AlfredHealth

Annual Report
2020–21

Extraordinary care in extraordinary times.

theAlfred
Caulfield HOSPITAL
Sandringham HOSPITAL
MSHC MELBOURNE SEXUAL HEALTH CENTRE

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

Urologist Dr Gideon Blecher

Contents

Alfred Health is a metropolitan health service established under section 181 of the *Health Services Act 1988* (Vic) in June 2000.

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 2020 to 30 June 2021. 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.

There were six relevant Ministers for the period:

The Honourable Jenny Mikakos MP	
Minister for Health, Minister for Ambulance Services	1/7/2020 – 26/9/2020
Minister for the Coordination of Health and Human Services: COVID-19	
The Honourable Martin Foley MP	
Minister for Health, Minister for Ambulance Services	26/9/2020 – 30/6/2021
Minister for Equality	1/7/2020 – 30/6/2021
Minister for Mental Health	1/7/2020 – 29/9/2020
Minister for the Coordination of Health and Human Services: COVID-19	26/9/2020 – 9/11/2020
The Honourable James Merlino MP	
Minister for Mental Health	29/9/2020 – 30/6/2021
The Honourable Luke Donnellan MP	
Minister for Child Protection, Minister for Disability, Ageing and Carers	1/7/2020 – 30/6/2021
The Honourable Lisa Neville MP	
Minister for Police and Emergency Services	1/7/2020 – 19/2/2021
The Honourable Danny Pearson MP	
Acting Minister for Police and Emergency Services	20/2/2021 – 30/6/2021

About Alfred Health

Dr David Griffin is among the researchers at The Alfred hoping to break down the barriers people living with HIV encounter when it comes to undergoing organ transplantation.

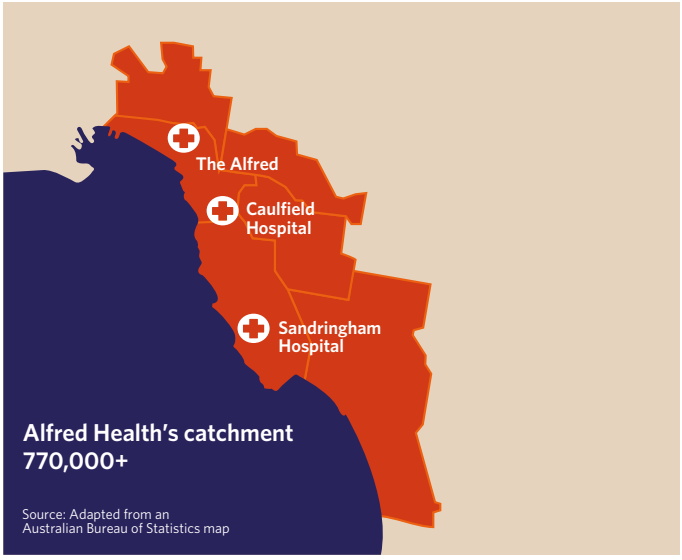
Alfred Health is one of Australia's leading healthcare services. We have a dual role: caring for more than 700,000 locals who live in inner-southern Melbourne, and providing health services for Victorians experiencing the most acute and complex conditions through our statewide services.

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. This catchment covers over 700,000 people and continues to grow.

Our statewide services provide care to those residing around Victoria and Australia.



Alfred Health catchment area map

The Alfred

The Alfred, a major tertiary and quaternary referral hospital, is best known as one of Australia's busiest emergency and trauma centres.

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+).

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 that is designed to further patients' independence before discharge.

Providing care for people in their homes continues to be a key part of the site's work. It runs several programs that offer a diverse range of services outside of an inpatient environment and is aimed at avoiding or shortening the need for 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 out of Sandringham.

The hospital works closely with the Royal Women's Hospital to provide gynaecology and maternity services for the public and local community healthcare providers. Among those providers is Connect Health, who manage the Sandringham Ambulatory Care Centre, the COVID-19 screening clinic and the COVID-19 vaccination centre.

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.

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.

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.

Melbourne Sexual Health Centre

Melbourne Sexual Health Centre (MSHC) has dedicated clinics for those at risk of sexually transmitted infection, on-site testing for sexually transmitted infections, and provides counselling, advice and health information.

The growing Victorian population and rising rates of sexually transmitted infections (STIs) prior to the COVID-19 pandemic had greatly increased the demand for Melbourne Sexual Health Centre services.

In 2020–21, MSHC provided 37,111 consultations to our clinic, a 25 per cent reduction on 2019–20. Consultation numbers have reduced by 35 per cent over the last two financial years since the beginning of the pandemic.

We found during lockdown our clients appeared to prioritise their attendance for sexual health services based on clinical urgency. This suggests the effectiveness of clinical services in detecting, treating and preventing onward transmission is being mainly preserved despite large falls in absolute numbers of attendees.

Over the past year, initiatives have included an automated email for clients with a form summarising their visit including STI tests and vaccinations they had, and when future vaccines are due. Sent on the evening after a patient's visit, it also includes useful links to HIV/STI prevention and contraception websites.

As part of our response to COVID-19, measures such as telehealth for counselling and Green Room client consultations continued. In addition, we seconded 10 nurses to the Department of Health and Human Services and also on site to The Alfred to assist with COVID contact tracing.

We continue to develop new services to meet changing community needs.

Victorian Sexual Health Service Strategy (Hub and Spoke)

Alfred Health has received funding from the Victorian Department of Health (DH) to support the Hub and Spoke model for STI services in Victoria.

MSHC have been working on a pilot with GP practices in Clayton, Hillside and Tarneit on a program to deliver sexual health via a hub and spoke model as per the sexual health review. Leading the strategy are Lisa Kennedy, Richard Teague and Melanie Bissessor.

MSHC delivers education and support for GP practice staff with on-site training at MSHC. These staff also have access to the expertise of MSHC clinicians outside of this education as needed. The practices will provide testing and treatment for STIs, including HIV prevention medicines (PEP and PrEP). These GP practices are connected to Rhed, Thorn Harbour Health, Family Planning Victoria, and have had indigenous cultural training with VACCHO. The partner pharmacies are connected with the Victorian NPEP service to ensure the supply of PEP at these practices.

An evaluation of the GP clinics has shown STI services were being delivered, with a fourth GP clinic in Cranbourne added to the network.

As part of the HIV service (The Green Room) at MSHC, Suzanne Amisano led the development of the **staystifree.org.au** website.

Research

The focus of our research is to find innovative ways to improve STI control when the use of condoms is falling rapidly. This has meant researchers understanding how STIs are transmitted, and particularly how infection can be spread via the mouth. Our research indicates there is substantial transmission of gonorrhoea and possibly syphilis from oral infection.

We are also trying innovative ways to encourage individuals to recognise early symptoms and present for testing promptly, reducing the number of infections that can be passed on.

Our recent 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 from outer Melbourne. More screening, particularly among women of reproductive age, is needed.

St Kilda Road Clinic

The St Kilda Road Clinic works in partnership with consumers, families and the community to reduce the impact of mental illness, improve quality of life and promote recovery. It aims to deliver excellent quality care that is accessible to all and sensitive to a diverse community.

The service 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. It offers psychiatric assessment and treatment, clinical case management, family and carer support and specialist allied health interventions.

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, 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

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

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 2021.

Michael Gorton AM
Chair

Alfred Health Board
1 September 2021

Chair and Chief Executive's Year in Review

In 2020–21 COVID-19 shaped our lives, work and health. It has been one of the most intense periods in our 150-year history, where our community has needed us more than ever. In these extraordinary times, in the most challenging of circumstances, our staff have given extraordinary care.

We are grateful for all that they have achieved.

Responding to COVID-19

The health service took on a central role in keeping the community safe from COVID-19. Partnering with the Victorian Government, we assumed clinical responsibility for the health and complex hotels in the state's hotel quarantine program. Using our infection prevention expertise, we supported around 1,700 people who, in the main, were returning to Australia and required care for COVID-19 infections or for other health conditions while in quarantine.

The amazing speed of international vaccine development meant vaccination for all workers in the hotel program, as well as staff in our high-risk areas, got underway in March. Since then, we have expanded our vaccination program for all staff and community with close to 40,000 doses given.

During the year, our ICU team cared for more patients who were critically ill with COVID-19 than any other health service in Australia. In part this was due to the unit's expertise in ECMO (Extra Corporeal Membrane Oxygenation), a treatment sometimes required in COVID care.

There was also substantial support for people with COVID-19 in the community. Our gratitude goes to the nurses and doctors on the ground, providing care to residents in aged care facilities during one of the most challenging times.

One of the more difficult decisions of the year was to reduce visitors to patients in hospital. We know how hard this was on patients, families and staff though it is an essential step in keeping our hospitals safe. To help we improved our WiFi, offering it free to patients, so they could stay in contact with their loved ones, virtually.

Performance

In a year punctuated by months of 'lockdown', it is particularly concerning to see major trauma cases reaching 1,607 considerably exceeded preceding years. There was a major increase in serious burns, and in summer months there was an escalation in road accidents.

Our Emergency Departments experienced both peaks and troughs of activity, which unavoidably impact on access performance during the year.

Despite substantial hurdles, we continued our transplantation program with 73 lung and 27 heart transplants giving people a second chance of life.

Telehealth supported our outpatient program with appointments growing, despite the lockdown. This will continue to change the way we deliver specialist clinics in the future.

COVID-19 accelerated our *Better at Home service*, where we provide care in people's familiar home environments. Many people took the opportunity to experience care at home with patient numbers close to doubling in the year. The development of Better at Home – now a government supported initiative – has the potential to revolutionise care in the future.

The health service took on a central role in keeping the community safe from COVID-19. Partnering with the Victorian Government, we assumed clinical responsibility for the health and complex hotels in the State's hotel quarantine program.

Caring for our staff

Recognising the challenges of COVID-19, staff safety and wellbeing remained pivotal.

Ensuring staff had the right equipment (PPE) and creating safe environments in which to deliver great care was a challenge. At The Alfred, capital works improved ventilation to provide an even safer environment on key wards for staff and patients.

We started developing our Gender Equality Action plan in line with the *Gender Equality Act 2020*, which includes initiatives addressing workplace flexibility, women in leadership and the gender pay gap.

The Wellbeing Collaborative ran initiatives to support staff, including the 1,000+ staff working from home during lockdown periods.

Building infrastructure for better care

The Innovation and Education Hub was completed this year, providing staff on the Alfred Precinct with a much needed space for education, connection, and relaxation. Safety works on Alfred Lane were also completed, improving the environment and introducing new safety totems for staff as they move between buildings and car parks.

The new Victorian Melanoma and Clinical Trials Centre will ensure Alfred Health remains at the forefront of the early detection and prevention of skin cancers as well as research. The project, supported by Federal and State Governments, key philanthropists and Monash University started during the year with purchase of the 545 St Kilda Rd property.

Research and education

Alfred Health continues to be one of Australia's most research-intense health services with much of the research focussed on direct benefits for patients. During the year COVID-19 remained the strongest research theme. Other standout projects include testing artificial intelligence for skin cancer; and removing HIV as a barrier to organ transplantation and prosthetic technology.

Our involvement in TrialHub, and our collaboration with our partners at the Alfred Research Alliance and Monash Partners Academic Health Centre shows a continued commitment to internationally recognised research.

Strategic Plan

Despite other pressures we continued to plan for the future.

In June we released our new Strategic Plan for 2021–23. An ambitious plan, it focusses on advancing excellence in healthcare for the benefit of all Victorians. Collaboration with staff, partners and government was central to developing the plan; and will be central to achieving its goals.

Three transformational Flagship Projects are at the centre of this plan:

1. *Redeveloping The Alfred* focuses on realising the most significant capital investment project that the health service has seen at The Alfred.
2. *Caring Beyond the Walls* is about providing excellent and integrated care in more personal environments including people's homes and communities. To do so requires smart technology, a talented workforce, and partnerships with primary care and community health providers.
3. *Alfred Health Wellbeing* supports our staff to feel safe and supported so they can thrive in their roles and drive excellence in care.

