not individually significant totaling $17.8m (2021: $16.6m), and received services that were not individually significant totaling $11.8m (2021: $12.1m).

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

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

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

Transactions with key management personnel and other related parties

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

Outside of normal citizen type transactions with Alfred Health, all other related party transactions that involved key management personnel and their close family members have been entered into on an arm's length basis. Transactions are disclosed when they are considered material to the users of the financial report in making and evaluating decisions about the allocation of scare resources.

There were no related party transactions with Cabinet Ministers required to be disclosed in FY2021-22 (FY2020-21: nil).

There were no related party transactions required to be disclosed for Alfred Health's Board of Directors and executive directors in FY2021-22 except for the following as noted below.

- Ms Sally Campbell (Board member of the Alfred Health) is also a Director of Forensicare;
- Ms Anne Howells (Board member of the Alfred Health) is also a Director with PwC Australia;
- Ms Chloe Shorten (Board member of the Alfred Health) is also a Strategic Advisor of Burnet Institute Healthy Mothers, Healthy Babies Program;
- Dr Victoria Atkinson (Board member of the Alfred Health) is also the Chief Medical Officer of Healthscope;
- Prof Andrew Way (Chief Executive Officer) was also a Director of the Health Roundtable;
- Ms Anna Leibel (Board members of the Alfred Health) was also a Board member of Ambulance Victoria; and
- Mr Michael Gorton (Board member of the Alfred Health) was also a Board member of Ambulance Victoria and is the Chair of Wellways Australia.

The transactions between the above entities and Alfred Health relate to reimbursements made by Alfred Health to the entities for the provision of goods and services and the transfer of funds by way of distributions made to Alfred Health. All dealings are in the normal course of business and are on normal commercial terms and conditions.

Alfred Health has an agreement to provide management services to WTMS Trust and in FY2021-22 charged an amount of $0.1m (FY2020-21: $0.1m). WTMS provides donation funding for the benefit of Alfred Health and its employees, in FY2021-22 this was $0.1m (FY2020-21 $0.3m). Alfred Health has an agreement to provide management services to John F Marriott Trust and in FY2021-22 charged an amount of $0.02m (FY2020-21: $0.02m).

Note 8.5 Remuneration of auditors

	Consolidated 2022 $'000	Consolidated 2021 $'000
Victorian Auditor-General's Office		
Audit of financial statements	268	268
Total remuneration of auditors	**268**	**268**

Note 8.6 Australian Accounting Standards issued that are not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Alfred 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.
AASB 2021-5: *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-6: *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-7: *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*	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 Alfred Health.

Notes to the financial statements

Note 8.7 Events occurring after the balance sheet date

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Alfred Health at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Alfred Health's operations, its future results and financial position.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of Alfred Health, the results of the operations or the state of affairs of Alfred Health in the future financial years.

Note 8.8 Economic dependency

Alfred 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 Alfred Health adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to 31 October 2023. On that basis, the financial statements have been prepared on a going concern basis.

Note 8.9 Controlled entities

Name of entity	Country of residence	Ownership Interest %
Alfred Hospital Whole Time Medical Specialists' Private Practice Trust	Australia	100%
John F Marriott for HIV Trust	Australia	100%
Marriott for HIV Ltd	Australia	100%

Controlled entities contribution to the consolidated results	2022 $'000	2021 $'000
Net result for the year		
Alfred Hospital Whole Time Medical Specialists' Private Practice Trust	(874)	1,815
John F Marriott for HIV Trust	(497)	798
Marriott for HIV Ltd	-	-

AASB10 *Consolidated Financial Statements* is applied in the preparation of consolidated financial statements for a group of entities under the control of the parent. AASB 10 *Consolidated Financial Statements* requires the satisfaction of all of the following three criteria for control to exist over an entity for financial reporting purposes:

- The investor has power over the investee;
- The investor has exposure, or rights to variable returns from its involvement with the investee; and
- The investor has the ability to use its power over the investee to affect the amount of investor's returns.

Alfred Hospital Whole Time Medical Specialists' Private Practice Trust (the Trust) is a charitable trust set up principally for the benefit of Alfred Health. Alfred Health has the powers noted above due to its ability to appoint and remove the majority of the trustees.

Control was deemed to have occurred on 31 May 2009, when Alfred Health appointed the trustees. At that time, the Trust had net assets of $13.197m and under *AASB 3 Business Combinations*, this amount was recognised in Alfred Health's revenue.

The John F Marriott for HIV Trust is a charitable trust set up principally for the benefit of Alfred Health. Marriott for HIV Ltd is the corporate trustee of the Trust and Alfred Health has the powers noted above due to its ability to appoint and remove the majority of the directors of the trustee company.

Control was deemed to have occurred on 29 May 2020, when Alfred Health was appointed the trustee. At that time, the Trust had net assets of $6.4m.

Marriott for HIV Ltd, a wholly owned entity, was established on 29 May 2020 to act as the Trustee of John F Marriott for HIV Trust.

Note 8.10 Equity

Property, plant and equipment revaluation surplus

The property, plant and equipment revaluation surplus arises on the revaluation of infrastructure, land and buildings. The revaluation surplus is not normally transferred to accumulated surpluses/(deficits) on de-recognition of the relevant asset.