Thanks to Board and staff

Thank you to the Board, donors and our broader community for their support and generosity in what has been a trying time.

To our Executive Team, your leadership has helped navigate us through challenging times.

And thank you to our outstanding staff. In the most unique of circumstances, your dedication to quality patient care has been steadfast. Your courage, professionalism and resilience are very much appreciated.

Michael Gorton AM
Chair

Melbourne
1 September 2021

Professor Andrew Way AM
Chief Executive

Melbourne
1 September 2021

Responding to COVID-19

Staff at The Alfred's COVID-19 Screening Clinic has continued to play an important role in testing Victorians during the pandemic.

A team effort by all staff has been vital in Alfred Health meeting the challenges presented by the COVID-19 pandemic.

From our dedicated Screening Clinic and Pathology team with more than 120,000 tests conducted since opening in March 2020; to our Entry Point Screening Team helping minimise the risk of infection to staff and patients by screening 4,000 staff plus 3,000 visitors and patients each day – everyone has played their part.

The role of non-clinical staff has also been of great importance. Our capital works, infrastructure and IT teams demonstrated outstanding agility in ensuring wards were set up to meet the high standards required to provide optimum care for COVID-19 patients. They were also key in establishing Immunisation Clinics for our staff and the community across our sites.

In fact, it is important to acknowledge the work of all Alfred Health staff – no matter where they work – for the outstanding job they have done in what has been a challenging period.

The wellbeing of staff has also been a key priority, with initiatives to ensure the physical and mental health and safety of employees – no matter what environment they are working in.

A leading clinical response

The Alfred continued to be a leader throughout the pandemic, providing the most days of critical care to COVID-19 in Australia. This included treating 13 Extracorporeal Membrane Oxygenation (ECMO) patients, with high survival rates.

To ensure we were prepared to meet the clinical demands of the pandemic, we embarked on a step-wise approach to expand The Alfred E&TC from 70 to 205 treatment spaces, if required, by escalating COVID-19 patient presentations. This involved significant infrastructural changes to areas adjacent to the E&TC.

Staff safety continued to be a priority. To minimise healthcare worker infections, a number of measures were put in place. These included education, PPE monitors and spotters, fit testing of N95 masks and dedicated workforce to COVID wards. Other additional steps included staff surveillance testing, stringent use of PPE in line with DH guidance, and efficient contact tracing and systems to enable reporting of symptoms with subsequent follow-up.

From a training perspective, the COVID-19 Alfred Health Essentials of Critical Care online package was developed, implemented and completed by 300 nurses. This ensured surge capacity workforce was able to be re-deployed.

Other key initiatives included clinical engagement with the National COVID-19 taskforce and leadership of the ANZICS COVID-19 guideline. The Alfred was integral to the co-ordination of ICU patients in Victoria during 2020, with intensivist Dr David Pilcher working as critical care lead for Safer Care Victoria.

Supporting our community

To assist with management of COVID-19, a Residential Aged Care Facility Outbreak Response Team and Advisory Group was established. The team responded directly to outbreaks and in some cases oversaw resident care and implemented infection control processes in facilities with severe outbreaks. A risk analysis was also undertaken of all residential aged care facilities in our catchment. Ongoing relationship building and education continues to ensure these facilities are prepared to reduce the risk and respond quickly to a COVID-19 outbreak if required.

Other work included the establishment of a COVID-19 Community Pathway which provides GPs with COVID-19 resources and contacts which Alfred Health offers. Hospital Admission Risk Program (HARP) set up to undertake large-scale community swabbing. Caulfield Community Health Service Population Health Team also developed resources in languages other than English for our diverse communities.

Alfred Health also played a role with community mental health support. The St Kilda Road Clinic was part of a community psychiatry response when a local supported residential service had a COVID-19 outbreak with all residents needing to be relocated. They also supported people experiencing rough-sleeping and homelessness, who moved into hotels during the pandemic.

Our pathology team have continued to worked tirelessly analysing COVID-19 tests during the pandemic. Image courtesy Pathology Awareness Australia

The wellbeing of staff has also been a key priority ... no matter what environment they are working in.

Responding to COVID-19

Hotel Support Services

Alfred Health was appointed by the the Victorian Government to manage the Hotel Support Services (HSS) program. The HSS program is the clinical arm of the Victorian Government's Hotel Quarantine Program for residents including unaccompanied minors returning to Australia throughout the pandemic. Alfred Health provides a range of clinical services and is operationally responsible for interdisciplinary clinical teams located at Melbourne Airport and in the Complex Care (high care needs – COVID-19 negative) and Health Hotel (COVID-19 positive).

HSS delivers a healthcare model with a strong infection prevention and control culture – areas where Alfred Health has expertise. In addition, we have 24/7 medical oversight which includes nurse-led paediatric liaison, mental health, women's health and smoking cessation services. Our operations are supported by an Alfred Health-based team that provides virtual and remote support to all sites, including clinical support, and infection prevention guidance.

Highlights

Alfred Health's HSS Program has been pivotal in providing support and clinical care to residents returning to Australia with complex care and COVID-19 healthcare needs.

Since Alfred Health took on operational responsibility of clinical hotel settings in December 2020, over 1700 residents have been cared for by the HSS interdisciplinary clinical teams, with inter-agency support including Spotless, Victoria Police and Hotel Services.

The guidance from the HSS Infection Prevention team has been critical in minimising transmission of COVID-19 to the community, with no COVID-19 transmission in or from Alfred Health-managed hotels.

The ongoing resilience of the entire HSS staff, including their adaptability and innovation when standing up and standing down health hotels has been a feature. Over 81,00 COVID-19 tests have been performed on HSS staff, with implementation and ongoing review of 24 HSS specific guidelines. Ensuring CQV teams were vaccinated was also a priority.

There have been many challenges including the evacuation of the Health Hotel due to a flood. This required the leadership of the HSS team to virtually manage the decanting of COVID-19 positive residents to another hotel until the rectification was completed. The on-site clinical teams are exceptional and work exclusively at their sites which minimises the risk of transmission.

Alfred Health partners with the Royal Women's Hospital and Royal Children's Hospital to provide the specialist care that some of these residents require.

Future goals

As part of our commitment to ongoing improvement, future goals for HSS include the use of robotic sensors to replace floor monitors, proximity tracking and research opportunities.

Key stats

300	81,404	271	1793
Total Alfred Health Staff employed (includes Spotless) approx.	Total number of Staff Surveillance tests taken	Total number of positive COVID-19 residents	Total number of discharged residents

Hotel Support Services deliver a healthcare model with a strong infection prevention and control culture.

Vaccinations

Alfred Health has continued to play a pivotal role in the protection of the Victorian community via its COVID-19 vaccination program, delivering more than 39,000 doses of vaccine.

In February 2020, the Victorian Department of Health requested Alfred Health lead the vital work of vaccinating all staff connected to the State's Hotel Quarantine Program.

This challenging and high-profile task involved vaccinating staff at 17 Hotel sites (including two Alfred Health-operated Hotels) under strict infection control protocols.

The complexity of the environment and the importance of vaccinating all staff within the Quarantine program quickly, necessitated operating vaccination clinics on-site up to seven days a week, 16 hours a day, on many occasions standing up and down a full clinic in less than 24 hours.

Our vaccination teams successfully immunised all sites (double doses) within seven weeks and were able to contribute invaluable experience to other Victorian health services regarding rapid deployment clinics and safe handling and preparation of a complex vaccine.

While leading the Hotel Quarantine work, Alfred Health was also simultaneously vaccinating its own frontline staff.

Initially focusing on those potentially at high risk such as those working in hotel quarantine and frontline healthcare staff (priority group 1A), before moving on to other healthcare staff, Alfred Health delivered vaccines across Alfred, Caulfield, Sandringham and Melbourne Sexual Health sites.

In May 2021, we joined the charge to fast track vaccinations for the Victorian community and have delivered immunisations to the general public as well as vulnerable populations connected to our health service.

While this work will continue and expand throughout the second half of 2021, to date we have delivered:

16, 071
Doses to Alfred Health staff

7441
Doses to Spotless and other A+ precinct partners

6351
Doses to the community

9686
Vaccinations as part of the Hotel Quarantine Vaccination Program

Director of Infection Prevention and Healthcare Epidemiology Prof Allen Cheng joined other frontline healthcare workers at The Alfred by getting their COVID-19 jab at the hospital's vaccination clinic

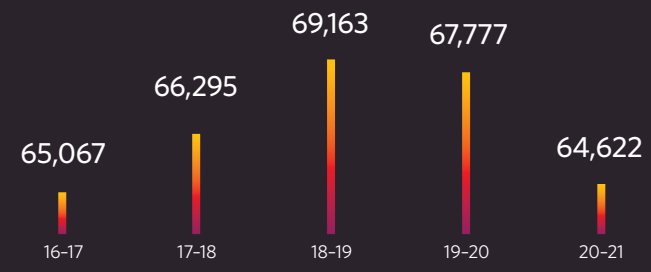
Fast Facts

Emergency presentations

108,095

The Alfred

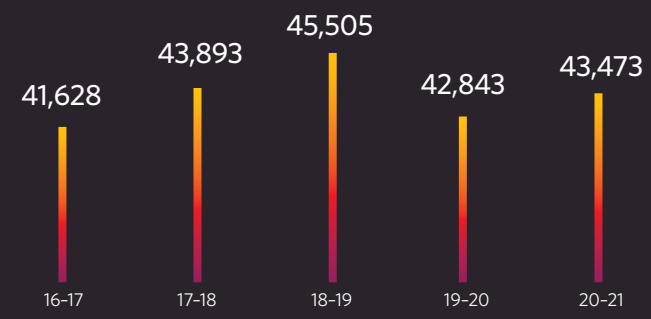
▼ 5%



Sandringham Hospital

Includes Sandringham Ambatory Care Centre

▲ 1%



Episodes of inpatient care

(2019-20: **112,190**)

104,765

Trauma admissions

(2019-20: **1,499**)

1,607

Clinical trials open

(2019-20: **636**)

504

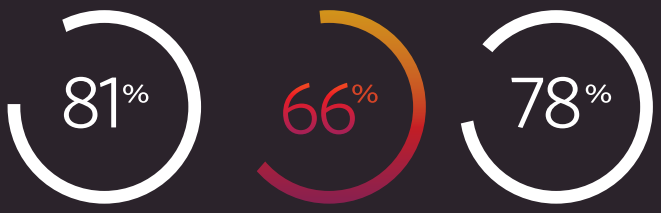
Specialist outpatient appointments

(2019-20: **239,033**)

266,504

NEAT – National emergency access targets

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



Employees

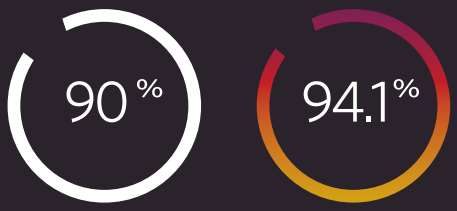
10,641

Volunteers

384

Staff flu vaccination rates

Percentage of healthcare workers immunised for influenza (April 2020 to August 2020)



Telehealth

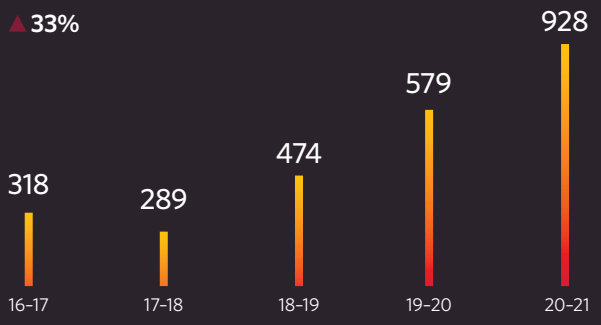
200% ▲ growth in 2020–21 compared to 2019–20

2020–21

Better at home discharges

928

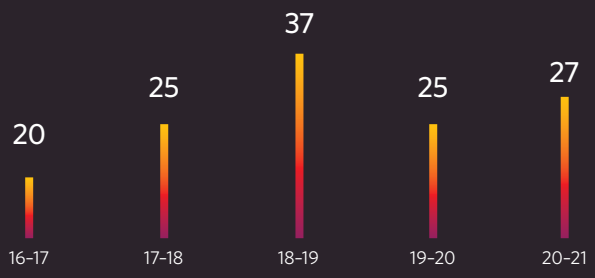
▲33%



Heart transplants

27

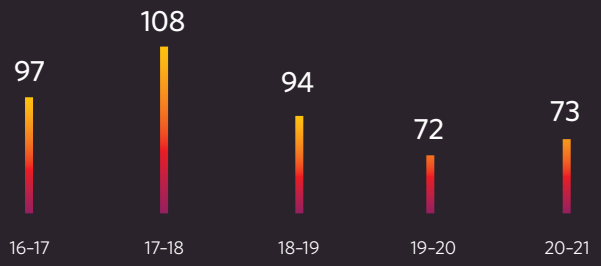
▲7%



Lung transplants

73

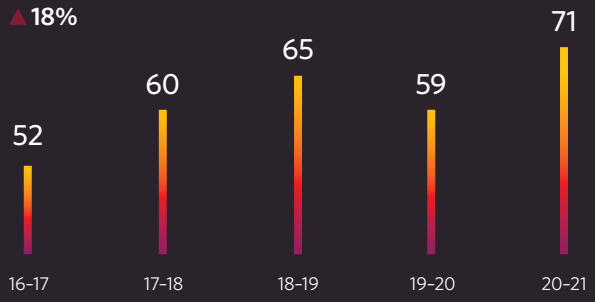
▲1%



Extracorporeal membrane oxygenation (ECMO) discharges

71

▲18%

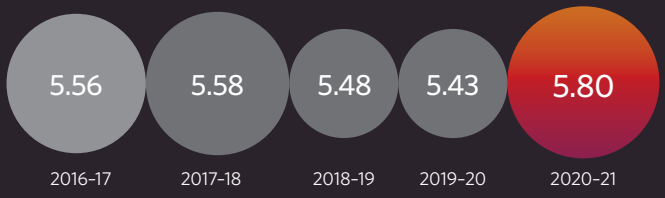


Elective surgeries performed from waiting list

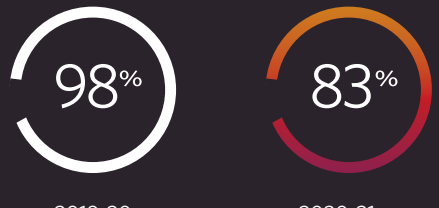
Average length of stay – acute patients

The Alfred

▲6%

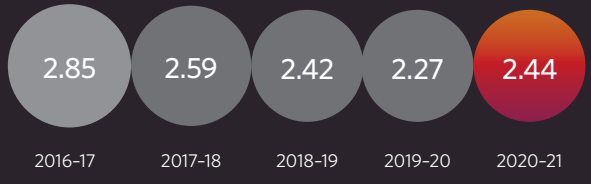


Patients treated within clinically recommended times



Sandringham Hospital

▲7%



Our Patients

After receiving a life changing double-lung transplant, Clare is able to laugh freely without pain for the first time in years.

Alfred Health includes patients and their families in our care to ensure a quality healthcare experience.

We value the involvement of those who use our services and programs, who also help us improve our service planning and delivery.

Patients Come First Strategy

Patients Come First (PCF) is our roadmap to supporting the best possible patient experience. It engages current and past patients, carers, and family members (consumers) in health service planning, design and improvement.

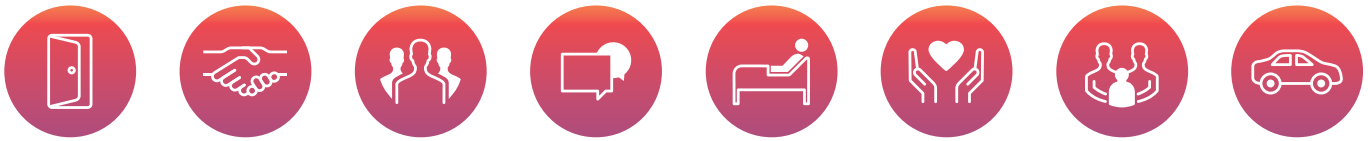
In the final year of the current strategy, the program was modified due to the coronavirus pandemic. This resulted in re-prioritisation of existing planned activities, an increase in improvement activities related to communication and modified approaches to patient feedback and consumer engagement.

Developing a new strategy

Alfred Health engaged consumers, staff, health partners and the broader Victorian community to co-design the next version of PCF Strategy.

The new strategy has evolved from the belief that patients are the reason we are here to they are the focus of what we do. The new strategy builds on prior versions and focuses on system change. The engagement of Alfred Health staff to prioritise patients, families and carers as equal partners is crucial, aiming to work together to provide patient-centred care that is connected, safe and effective across the continuum. This will be achieved through a culture built on positive partnerships, responsive to the voice of the patient, community and staff, and an understanding that fosters continuous improvement for patients. The new strategy will be launched in August 2021.

Experience pillars



1 Access
2 Respect
3 Team
4 Communication
5 Comfort & environment
6 Compassion
7 Family & friends
8 Leaving our care

Consumer participation

We currently have 100 registered Consumer Advisors that represent our diverse community. There has been an increase in consumer participation in activities including training of staff, design of new clinical spaces and interviewing new Consultants in General Medicine. Of our Consumer Advisors, 48 are active participants on committees such as Board Quality, the Community Advisory Committee and Medication Safety.

The Community Advisory Committee and its subcommittees, the Cystic Fibrosis, HIV Service Advisory Groups and ABI Advisory Group continue to advise the Board and the Chief Executive to enhance patient experience and promote consumer and community participation.

In 2021, the Cancer Services Advisory Group (CSAG) was established to support continuous development and improvement of cancer-related services. Its membership includes consumers with lived experience of cancer services as well as staff.

Using different platforms to connect with patients

As the organisation transitioned to working remotely due to the pandemic, Microsoft Teams was chosen as the platform so we could continue to connect with consumers, and consumers with each other. From there, the Consumer Connect Teams site was established, with activities including workshops, focus groups and forums. As one consumer noted: "It creates a feeling of connectedness to each other and the health service in the absence of being on site."

In sharing our learnings with the Victorian Patient Experience Network, other health services are reaching out to implement similar models.

Quiet Hospital Project

The Quiet Hospital Project aims to reduce unnecessary and excessive noise across the hospital, to create a calm and quiet environment that promotes healing and optimises patient and staff experiences. Consumers have been involved in each stage of the project, telling of their sleep experience while inpatients.

Expected outcomes include increased staff awareness of the importance of sleep and also the reduction of overhead announcements.

Better outcomes for all

While all patients are supported through our existing Patients Come First strategy, some experience increased vulnerability due to multiple and complex socio-demographic factors or health needs.

Vulnerable patient initiative

The Vulnerable Patient Initiative was designed to support staff to respond to people who might have increased vulnerability. We define a vulnerable patient as 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.

Key activities in 2020–21 included the development of patient story videos for staff education, and research with University of Technology Sydney on mapping vulnerability and adverse healthcare events.

The Supporting Vulnerable Patient's Guideline is being reviewed to ensure it is up to date with current and emerging issues and terminology, and appropriately supports staff capability building.

Access and inclusion: disability projects and services

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.

These efforts received a significant boost in 2020–21 with State Government funding for Disability Liaison Officers; and a Department of Social Services Information, Linkages and Capacity Building grant for the three-year Specialist Education and Knowledge (SPEAK) Project.

The Disability Liaison Officers have provided support for patients with disability, family and staff during the COVID-19 period to ensure that people's disability-related support needs are understood, and any necessary adjustments made.

The SPEAK project aims to build capability in the health workforce and improve processes to meet the healthcare needs of people with disability. Staff will partner with consumers to co-design resources including staff education and accessible patient information.

The Changing Places facility opened and will provide suitable bathroom amenities for people who cannot use standard accessible toilets. It includes a hoist and adult change table.

Alfred Health currently offers three services as a National Disability Insurance Scheme (NDIS) provider – occupational therapy driving assessments; prosthetics and orthotics; and Acquired Brain Injury community rehabilitation.

We currently have 100 registered Consumer Advisors that represent our diverse community.

Our Patients

Family violence project

Between 2016–2021, Alfred Health received grant funding to strengthen hospital responses to family violence (SHRFV) through its Family Violence Project. Ongoing funding has recently confirmed continued support for strategic and clinical family violence work.

The SHRFV model has carried out three core functions:

- Supporting patients through capacity building within social work, developing and maintaining family violence risk measures, and providing specialist secondary consultation.
- Clinical staff have been supported via clinical education to over 3800 staff to better identify and respond to family violence.
- Organisational support has included staff family violence training, support for HR and managers and broader strategy and planning.

In the past year, there have been more than 170 extreme family violence tier one medical alerts with enhanced clinical response from Family Violence Senior Clinician and colleagues.

Key developments have included family violence education made mandatory for all managers and social workers, case managers, mental health clinicians and community health nurses; and family violence included on the organisational risk register as 'high risk'. The creation of tools to improve safe and secure documentation of family violence in the electronic medical record has also been important.

In addition, a new operational model has been developed, which meets our obligations under the Information Sharing Schemes to assess and manage family violence risk and promote the safety and wellbeing of children. There was also endorsement of an organisational strategy – the Multi Agency Risk Assessment Management Framework (MARAM) Alignment Action Plan – that includes mapping of Alfred Health staff to 10 MARAM Practice Responsibilities.

Clinical staff have been supported via clinical education to over 3800 staff to better identify and respond to family violence.

Diversity and Inclusion

Cultural Diversity and Inclusion Training

The SBS Cultural Competence program has been modified, with Alfred Health resources, into a *Cultural Diversity and Inclusion* training program and has been completed by 79 per cent of staff. Supplementary training targeted toward Alfred Health management and leaders was developed and launched in January 2021.

Video Interpreting Project

Alfred Health's culturally and linguistically diverse patients continued to receive language services through the course of the pandemic. Face-to-face interpreting services were provided to mental health consumers, patients in ED, ICU, Speech Pathology, COVID-19 and Suspected COVID-19 wards, and in other complex cases.

The Video Interpreting Project entered the pilot phase during this time and is currently occurring on two wards.

The pandemic provided opportunities to maximise the use of technology in providing interpreting services via both telephone and video, as well as interpreting services for telehealth appointments. A new in-house telephone interpreting service was also established utilising the skills of existing interpreters.

Who are our patients?*

7 per cent of all patients speak a language other than English.

Our patients speak 185 different languages (up from 110).

Top 10 Languages Spoken at Alfred Health

Greek	Cantonese	Turkish
Russian	Vietnamese	Polish
Mandarin	Arabic	Italian
		Spanish

**2019–2020 data*

Patient Portal

The Patient Portal provides patients with safe, convenient and easy access to their health information. Patients can use the portal to view upcoming appointments, pathology results and client letters, and receive secure messages from their healthcare team. The App is due to be released in early 2021–22.

The Patient Portal launch was expedited as a result of our response to the pandemic. However, a user experience survey found 90 per cent of patients reported the portal helps them to participate in their own care and 87 per cent said it has improved interactions with Alfred Health. Currently there are more than 7,000 patient portal users.

Supporting community understanding of COVID-19

Complemented by existing information from the State and Federal Governments, our Public Affairs team have worked in partnership with Alfred Health Consumer Advisors to develop COVID-19 information for patients. This included support for patients with pre-existing conditions, those staying in hospital and in isolation, accessible resources, and visitor information.

Aboriginal Health and Reconciliation Action Plan

It is important we understand the specific experience and outcomes of Aboriginal patients accessing care at Alfred Health if we are to deliver on our Reconciliation Action Plan and meet the healthcare needs of our Aboriginal communities.

The new Bundjil Wall at The Alfred main entrance is providing a more welcoming experience for patients, visitors and staff.