General purpose surplus

The general purpose surplus is established where Alfred Health has generated funds internally for a specific purpose.

Restricted specific purpose surplus

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

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 Alfred 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.

Notes to the financial statements

Note 8.11 Glossary of terms and style conventions

Actuarial gains or losses on superannuation defined benefit plans

Actuarial gains or losses are changes in the present value of the superannuation defined benefit liability resulting from:

(a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and

(b) the effects of changes in actuarial assumptions.

Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset.

Comprehensive result

The comprehensive result is the net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Current grants

Current grants are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense reduces the 'net result for the year'.

Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset or liability and for allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

Employee benefit expenses

Employee benefit expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Financial asset

A financial asset is any asset that is:

(a) cash;

(b) an equity instrument of another entity;

(c) a contractual or statutory right:

- to receive cash or another financial asset from another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or

(d) a contract that will or may be settled in the entity's own equity instruments and is:

- a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is:

(a) A contractual obligation:

- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

(b) A contract that will or may be settled in the entity's own equity instruments and is:

- a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

A complete set of financial statements comprises:

(a) Balance sheet as at the end of the period;

(b) Comprehensive operating statement for the period;

(c) A statement of changes in equity for the period;

(d) Cash flow statement for the period;

(e) Notes, comprising a summary of significant accounting policies and other explanatory information;

(f) Comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*; and

(g) A statement of financial position at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101 *Presentation of Financial Statements*.

Grants and other transfers

Grants and other transfers are transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes. Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

General government sector

The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non-market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Interest expense

Interest expense relates to costs incurred in connection with the borrowing of funds. They include interest on short-term and long-term liabilities, amortisation of discounts or premiums relating to liabilities, interest component of finance lease repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest income

Interest income includes the unwinding, over time, of discounts on financial assets and interest received on bank term deposits and other investments.

Liabilities

Liabilities refers to interest-bearing liabilities mainly raised from public liabilities raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Liabilities also include non-interest bearing advances from government that are acquired for policy purposes.

Net acquisition of non-financial assets (from transactions)

Net acquisition of non-financial assets includes purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets, less depreciation, plus changes in inventories and other movements in non-financial assets. It includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other comprehensive income'. Net result from transactions/ net operating balance, Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets.

Net worth

Net worth is assets less liabilities, which is an economic measure of wealth.

Notes to the financial statements

Note 8.11 Glossary of terms and style conventions (continued)

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

Non-profit institution

A legal or social entity that is created for the purpose of producing or distributing goods and services but is not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it.

Payables

Payables include short and long-term trade debt and accounts payable, grants, taxes and interest payable.

Produced assets

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films, and research and development costs (which does not include the startup costs associated with capital projects).

Public financial corporation sector

Public financial corporations (PFCs) are bodies primarily engaged in the provision of financial intermediation services or auxiliary financial services. They are able to incur financial liabilities on their own account (e.g. taking deposits, issuing securities or providing insurance services). Estimates are not published for the public financial corporation sector.

Public non-financial corporation sector

The public non-financial corporation (PNFC) sector comprises bodies mainly engaged in the production of goods and services (of a non-financial nature) for sale in the market place at prices that aim to recover most of the costs involved (e.g. water and port authorities). In general, PNFCs are legally distinguishable from the governments that own them.

Receivables

Receivables include amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services

Sales of goods and services refer to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges include sale of goods and services income.

Standing Directions

Standing Directions are issued by the Assistant Treasurer under section 8 of the *Financial Management Act 1994* (FMA). They specify public sector agency responsibilities to achieve a high standard of public financial management and accountability.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Department.

Supplies and services 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 the inventories are distributed.

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows in an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset.

Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

zero, or rounded to zero

(000) negative numbers

FY2021-22 – current year period to 30 June 2022.

FY2020-21 – prior year period to 30 June 2021.

Glossary

Consumer
Refers to clients, families and other support people. Also describes previous, current or future patients who participate in formal service improvement activities.

DH
Department of Health

ED
Emergency Department

ICU
Intensive Care Unit

eTQC
electronic Timely Quality Care

GP
general practitioner

OHS
Occupational Health and Safety

Occupational violence
Any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of, their employment.

Common terms used here:

incident
An event or circumstance that could have resulted in, or did result in, harm to an employee

accepted WorkCover claims
Accepted claims that were lodged in 2021-22

lost time
Is defined as greater than one day

injury, illness or condition
All reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim

seclusion
Sole confinement of a person to a room or other enclosed space, used as a safety intervention when patient is at imminent risk to self or others.

RAP
Reconciliation Action Plan

Separation
When an admitted patient's episode of care (their total hospital stay from admission to discharge, transfer or death) ends. A separation is also counted when there is a change in the type of care a patient is receiving.

Vulnerable patient
Someone who may be susceptible to experiencing marginalisation or barriers when receiving their healthcare, due to multiple or complex needs and/or someone who is lacking advocacy.

Pilates instructor Lizzy has returned to teaching after recovering from treatment for Non-Hodgkins Lymphoma at The Alfred.

theAlfred 150

A celebration of the human spirit

Caulfield HOSPITAL

Sandringham HOSPITAL

MSHC MELBOURNE SEXUAL HEALTH CENTRE

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