Access, outcome and patient experience indicators have been developed in collaboration with the local Aboriginal community, with an aim to improve care and health outcomes. This includes understanding contributing factors to Aboriginal patients who attended the Emergency Department and did not wait.

The Alfred main entrance was upgraded to to reflect the diversity of our community, and particularly show respect for our First Nations' Peoples, their histories and cultures. The entrance area has been redesigned in collaboration with the Boon Wurrung Foundation, Aboriginal Advisory Group, staff and visitors as an inclusive and respectful area for all. The main corridor and display wall, along with the internal reception and external welcome signage, was unveiled in July 2021 to coincide with NAIDOC Week.

Planning has begun for the next Alfred Health Reconciliation Action Plan (Innovate RAP) in partnership with Reconciliation Australia and Boon Wurrung Foundation. It is anticipated it will launch in October 2021.

Aboriginal cultural awareness eLearning

In addition to face-to-face (virtual) training Alfred Health launched Aboriginal Cultural Awareness Training in 2020. The module aims to help staff understand how Alfred Health can improve care for Aboriginal people, improve the patient experience and to enable Alfred Health to grow as a health service that values Aboriginal and Torres Strait Islander peoples, their histories, cultures and futures. From May 2020, 1087 staff have completed the voluntary training. For further details on our commitment to Aboriginal employment and education, see Our Employees section (pg 24).

Our Patients

Measuring the experience of our patients

We regularly measure our patients' views, integrating surveys, compliments, complaints and other feedback to track their experiences. This year due to coronavirus pandemic, the way we have collected patient experience has changed.

Patient Experience Survey

Changes to operational activity and capacity due to the pandemic has seen an increase in community care. As a result, an additional question set was completed by patients in Ambulatory and Home-based settings to more accurately measure theirexperience. These questions were developed with consumers and tested with the Better at Home program, and formally launched in November.

This year, face-to-face Patient Experience Survey (PES) data collection was unable to take place due to the suspension of the volunteer program in March 2020. This severely impacted the sample size from the survey in 2020–21 and meant we did not collate a representative sample.

Efforts have been made to diversify the collection methodology of the survey, with patients encouraged to fill in the survey online after they have left the service.

Our Mental and Addiction Health unit has partnered with the Letterbox Project, which pairs volunteers with the socially isolated, where they aim to establish a connection and friendship. 78-year-old John Taafe said the program will allow him to share some thoughts and experiences with someone new.

Victorian Healthcare Experience Survey (VHES)

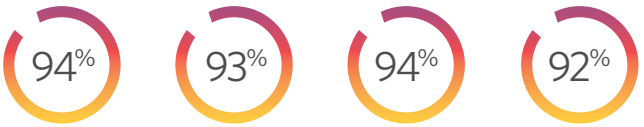
Collection of the VHES was paused from July 2020 while improvements were made to the survey program.

The Victorian Agency for Health Information (VAHI) developed an additional question set to better understand the impact of COVID-19 on patient experiences of in-hospital care during the pandemic, with collection occurring between April and December 2020.

The Overall Rating of Care question was included in the pandemic survey. Responses indicate that patients rated their overall care highly, with results close to the target of 95 per cent that VAHI sets for this question.

VHES pandemic survey results

% of Alfred Health patients across The Alfred, Sandringham and Caulfield,that rated overall quality of care as Very Good or Good



April–June 2020 (n=218) | July–Sept 2020 (n=509) | Oct–Dec 2020 (n=1283) | Jan - Mar 2021 (n = 1285)

Feedback – Family and Friends

Restrictions to visitors were implemented in response to the state of emergency and Chief Health Office Directive to hospitals. This did increase complaints in 2020 and these were attributed to the Family and Friends feedback theme. This is also reflected in the data from the survey, most evidently during the second lockdown period.

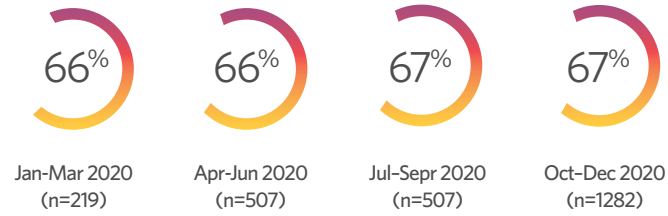
% of Alfred Health patients across The Alfred, Sandringham and Caulfield, that felt friends and family were able to be with them.

April–June 2020 (n=219) | July–Sept 2020 (n=508) | Oct–Dec 2020 (n=1276)

Efforts by the organisation to mitigate these restrictions included introducing free Wi-Fi and telehealth use for virtual visits. This is reflected in the data from the survey as between April and September 2020, 80 per cent of patients indicated that hospital staff assisted them to connect with their family in other ways, such as via phone or virtually. This figure increased to 81 per cent in the September to December period.

Patients during this period also reported still feeling involved in decisions about their care and treatment at a similar level prior to COVID-19.

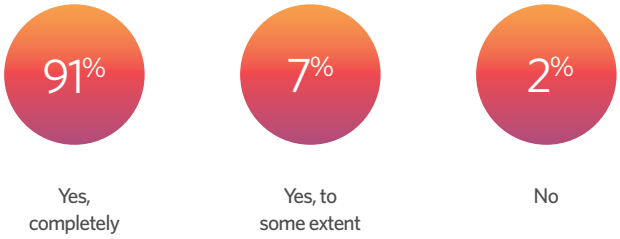
% of Alfred Health patients across The Alfred, Sandringham and Caulfield,that report 'definitely' being involved in decisions about care.



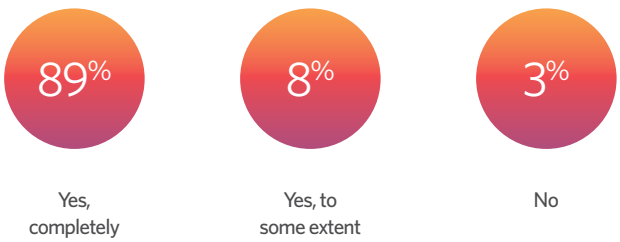
Measuring the experience of people using the COVID-19 Screening Clinic

A survey was developed to investigate the experience of patients using the Alfred COVID-19 Screening Clinic. Some 355 people have completed the survey, resulting in improvements to the queuing system and patient factsheet about isolating while waiting for results.

Did the instructions provided help you to understand how to use the Screening Clinic?



On leaving the clinic today have you been given sufficient information that tells you what to do next?



Complaints and compliments

We welcome and encourage patients and their families to provide feedback about their experiences. Their opinions are important and help us know what we are doing well and where we need to improve.

In 2020–21, we:

Received 2,390 **complaints**, an increase of 36 per cent from 1,660 the previous year

Received 1,069 **compliments**, a decrease of 8 per cent from 1,165 the previous year

The majority of complaints related to visitor restrictions for current inpatients that had been put in place in as part of the COVID-19 pandemic response.

Due to COVID-19, we unfortunately could not change restrictions. However, arrangements could be made via the Nurse Manager or Head of Unit to communicate with families.

Among the ways this was initiated was through the Internal Telehealth Project. (see feature below)

Improving patient experiences

Telehealth

This year has seen high levels of telehealth usage continue across our services and campuses.

The number of telehealth (videocall) consultations grew by more than 200 per cent in 2020–21 compared to 2019–20. So we can embed telehealth as a key part of our practice, the health service and telehealth team have continued to deploy more videocall-enabled equipment for our staff. This has become a core platform during the pandemic, ensuring we can continue patient care in outpatients as well as keeping families connected in our inpatient setting.

Telehealth training has been key to the success of our services and our staff building their skills with our telehealth team and engaging clinical teams to build patient-centred approaches to telehealth consultations.

The provision of training has also had to change to ensure COVID-19 safe principles are upheld with formal, informal, one on one, group, face-to-face, online and remote training offered to our staff.

Both patients and staff have appreciated being able to engage with video, in addition to voice by telephone. Clinicians have benefitted from being able to provide more flexible care – with consultations occurring with clinicians on-site, across campuses, at home and at times from interstate.

Key telehealth improvement activities in 2020–21 have focused on engaging consumers and clinicians in accessing people with limited English proficiency, as well as educational materials and resources and technology to support seamless access for staff to telehealth systems. Telehealth at Alfred Health continues to develop and remains excited by the opportunities to provide high quality patient-centred healthcare through telehealth technology.

Our Patients

Community engagement in a virtual environment

Progressing care virtually: The internal telehealth project

An Alfred Health initiative, Progressing Care Virtually: The Internal Telehealth Project was introduced, aimed at improving family and patient involvement, ensuring safe communication with staff and timely care co-ordination.

The internal telehealth model was based on a Department of Health platform, and was co-designed and piloted by staff in ICU, Emergency Department and 7 West.

Using a tablet mounted on a movable stand, one clinician would don PPE and enter the patient's room with a device, and allow the patient to be part of a video call to catch up with family, or find out more about their care from remote staff.

In the face of COVID-19 restrictions, the initiative also allowed staff to observe, listen, document and contribute to the consultations without being physically present.

The uptake of internal telehealth has been rapid, and implemented organisation-wide. Staff, Patient & Carer Satisfaction Surveys (July–Sept 2020) found more than 86 per cent surveyed were strongly satisfied with the standard of care delivered, involvement in decision-making and ease of use of the HealthDirect platform during video call.

There have been several moments of contact across the program. Examples include:

- 12-year-old twins able to sing Happy Birthday to their grandfather who required a ventilator,
- a mother in a remote location overseas being able to see her son recovering and receiving care in Melbourne, and
- with the support of an AUSLAN translator and clinicians, two deaf parents were able to see their son, who was a patient. The parents felt listened to and empowered.

HIV community consultation

Alfred Health is focused on ensuring people living with HIV are cared for in modern and appropriate settings that are able to meet their clinical and wellbeing needs. To learn what facilities are required to support our patients into the future, Alfred Health wanted to begin a conversation with our HIV community in 2020.

Alfred Health partnered with members of the HIV Services Advisory Group (HSAG) and community stakeholders to co-design a consultation with the HIV community. The aim of the consultation was to understand the current and future needs of people living with HIV to inform future service delivery.

A proposal for the future direction of the service and facilities will be shared with the HIV community based on community feedback later in 2021.

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. Approved in July 2020, it continues to advance Alfred Health's commitment to patients and their carers.

It 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.

In the face of COVID-19 restrictions, the initiative also allowed staff to observe, listen, document and contribute to the consultations without being physically present.

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 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.

This past year saw AHCS involved in the Carer Gateway carer coaching pilot. In-person facilitated coaching was piloted in South Australia and Victoria from August 2020 to February 2021. Carers who were part of the pilot said in-person facilitated coaching helped with their sense of empowerment, and taught them new strategies to support their own wellbeing in their caring role. Though impacted by COVID-19, 215 carers participated across the two regions. From 1 July 2021, carers Australia-wide will also be able to access the new in-person facilitated coaching service through Carer Gateway.

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.

Patient and visitor car parking across our hospital sites is limited; we continue to improve access by increasing capacity, reducing waiting times and vehicle queuing by:

- 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 off-site parking facilities for staff and contractors.
- Engaging traffic consultants to identify how we can better utilise and improve parking facilities on-site.
- Promoting use of secure facilities and change rooms to encourage staff to ride to work.
- Encouraging the 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.alfredhealth.org.au**. 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.

Nurse Andrea Gunn provides quality care to patients in their own homes.

Our Employees

Registered nurse Vilma Raymundo is part of the dedicated Haemodialysis team at Sandringham Hospital.

Alfred Health's committed employees continued to provide outstanding care to our community, even in the most challenging year, as we helped fight COVID-19.

Throughout it all, staff demonstrated commitment, compassion and versatility.

The safety and wellbeing of our skilled and engaged workforce continued as a major priority.

Recruitment and training

In 2020–21, Alfred Health had 10,641 staff (8,252 full time equivalents), including 3,310 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 to additional resources required to assist Alfred Health meet the increased demands of our COVID-19 pandemic response, in particular, the Hotel Support Services. 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, including the Hotel Quarantine Program.

Staff numbers grew by 18 per cent over the last five years, as services expanded and demand increased.

	Staff numbers
2016–17	9,016
2017–18	9,283
2018–19	9,276
2019–20	9,858
2020–21	10,641

2020	Casual	Part time	Full time	Grand total
Alfred Hospital	1057	3751	3059	7867
Caulfield Hospital	160	738	547	1445
Sandringham Hospital	61	347	138	546
Grand total	**1278**	**4836**	**3744**	**9858**

2021	Casual	Part time	Full time	Grand total
Alfred Hospital	1086	4395	3213	8694
Caulfield Hospital	194	786	575	1555
Sandringham Hospital	49	198	145	392
Grand total	**1329**	**5379**	**3933**	**10641**

Workforce

	Current month FTE		YTD FTE	
	2020	2021	2020	2021
Nursing	2,705	2,522	2,654	2,803
Administration and clerical	1,181	1,328	1,122	1,257
Medical support	620	649	610	639
Hotel and allied services	212	229	211	229
Medical officers	234	243	229	241
Hospital medical officers	605	612	603	606
Sessional clinicians	184	93	173	189
Ancillary staff (Allied Health)	1,017	1,083	996	1,040
Grand total	**6,758**	**6,859**	**6,598**	**7,004**

The average FTE is calculated based on the weighted average of employees in each category in the 2020–21 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.

The rise in employee numbers can be largely attributed to additional resources required to assist Alfred Health meet the increased demands of our COVID-19 pandemic response.

Occupational health and safety

Keeping our staff healthy and supported requires environments that are physically and psychologically safe. Staff wellbeing and support continued to be key priorities. Staff are encouraged to highlight and report issues of safety and care that concern them.

Overview of health and safety

Measure	2018–19	2019–20	2020–21
The number of reported hazards/ incidents for the year per 100 FTE	6.96	5.31	26.80
The number of lost time standard claims for the year per 100 FTE	0.4	0.77	1.44
The average cost per WorkCover claim for the year (000)	$44,386	$18,782	$8,416

Alfred Health has seen an increase in hazards and incidents reporting for 2020–21. This is due to an increase in staff understanding and encouragement of reporting from attending the AWARE course and new Hotel Support Services Program reporting mandate.

Note: After a recent review of 2018–19 and 2019–20, the above figures have been changed to reflect the rolling figures as of 30 June 2021 due to open claims.

Injury Compensation data

Measure	2018–19	2019–20	2020–21
WorkCover Claims	80	88	125
Injury Support Claims	23	27	32

13 WorkCover claims were in relation to contracting COVID-19.

Main contributors of WorkCover Claims

Measure	2018–19	2019–20	2020–21
Manual Handling	55	58	56
Occupational violence and aggression (OVA)	10	9	20
Slips, trips and falls	12	11	18
COVID-19	0	8	13

OVA WorkCover claims increased during the period Melbourne was in lockdown.

Our Employees

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. In 2020–21:

- 527 people trained in an AWARE course
- 430 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 2021, refresher courses were delivered across Emergency, ABI, 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	2018–19	2019–20	2020–21
WorkCover accepted claims with an occupational violence cause per 100 FTE	0.156	0.122	0.27
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0.153	0.29	0.736
Number of occupational violence incidents reported	473	516	437
Number of occupational violence reported per 100 FTE.	7.4	7.9	5.8
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	2.1	1.5	4.5

Occupational violence statistics	2018–19	2019–20	2020–21
Number of OVA incidents reported	473	516	437
Number of WorkCover claims	8	9	9
OVA claims frequency rate (per million hours worked)	0.29	0.4	0.5
Injury Support claims (Early intervention program)	1	0	0

WorkCover claims

Incident Type	2018–19	2019–20	2020–21
Exposure to chemical/substance	3	1	1
Hit or hit by, excluding violence	7	5	9
Mental Stress	2	1	8
Occupational Violence (physical and/or verbal)	8	8	20
Other	9	19	13
Slip, trip or fall	12	10	18
Manual Handling	39	44	56
Grand Total	**80**	**88**	**125**

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.

In 2021 Alfred Health is conducting a workplace gender equality audit, and developing our first Gender Equity Action Plan that will be submitted to The Commission for Gender Equality in the Public Sector in December. The Gender Equality Action Plan will include:

- The results of our workplace gender audit to show the current state of gender inequality in our workplace, and opportunities for progress
- Strategies and measures to improve gender equality in the workplace across a range of areas including workplace flexibility, women in leadership and the gender pay gap.

Our Gender Equality Action Plan will be informed by data, best practice research, sector collaboration and staff and stakeholder consultation. We are committed to embedding an intersectional approach throughout this work.

Aboriginal employment

Alfred Health currently employs 21 staff who identify as Aboriginal and/or Torres Strait Islander. As part of our commitment to Reconciliation, we are delivering on actions to increase the recruitment and retention of Aboriginal and or Torres Strait Islander employees. Monthly workforce meetings are held with key stakeholders, including Executive to support this.

Progress of this work is reviewed and reported to our Aboriginal Health Advisory Group. This ensures that Aboriginal Community representatives influence the direction of employment initiatives at Alfred Health.

A 'Welcome Kit' has been developed for new Aboriginal and/or Torres Strait Islander employees to provide a culturally safe environment where staff feel welcomed and included. It contains information on the local Aboriginal community, Alfred Health's commitment to working with Aboriginal people, as well as policies, training and information on services available. It has been developed with an Indigenous Cultural Consultant and the Aboriginal Health Advisory Group before implementation.

The Wellbeing Collaborative

The Wellbeing Collaborative has pivoted to focus on developing Alfred Health's Wellbeing Strategy, delivering a range of initiatives to support staff wellbeing.

Organisation-wide actions included the development of Altogether Well – Alfred Health's Wellbeing Strategy 2021–24. Building on existing wellbeing initiatives, it aligns with the Alfred Health Stragetic Plan, gender equity strategy, local ward and department wellbeing programs, Primary Care and Population Health strategy, medical and nursing education, and Occupational Health & Safety. The strategy focuses on the staff priority areas of Safe and Supported, Be Heard, Work-Life Integration and Metrics That Matter, which in turn align to the 4 key commitments under the Health With Heart campaign, Altogether Well, Leading With Heart, Grow With Heart and Vital Systems.

Wellbeing seminars, sponsored by Benestar, were offered to staff on issues such as resilence and managing pressure.

Thanks to a donation from the Phillips Foundation, staff were given thank-you cards, and encouraged to take a moment for their wellbeing with complimentary 10-minute massages.

Other initiatives included dedicated spaces within local wards for staff to pause and take time for their wellbeing; and guided mindfulness sessions.

Art therapist Annie Fox is part of our mental health team, using activities such as making nature mandalas to help explore mindfulness and promote positivity.

Staff training and workforce initiatives

A range of staff training and workforce initiatives, held throughout the year, included programs aimed at building better leadership skills and decision-making.

Schwartz Rounds continued to provide a forum for staff to come together and discuss the emotional and social aspects of working in healthcare. Over 570 staff attended six sessions covering topics such as 'managing anxiety in ourselves and our families'.

Staff engagement initiatives for the year included Health with Heart. Staff from all campuses were consulted to get the message and language right and decide on a final campaign visual.

The Sustaining a Culture of Respect and Engagement (SCORE) program saw senior leadership attend workshops centred around respect, civility and feedback at work. SCORE is an evidence-based intervention program designed by Michael Leiter.

We continued to work in partnership with leaders and their teams across all disciplines to deliver the THRIVE leadership program and boot camp program, with more than 100 employees participating. The Coached and Coaching Leader Program was also launched, with an initial 10 leaders engaging with coaches, and more enrolled.

Planning is underway to launch a pathway and online platform called Whispli to enable anonymous, two-way conversations, allowing for early intervention to encourage both people who experience incivility at work or those that witness it to speak up and – most importantly – be heard.

Wellbeing initiatives

Alfred Health appointed a social enterprise to operate a staff café in The Hub. The café is contractually required to meet the Victorian Healthy Choices Guidelines, supporting staff wellbeing by ensuring availability of healthy and nutritious foods.

Alfred Health also worked with our on-site fitness provider ProSport to reopen facilities for staff, adhering to strict COVID-19 protocols.

We continued to support staff and patients who smoke through our smokefree clinic, pivoting during the COVID-19 pandemic to include telehealth services.

Schwartz Rounds continued to provide a forum for staff to discuss the emotional and social aspects of working in healthcare.

Our Employees

Education

Medical education

The Medical Education Unit supports the education and wellbeing of prevocational doctors.

There are 740 doctors-in-training employed across Alfred Health, including 58 interns in their first postgraduate year, and 180 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 for specialist (vocational) medical training in over 40 specialties including medical and surgical specialties, emergency medicine, intensive care, anaesthesiology, psychiatry, radiology, pathology, aged care and rehabilitation medicine.

In addition to programs provided by individual departments, education programs co-ordinated centrally at Alfred Health include:

- Orientation sessions for all new medical staff (January, February, August)
- 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
- Pre-surgical (Pre-SET) education program for doctors wanting to do surgical training
- Clinical Leadership Program for doctors working in charge of the hospital overnight.

Junior doctor Jessica has made the transition from medical student to intern, with the vascular surgery unit part of her first rotation.

Wellbeing and support for doctors in training continued to be important, particularly during the pandemic. Initiatives included an Alfred Health Wellness Collaborative – a multidisciplinary group to support staff wellbeing and develop a wellbeing strategy. In addition, the Doctor Wellbeing Resource contains information and contact details of many internal and external professional supports for medical staff, while mentoring and wellbeing sessions are also provided to interns.

The COVID-19 pandemic presented the challenge of continuing the written and clinical exam preparation by converting several programs to an on-line 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 100 per cent in both recent exams.

Nursing education

The Nursing Education department supports the development of nurses across all levels of education including undergraduate, graduate, continuing nursing education and postgraduate studies. We work in partnership with our universities, including La Trobe, Monash and Deakin, and clinical staff to support over 1,500 Bachelor of Nursing and Masters of Nursing students across all three sites.

Highlights over the past year have included the development of The Alfred Health Nursing Education Strategy 2021–23: Advancing the Profession of Nursing through Education. The strategy is a key focus of our university partnerships and guides how we work to meet the developmental needs of undergraduate, graduate and post-graduate students and staff while addressing organisational priorities.

As part of our response to the pandemic, we developed inpatient education and training to prepare nurses for COVID-19 roles, including within team models of care. This included the development of PPE education for all staff disciplines, along with the implementation and support of COVID-19 Champions for all wards and departments.

A Leadership and Management program (LaMP) was developed, which provides sequential development for emerging and existing nurse leaders covering three broad levels: foundations in clinical leadership, Intermediate leadership and Management and Advanced leadership.In collaboration with the National Trauma Institute, Alfred Health's Trauma service's clinical expertise and Monash University's academic nursing expertise, a Trauma stream has been developed within the Monash Masters of Advanced Nursing. Commencing in 2022, it will provide a unique opportunity for postgraduate nurses to be immersed in a world-class trauma system.

An Enrolled Nurse Transition to Practice program at both our Caulfield and Alfred campuses has been implemented.

Allied health education

Throughout a challenging pandemic year, 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 Allied Health staff within the Allied Health Directorate.

As a priority in 2020, the Allied Health COVID-19 Education Framework was developed. Aligning to the Alfred Health COVID-19 Education strategy, this provided direction to support knowledge and skill development for new and redeployed Allied Health staff during the severe–critical response phase. An essential element of this framework was PPE training: more than 90 Allied Health PPE Champions were trained across 17 training and 'drop-in' sessions. These Champions were essential in supporting and ensuring PPE practice standards across Allied Health throughout the pandemic.

Allied Health has partnerships with nine education providers. Despite COVID-19 challenges, Allied Health continued to provide more than 95,000 clinical placement hours for 398 Allied Health students from 10 different professions throughout 2020.

The pandemic provided an opportunity to implement the first structured, inter-professional Allied Health Graduate program via a remote platform. This program is designed to support 30 graduates who transition from student to health professional each year.

General and interdisciplinary education

The past year has seen the opening of the Innovation and Education Hub, an epicentre of where healthcare intersects with innovation, art and technology.

The state-of-the-art precinct has been designed to enable staff and partners to come together to recharge, share and test new ideas, and learn from and connect with one another. The space has allowed for project engagement with staff, and has been an effective workshop space for skills-based training.

While full activation of the precinct has been impacted by COVID-19, curated exhibitions and multimedia projects to engage staff, build relationships and promote wellness were held, including Moments of Courage and In My Shoes.

While the library has a reduced footprint it has expanded its service with information resources now available electronically and accessible without having to physically visit the library.

With the pandemic, education and training has converted from face-to-face to online. This has seen the development of online learning packages, with users supported to master technology requiring effective delivery of virtual sessions. COVID-19 guidelines were implemented to support the safe delivery of mandatory skills training that needed to continue face-to-face. Programs were also designed and delivered to support new roles.

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 (virtually) in December provided an opportunity for Alfred Health staff to highlight the achievements of their colleagues, both as individuals and teams.

To recognise the significant work completed during the pandemic, a sub-category (COVID-19) was added to recognise the outstanding achievements teams and individuals accomplished.

Length of service

More than 100 people tuned in online last week for Alfred Health's virtual Length of Service Awards, with 20 people attending on-site. This year, more than 630 staff hit milestones of 10 years or more.

The event provided an opportunity to congratulate all staff who have worked at Alfred Health for a significant period of time.

COVID-19 made this year's celebration all the more important, with staff deserving to be recognised for their major contribution to Alfred Health.

Four staff members were recognised for 45 years of service: Neal Russell (Radiographer, Cath Lab), Marion Black (Senior Scientist, Clinical Biochemistry), Lisa Demos (Senior Research Scientist, Caulfield), Damien Rogers (Cleaner, Caulfield).

Annual excellence awards 2020

2020 winners	Team	Individual
Diversity and Inclusion	Caulfield Community Health – Population Health Team	Jan Holt
Education and Development	Infection Prevention	Cheryl-Anne Hawkins
Education and Development – COVID-19	ED Essential Critical Care Program (ED, ICU & LEX Team)	Antoinette David
Focusing on Patients	Palliative Care – PATS Initiative	Jennifer Liacos
Focusing on Patients – COVID-19	Ward 7 West	Adam Jenney
Leading Innovation and Change	Alfred Cancer Trials	**Joint Winners:** Suzanne Amisano Daniel Hogarty
Leading Innovation and Change – COVID-19	**Joint Winners:** Molecular Microbiology Laboratory Infection Prevention Highly Commended: X-ray Through the Glass Team Alfred COVID-19 Screening Clinic	**Joint Winners:** Amanda Dennison Maria Logan
Positive and Productive Culture	Jessica Hocking and the SH ED Team	Meredith Coleburn
Positive and Productive Culture – COVID-19	Infection Prevention Team **Highly Commended:** Public Affairs	Hannah Byrne
Wellbeing and Compassion	The Wellbeing Collaborative	Jane Khoo
Wellbeing and Compassion – COVID-19	ICU Wellbeing Group	Maryanne Decleva

The nurses and doctors in our ICU regularly hone their skills with in-situ simulation.

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.

We have played a leading role in managing and preparing for challenging health events, including COVID-19.

We are committed to providing innovative and better healthcare experiences beyond this, and working with our patients and consumers so we can better connect with our community.

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).

Functional Neurosurgery

The Functional Neurosurgery team successfully completed their 20th stereo-EEG implantation for severe drug-resistant epilepsy as part of what is Australia's leading advanced epilepsy surgery program. There have been no serious complications, with the majority of patients seizure free or having their seizures dramatically reduced.

Associate Professor Martin Hunn undertook the first implantation in Australia of the new generation Vagal Nerve Stimulator, the SenTiva, with advanced programming function for severe drug resistant epilepsy that is not suitable for resective epilepsy surgery.

Stroke

A memorandum of understanding was signed to provide care for rural and regional Intracerebral Haemorrhage patients to receive tertiary Neurosurgical/Stroke care at The Alfred. This partnership is with Ambulance Victoria and the Victorian Stroke Telemedicine group, which looks to provide patients with timely access to surgery and high quality treatment.

There was also sustained increased in activity with designated Hyper Acute Stroke Unit (HASU) beds, with as many Endovascular Clot Retrieval cases in the first six months of 2021 as in the whole of 2020.

Multiple Sclerosis and Neuroimmunology (MSNI)

In July 2021, the MSNI Unit will commence 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.

MSNI have successfully established with HITH a model of care for patients receiving monthly Tysabri infusions in the home. Traditionally these patients were required to attend the Medical Day Unit for treatment.

Wards

With the reconfiguration of inpatient wards due to The Alfred being designated as a COVID-19 hospital, Alfred Brain for the first time has two dedicated neuroscience wards, allowing us to consolidate our services into dedicated locations and create specialised teams. This will have great advantages to establishing a nursing and allied health workforce that has specialist expertise in caring for neuroscience patients.

When a person presents to the hospital with symptoms that could be caused by a brain tumour, the first step would be to see the neuroradiology department. Pictured with an MRI machine is Director of Radiology and Nuclear Medicine Professor Meng Law.

Alfred Cancer

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

In addition to clinical practice, trial activity continued to increase in 2020–21 across Haematology and Medical Oncology and now accounts for approximately 50 per cent of all Alfred trials.

The creation of the Alfred Cancer Strategy for 2020–25 aligning our objectives and goals to our four Strategic Pillars – Patient Care, Innovation & Research, Health & Wellbeing and Dynamic Teams. It includes a Roadmap for the next 18 months that includes developing new models of care, enhancing patient experience, implementing modern cancer workforce models and enhancing clinical trials capability.

Our services continue to expand, with the commencement of dedicated regional clinics for patients in Gippsland thanks to a partnership between Alfred Health and the Latrobe Regional Hospital and Bass Coast Health. The opening of the new Wonthaggi Hospital Integrated Cancer Unit was made possible by The Alfred training Bass Coast Health's nursing and pharmacy staff, with the facility now providing a local chemotherapy service. Alfred Health haematologists, medical oncologists, melanoma specialists and Radiation oncologists all attend to provide a comprehensive cancer service for the region. Alfred Health haematologists also now provide 7 clinics a month at Mildura, including autograft and allograft services as well as post-transplant follow-up ensuring regional patients have access to the most up-to-date cancer care.

Other highlights for the year include:

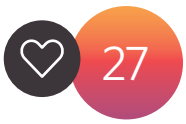
- There has been significant expansion of the **Cancer at Home Program**, prioritising treatment and care at home as a first choice where clinically appropriate. Available to medical oncology, haematology, bone marrow transplant, haemophilia, melanoma and palliative care patients, the Program provided 140 individual treatments per month at home in the first phase, with planning for phase 2, which will involve more intensive treatments such as chemotherapy, underway.
- The **Palliative Care Assessment Service (PATS)** helping with decision-making and goal setting, symptom management and end of life care for patients. The year saw 277 presentations leading to improvements in timeliness and quality of care ensuring patients remain in their home of residence for the last phase of their life.
- The commencement of the **Symptom + Urgent Review Clinic (SURC)** Pilot assessed 272 patients and 1,397 episodes of care provided this year. This nurse-led model of care redesigns the patient pathway to avoid emergency department presentations and avoid hospital admissions and provides support to patients experiencing treatment-related toxicities.

Operational Highlights

Alfred Heart and Lung

Alfred Health's Heart and Lung Program is at the cutting edge of treatments for severe heart and lung diseases. It now offers one of the largest public transcatheter aortic valve implantation (TAVI) programs in Australia, with 200 procedures completed in 2020–21 (an increase on 150 cases in 2019–20).

In 2020–21, the team performed



Heart transplants

Lung transplants.

Highlights over the past year include a ward expansion into a new purpose-built acute cardiac area. Beyond our hospitals, we had continued growth among our regional partners. Alfred Health is now the major provider for specialised cardiac services in Bass Coast, Bairnsdale, La Trobe Valley and Goulburn Valley. An example of our work is the support Alfred Health doctors provided La Trobe Health with their first cardiac stent procedure.

Outside of Victoria, we continue to offer patients from interstate and New Zealand treatment for Chronic thromboembolic pulmonary hypertension (CTEPH). This is a collaboration between Alfred cardiothoracic surgeons, respiratory and radiologists to determine the best treatment for patients.

Other key achievements over the past year included Alfred Health being the first place in the world where an Aortix was completed. Aortix is a circulatory support device for chronic heart failure patients on medical management who have been hospitalised for acute decompensated heart failure (ADHF) with worsening renal function. It provides cardiac and renal circulatory support to decrease congestion and improve renal function resulting in increased urine output and reduced fluid overload.

An Ex-Vivo trial was also commenced at The Alfred. For the last 50 years of cardiac transplantation, donor hearts have been preserved by placing them in ice which can contribute to injury of the donor heart and increased risk of the donor heart dysfunction in the recipient. Experimental work by The Alfred confirms the efficacy of machine perfusion of donor hearts to extend the ischemic time, with the first in human trial of extended hypothermic, ex-Vivo preservation of donor hearts using the XVIVO perfusion system. This advancement will revolutionise heart transplantation, by expanding the ability to safely use longer ischemic time donor hearts.

Alfred Specialty Medicine

Alfred Specialty Medicine offers a comprehensive range of services, including Infectious Diseases and Sexual Health, Rheumatology, Endocrinology and Diabetes, Dermatology, Gastroenterology and Renal Medicine.

As part of our response to COVID-19, our Infection Prevention team, as well as Melbourne Sexual Health Centre (see p. 6), played a part in roles such as contact tracing with the Department of Health. Director of Infection Prevention and Healthcare Epidemiology, Professor Allen Cheng, completed a secondment as Deputy Chief Health Officer.

Infection Prevention co-ordinated local contact tracing and case management; and played an important part in seeing rapid assessment and clearance of staff post swab. Since June 2020, the team assessed more than 18,000 staff submissions. Of these, 59 per cent were furloughed for less than 24 hours, with 86 per cent furloughed for less than 48 hours, highlighting our ability to turn around the time our staff assessment service was able to get our staff back to work and life as soon as possible.

Renal Medicine has completed a safe and seamless rollout of an entirely new dialysis machine fleet across each of our Alfred Health campuses and our Peninsula Health satellite sites.

Emergency and Intensive Care

Intensive care

With over 600 multidisciplinary staff, and 48 students completing their Postgraduate Critical Care studies, The Alfred continued to be a leader across Critical Care, and is home to the 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 (see Responding to COVID-19 section). Staff safety is of great importance, with ICU along with ED working hard to achieve no healthcare worker infections among their team.

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. In another Australian first, The Alfred introduced CHEER 3 – a roadside ECMO service.

Research continued to grow, with over 130 papers published in the past year. Among the highlights was the commencement of BONANZA, a brain injury study.

Beyond the hospital's walls, telehealth grew in prominence. Our Intensive Care team is part of the largest telehealth network supporting regional Victoria, and the only one of its kind in Australia. We have also commenced a nursing-led telehealth trial with Bairnsdale Hospital.

Multidisciplinary training and in-situ simulation also ensured our staff continued to expand their skill set.

Emergency

From an emergency perspective, quality and safety continued to be a priority. In February 2021, we introduced the Broset Violence Checklist, a risk assessment tool which assists in the prediction of imminent aggressive behaviour. We also commenced the Tropon-In 3 Project, which saw a reduction in length of stay by nearly 30 minutes for individual patients presenting with chest pain. We have also had significant improvement in sepsis and stroke management.

The Alfred continued to be Victoria's state trauma service, with the E&TC being the busiest Trauma Centre in Australasia.

With the workforce, we introduced an Emergency Physician on night shift in May 2021 – an Australian first. We also partnered with Pharmacist Medication Charting MOC expanded to include undifferentiated patients.

In education, we had a near 100 per cent success rate in the emergency medicine fellowship exam. Our leadership role in Victoria was further highlighted with the appointment of Associate Professor Gerard O'Reily to emergency care clinical lead for Safer Care Victoria.

Surgical Services

The Surgical Services Program delivers the majority of surgical services across Alfred Health. The program includes five general surgical units, 10 specialty surgical units, trauma, anaesthesiology and perioperative medicine, operating suite service, surgical inpatient wards, a medical day unit, day of surgery admissions, day surgery and endoscopy services. The program also oversees access to elective surgery.

Alfred and Sandringham Operating Suites implemented a new four-week schedule, creating a more predictable pattern for consultant theatre lists and aligning it to other hospital systems. Emergency, Trauma, Burns and General Surgery were among the lists to benefit.

A multidisciplinary Surgical Services Operations Governance group was formed with their mission to improve the quality of care we provide by identifying and addressing areas recognised by clinicians as potential barriers to care delivery.

Network Z, a simulation program run in theatre with the aim of improving all aspects of teamwork, was introduced at Alfred Health. Aimed at improving all aspects of teamwork to provide the best care and better outcomes for patients, the team was led by Dr Alex Evans, and comprised of anaesthetists, nursing staff, surgical staff and technicians.

Key staff were also recognised. Professor Jonathan Serpell received the ESR Hughes Award at the RACS Annual Scientific Congress. Professor Heather Cleland, Dr Shiva Akbarzadeh and Dr Cheng Lo received a prestigious MRFF grant to continue their skin engineering work helping people with Burns. There was also a 100 per cent pass rate for Anaesthesiology trainees at both the primary entrance exam and the final Fellowship exit exam.

Mental and Addiction Health

Community mental health

St Kilda Road Clinic was involved in a range of activities across the year. A significant COVID-19 outbreak in a local supported residential service resulted in immediate relocation of all residents to hospital or temporary accommodation, with the St Kilda Road Clinic part of a community psychiatry response. This included successful engagement with many consumers, with all ultimately housed after the closure of the SRS.

St Kilda Road Clinic worked closely with housing services and community health providers on the Homeless Hotels project, supporting people experiencing rough-sleeping and homelessness during COVID-19 and requiring accommodation. We were a consistent presence on site at hotels and accommodation sites, and provided mental, physical and psychosocial health support.

Our Prevention and Recovery Care Unit (PARC) in South Yarra continued to meet the needs of clients by being a more responsive service with increased capacity to support referral and access to PARC over a seven-day period to support inpatient bed flow and respite options for consumers in the community. A renovation of the garden space created a new open area for physically distanced delivery of fresh, innovative group content.

Inpatient Services

To ensure we are meeting the needs of our consumers, our Inpatient Unit regularly conducts Patient Experience Surveys. These surveys measure the thoughts of patients on subjects such as access, respect, communication and compassion. Pleasingly, consumer participation has grown over the past year, with 260 surveys returned, and an overall satisfaction of 84 per cent for the ground floor ward and 86 per cent for the first floor ward.

As part of our response to COVID-19, Fairfield House was opened on three occasions, with the team providing specialist mental health care and treatment. An innovative 'surge' workforce model was established and informed workforce planning across the mental health sector.

Wellbeing through COVID-19 responses

In response to increasing demand, the Crises Assessment and Treatment Team established an expanded telephone triage providing telehealth supportive therapies for people experiencing anxiety. Recognising the stress that COVID-19 placed on workforce wellbeing, an online training tool for mental health first aid was developed and this has had good uptake and engagement from staff across Alfred Health.

Child and youth mental health service and headspace

headspace Elsternwick: In August 2020, headspace Elsternwick – managed by Alfred Health – was the recipient of funding from the Federal Government designed to assist young people adversely affected by the severe COVID-19 lockdowns in Victoria.

The funding provided for a program called *Start Now*, a student clinic comprising university students in their final year of study in Occupational Therapy, Social Work and Psychology. The students are supervised by a senior clinician and the focus is on working in a multidiscipline team.

The program is available to young people in Years 11 and 12, first year university or who have lost their jobs due to COVID-19. It's also open to the families of young people.

Opening of headspace Syndal: Alfred Health was also successful in a competitive tender process to lead a consortium to deliver a new headspace centre in the City of Monash.

Called headspace Syndal, the centre opened in April 2021 and will be staffed by GPs, mental health professionals and community development workers who will support more than 1000 young people in the first year with their mental health and wellbeing, physical health needs, alcohol and drug counselling as well as work or study support. A feature of the new centre's design is a tactile room for young people, providing a calming, sensory experience.

Operational Highlights

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.

Our Acute services operate from patients' homes (Hospital in the Home) and three General Medicine wards across The Alfred and Sandringham sites. We work closely with our Emergency Departments, acute specialty units and community partners, and promote self-management of chronic conditions and prevention of deterioration through integrated models with primary care.

Our Health of Older People services improve the functioning of a person with multidimensional needs including medical conditions related to ageing. Examples include falls, incontinence, reduced mobility, complex psychosocial problems, delirium and depression.

Our Rehabilitation services target people with loss of function or ability from any cause, either congenital or acquired. We aim to improve function and prevent deterioration to bring about the highest possible level of physical, psychological, social and economic independence. The Home Acute and Community Program is a statewide provider of rehabilitation for patients following acquired brain injury, spinal cord injury, multi-trauma and amputation.

Our Community Integration services are tailored to meet the needs of our most vulnerable patients, and our broader community. We provide a responsive, person-centred, effective system of care that aims to improve health outcomes and the quality of life for our clients.

The release of the Home, Acute and Community Research Strategy 2021–23 will also aim to enhance research and capabilities in order to improve the service and outcomes for people we support.

Better at Home

Better at Home continued to play an important role in offering quality care beyond the hospital environment. In 2021, the program expanded to 50 places.

Across 2020–21, the percentage of patients transferred to Better at Home compared to subacute inpatient wards continued to increase. The number of Better at Home discharges also increased with more than 900 people becoming part of the program in 2020–21.

Technology is becoming increasingly vital in delivering care. This included planning work to pilot the use of video calls and remote patient monitoring to measure key vital signs such as blood pressure, heart rate and oxygen levels using a tablet connected to the internet.

Community nurse Marisa Hyde is among our staff offering quality care in a home environment to patients such as Richard Sheppard.

Alfred at Home

In January, we launched a new flagship project called Alfred at Home that builds on the learnings and success of Better at Home.

Tasked with developing a Home First approach to patient care, Alfred at Home aims to support patients, their families and their community healthcare providers so that patients' healthcare needs are safely and appropriately met within their local community whenever safe and possible.

Through the development and testing of innovative initiatives it also looks to achieve a more integrated and patient-centred approach, as well as robust and sustainable programs.

The program centres around three new key projects:

- **Journey to Home:** Developing a model of care which has key fundamental elements, but allows for nuanced specialty care, eg Cancer at Home, Brain at Home.
- **Care in the Home:** Harnessing existing at-home programs into one robust and uniform program (including scheduling, preparation before working in a person's home, assessing the home environment), with involvement from community services to wrap around the patient, carer and family.
- **Staying Well at Home:** Focus on how patients with chronic conditions (and other specific patient cohorts) can be effectively cared for to enable them to stay well at home while maintaining equity of access for both community and in-patient referrals.

Mobile Assessment and Treatment Service

The Mobile Assessment and Treatment Service (MATS) brings specialist geriatric nursing and medical care to our older patients within a home environment, most commonly a Residential Aged Care Facility (RACF).

During COVID-19, we expanded the MATS team in order to support residents of RACFs in their home environments and reduce presentations to ED and prevent readmissions. The expansion has been supported to remain in place for the next year.

Advance Care Planning

The Advance Care Planning (ACP) Team ensures families and healthcare teams understand what is important to a patient; and how the patient wants to be treated if they become unable to make decisions or communicate their wishes. A consumer survey developed found 91 per cent rated their experience as very good or good.

In January, we launched a new flagship project called Alfred at Home that builds on the learnings and success of Better at Home.

Due to COVID-19, there has been an increase in consumers wanting to document their future healthcare wishes, with referrals increasing to an average of 50 per month. The convenience of telehealth appointments has also been well received by consumers with palliative care needs.

Working with the Better at Home team, ACP is being built into routine care by reviewing patient lists weekly and liaising with medical staff. An opt-out ACP pilot commenced in 2020 and is continuing to grow.

The ACP Team partnered with Southern Melbourne Integrated Cancer Service to increase the uptake of advance care planning in patients with metastatic cancer.

Bereavement bags were introduced, with consumers consulted and a pilot in ICU and 4 East. While feedback from the bereaved was difficult to capture, staff said the bag was a respectful way to return a patient's belongings. The bags are now available to other wards.

Outpatients

Specialist Clinics

Specialist Clinics provide scheduled medical, nursing and allied health services across many Alfred Health locations. Approximately 1200 telehealth and face-to-face consultations are conducted each day within surgical, medical and other specialties.

As part of the COVID-19 response plan, there were many changes to the location of clinics during 2020 to allow clinic spaces to be repurposed for other care if required. As we move to COVID-19 normal services, some clinics are moving back to previous locations and others to new locations.

In response to unprecedented demand, we have increased staff in the outpatient enquiries telephone team. As part of a new initiative, patients are now able to elect to receive their clinic appointment letters via the method of their choice (email, SMS with a link or post). Clinic details are also available in the Patient Portal.

The Alfred COVID-19 Screening Clinic

Since opening on 12 March 2020, The Alfred COVID-19 Screening Clinic has conducted more than 120,000 tests, including 468 positive tests.

Entry Point Screening

Established in May 2020, Entry Point Screening has helped minimise the risk of infection to staff and patients during the COVID-19 pandemic. Each day our team screen over 4,000 staff plus 3,000 visitors and patients.

We continue to demonstrate our flexibility by adjusting to new Department of Health advice, as well as looking at ways to improve the experience for staff, visitors and patients. Initiatives have included the introduction of QR codes and a smartphone app to provide a smoother experience.

Registered nurse Ayan Omer Shere is part of our dedicated Emergency Department.

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 internationally, and strive to ensure everyday care for each patient meets the National Safety and Quality Health Service Standards.

Among the key achievements in the past year was the leading role our Infection Prevention Team played as part of our response to COVID-19.

Beyond this we are committed to ongoing improvement at an internal level, always looking to build on what we have achieved, and deliver better care and safety to our patients, staff and the broader community.

Infection prevention

Infection prevention and control measures are adopted across the organisation, including at the two Alfred Health complex care and health hotels, to minimise patient and staff risks of healthcare-associated infections and to improve the quality and safety of care.

Due to necessary COVID-19 responses, external reporting of SAB, CLABSI and SSI rates was placed on hold for the last quarter of 2020 and the first two quarters of 2021 (Apr–Dec), in accordance with recommendations for all Victorian health services. The Infection Prevention Unit at Alfred Health has continued to monitor these events internally in order to support continuous quality improvement activities and to reduce infection risk.

COVID-19 responses

In response to COVID-19, Infection Prevention and Control expertise has been key in developing timely policy, clinical guidelines, assessment forms and information for all staff, in accordance with DH guidelines. Key initiatives have included:

- Expansion of the workforce within the Infection Prevention team, aligned to workforce models covering clinical need, contact tracing and case management.
- A contact tracing team (CTT) continues to be actively involved in reviewing staff who have had contact with or visited sites where known COVID-19 cases have been identified or those who have experienced breaches in PPE. Nearly 10,000 staff cases have been logged, with responses provided by the CTT.
- A Case Management team (CMT) that actively follows up staff reporting symptoms, including after vaccination, management of furlough leave and return to work in conjunction with Alfred Infectious Diseases Physicians. The CMT has actioned 15,350 symptomatic staff forms equating to a total of 21,255 furlough days since the beginning of the pandemic.
- Targeted education and training of staff from all disciplines, with audit data and feedback to wards.
- PPE evaluation and development of staff resources, working closely with high-risk COVID-19 departments.
- Providing advice on national and state guidelines for COVID-19.

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 two quarters (Jul–Dec 20). From January–March 2021, Alfred Health exceeded the benchmark set by DH. Multiple initiatives have been implemented to reduce rates of SAB, including a focus on optimal management of medical devices.

Quarter	No OBDs	No SABS	AH Rate	Reported to VICNISS
Q1 Jul 20 – Sept 20	80389	5	0.62	No
Q2 Oct 20 – Dec 20	82434	7	0.85	No
Q3 Jan – Mar 21	90770	13	1.43	Yes
Q4 Apr – June 21	95325	6	0.63	Yes

Central line-associated bloodstream infections

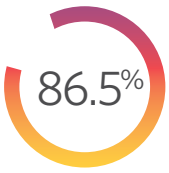
Central line-associated bloodstream infections (CLABSIs) in our ICU continue to be monitored against the statewide target of zero. Multiple interventions implemented in the ICU continue and include continued investment in a dedicated ICU infection prevention clinical support nurse, an expanded dedicated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

The Alfred ICU cares 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 five out of 12 months from July 2020 to June 2021.

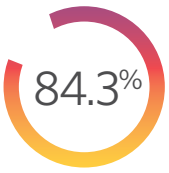
Hand hygiene

With a State Government target set at 83 per cent compliance, Alfred Health has exceeded this target for all audit periods from 2020–21:

Jul 2020 – Oct 2020



Nov 2020 – Mar 2021



Apr 2021 – Jun 2021

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

Staff influenza vaccination

The 2020 influenza campaign, which ended in August 2020, saw 94.8 per cent of staff vaccinated at Alfred, 92.7 per cent at Caulfield and 95.0 per cent at Sandringham, exceeding the DH target of 90 per cent at all campuses. Annual DH targets have therefore been exceeded since 2013. There has been little influenza seen in the community, however, vaccination continues to be encouraged for all healthcare workers as well as high-risk patients. The 2021 influenza campaign has been slower to progress. As of 30 June – and part way through the 2021 campaign – 53 per cent of staff were vaccinated.

Surgical site infection

We monitor infections related to key surgeries, in accordance with DH requirements. In 2020–21 surveillance of orthopaedic surgery (hip and knee replacements) was undertaken. This was monitored internally only for the first two quarters of this year. At the Alfred and Sandringham infection rates were below benchmark rates during the reporting period.

At Alfred Health, infections following cardiothoracic surgery are also monitored. Intensive initiatives have been implemented over recent years to reduce the risk of infection following coronary artery bypass graft surgery including reviewed hand hygiene and antimicrobial prophylaxis, additional auditing to examine the theatre environment, cleaning and operating room processes and practices.

Decreased infection rates have been observed and continued efforts are being made to reduce infection risk. For the reportable period, Alfred were below benchmark rates set by the DH.

Surveillance for infections following colorectal surgery is undertaken as a DH-mandated activity (six month period). Findings have all been within benchmark targets.

Antimicrobial stewardship (AMS)

The AMS program aims to optimise antimicrobial prescribing across Alfred Health. AMS rounds targeting broad spectrum antimicrobial prescribing and patients with positive blood cultures continue across all campuses, with a median of 100 patients reviewed per month from July 2020 to June 2021. 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 is ongoing, including antimicrobial allergy assessment. 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 outside of usual pharmacy hours and maintain recent improvements observed in timely sepsis management at MET calls for inpatients.

All three campuses of Alfred Health participated in the National Antimicrobial Prescribing Survey (NAPS) in 2020. High rates of antimicrobial appropriateness (88 per cent) and documentation of indication in the medical notes (95 per cent) were observed.

Delivering Quality Care

Carbapenemase-producing Enterobacteriaceae (CPE)

Alfred Health continues to meet challenges associated with emerging cases of multi-resistant bacteria in Australia, including CPE. We continue to work closely with the DH and follow statewide CPE Management guidelines, initiating timely and relevant infection control measures when indicated. Measures that continue to be implemented include active screening for patients at higher risk of CPE colonisation, contact tracing and screening for potential in both inpatient and discharged contacts, increased cleaning initiatives in ward areas, promotion of hand hygiene and cleaning of shared patient equipment. Staff education and auditing of clinical practices continue across the organisation.

Blood management

Red cell wastage continues to remain below the target KPI of 2 per cent each month. A focused working group has been developed in Emergency & Trauma, who are working closely with the Alfred Health Blood Bank to reduce unnecessary wastage of blood products during massive transfusion episodes.

Transfusion nurses have been developing interactive learning videos covering the correct blood specimen collection process as well as bedside administration videos to improve learning experience for nurses. These will be added to the online learning module.

Patient consent to transfusion remains above target KPI of 95 per cent across all three sites consistently.

The Alfred Health Blood Bank laboratory recently upgraded to the ISBT128 labelling system. This is an international standardised labelling system which improves blood product traceability for the safety of patients and donors.

Medication safety

Alfred Health staff have been involved in a range of initiatives to evaluate and improve medication management for our patients. These projects are collaborative in nature, involving medical, nursing and pharmacy staff and tie in with the WHO Global Patient Safety Challenge: *Medication Without Harm.*

Key highlights include:

Partnered Pharmacist Medication Charting (PPMC) model of care – statewide: In this Alfred Health initiative, which was developed in our General Medical Unit, the pharmacist completes a best possible medication history on admission and, after discussion with the medical team, charts home medications and VTE prophylaxis. A published study showed this model improved patient safety in general medical patients in a Better Care Victoria funded rollout in seven Victorian public hospitals. In 2020, this model was further assessed with the support of Safer Care Victoria in rural and regional Victorian health services with improvements in quality of care, such as a reduction in medication errors from 66.7 per cent of patients having at least one medication error identified, to 9.5 per cent of patients using PPMC. Patient length of stay decreased from 4.8 to 3.7 days.

Medication is managed – Better at Home: Safe and effective medication management for our Better at Home (BAH) patients is a priority. Most patients in the Better at Home program are transitioning from hospital care back to primary care. Two BAH pharmacists, based at Caulfield as part of the BAH multidisciplinary team, aim to decrease the risk of medication-related error and harm for patients in this transitioning period. Pharmacists discuss clinical decisions with the medical team with information provided by nursing and allied health staff assessments. The pharmacists' home visits support patient education and allow a check whether staff interventions are implemented to ensure medication safety.

Ensuring safe and timely vaccination: Since February 2021, Alfred Health Pharmacy staff have been involved in ordering, preparing, storing, reporting on and, in some cases, administering over 32,300 COVID-19 vaccinations as part of the national vaccination rollout. The Pharmacy Department involved staff expertise in clinical informatics, general medicine, aseptic preparations, clinical trials, medicines information and medication safety. Obstacles overcome included: maintaining ultra-low temperature cold chain storage for the Pfizer COVID-19 BioNTech vaccines, developing procedures to aseptically prepare individual doses from multi-dose vials, ensuring the two vaccines were supplied to correct patient groups and guaranteeing timely supply for both hospital and hotel locations.

Harm Minimisation

As we transition more of our patients to care at home, new models of service delivery are being reviewed in partnership with consumers to better reflect their preferences and needs.

Care planning data from the EMR is helping clinical areas to understand how they are performing and ensures that any gaps are quickly identified and addressed.

Case reviews are assessed to understand the link between falls, delirium, pressure injuries and malnutrition and help us to identify ways that we can improve safe care for our patients.

Risk rounds are held across a range of clinical areas to bring the interdisciplinary team together for at-risk patients to develop a plan with the patient that will help to reduce their risk of coming to harm while in our care.

Isolation taskforce

Established in 2020, the Patients in Isolation Taskforce was established to review processes and systems across Alfred Health that support staff to deliver quality care to all inpatients who are being cared for in isolation precautions. This was in response to a cluster of falls in isolation during the first wave of COVID-19. The taskforce was interdisciplinary including nursing, medical, allied health and non-clinical support services, and captured staff and patient experience.

Falls

In the Better at Home program, a renewed patient education tool is in development to help patients understand the different risks they face at home. The team is working on a process to ensure proactive risk assessments and care planning.

In June 2021, Alfred Health Emergency implemented the Older Person ESSU Care Pathway. The Quality Improvement initiative aims to improve the care of patients at risk of falls and delirium within the Emergency Department. Management and environmental strategies are focused using the 4Ms Framework (mentation, mobility, what Matters and medication), with patients co-located in part of the Emergency Short Stay Unit because it is quieter, has easy access to toilets, and close proximity to staff station to support constant supervision.

Falls Data:

	May 2017 – Apr 2018	May 2018 – Apr 2019	May 2019 – Apr 2020	May 2020 – Apr 2021
Actual falls	2,086	2,216	2,056	2,031
Actual serious injury (ISR 1 and 2)	22	25	19	26

Delirium

Data captured in the EMR to improve care of the patient experiencing delirium including safe medication management is being explored, with appropriate care planning and risk assessment reports to help clinicians understand the vulnerability of these patients.

Learnings from the Safer Care Victoria Delirium collaborative run on 4WB has been collated. How this can be translated to other clinical areas is being explored.

Malnutrition

A spoken menu delivered by Nutrition Allied Health Assistants to patients in isolation rooms was trialled. This increased the proportion of patients who received food and drink of their choosing.

Following consultation with our Home Enteral Nutrition patients, we introduced next generation modern feeding pumps with very positive feedback.

In response to anticipated increased demand for enteral feeding during the COVID-19 pandemic, we increased our inpatient enteral feeding pump stock by 75 per cent and ensured we had sufficient supply of enteral nutrition products to manage 500 patients on tube feeding. In addition, we developed a guideline for nutrition management for critically ill patients with COVID-19.

We worked with our Better at Home patients to ensure appropriate identification of food access issues, and created an improved pathway for meal provision to home from our hospital kitchen as well as shopping assistance if required.

Bernard Handley, pictured with a Nutricia feeding pump, is among the patients who receive quality care from our Nutrition team, including clinical dietitian Lorraine Gaffney.

Pressure Injuries

Alfred Health is broadening how pressure injuries are managed, including using technology to provide care, such as camera capture apps and EMR.

We continue to provide education to staff through virtual means with a focus on fundamentals of wound care and pressure injury prevention. The team have collaborated with Covid-Ops and Dermatology to produce communications on caring for a healthcare worker's skin when using PPE, and contributed to DH guidelines for preventing skin damage under PPE, using evidence-based recommendations.

The team also continues to ensure resources, interventions and education strategies reflect evidence-based practice, specifically guided by updated International Pressure Injury Guideline (2019), with these changes also being incorporated into education strategies.

As we transition more of our patients to care at home, new models of service delivery are being reviewed in partnership with consumers to better reflect their preferences and needs.

Performance

Dr Mastura Monif's lab in our Neuroscience department have found a drug that could be a potential new treatment for the most common and aggressive type of brain tumour–a glioblastoma. Samples of these type of brain tumours are collected by Alfred's Brain Tumour Bio-databank and used to test new treatments.

Part A Strategic Priorities - Alfred Health Statement of Priorities 2020–21 – June 2021

Strategic Priorities set out by Minister for Health	Alfred Health Key Deliverables	Executive Sponsor	Progress Update
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-19 Response plans – Infection prevention and contact tracing – COVID-19 Surge Capacity (emergency and ICU) – COVID-19 screening service and surveillance programs. Delivery of COVID-19 vaccine program as a specialist services hub.	COO CMO	**COMPLETED** COVID-19 Response Plan developed and continues to be refined. Vaccination Clinic commenced early in April. Approx. 5000 staff vaccinations and over 4000 community/vulnerable groups. Over 1000 GP and SAFEVIC referrals received for Specialist COVID-19 vaccination advice or AEFI follow-up.
Engage with your community to address the needs of patients, especially our vulnerable Victorians whose care has been delayed due to the pandemic and provide the necessary 'catch-up' care to support them to get back on track.	Deliver additional elective surgery above ESIS target – to be advised. OP clinic reconfiguration and reform. Improvement in service delivery and increase in healthcare accessibility for Aboriginal and Torres Strait Islander patients.	COO	**GOOD PROGRESS** Performed an additional 200 elective surgery procedures, this increased access has been impacted by the May/June COVID-19 active status which restricted surgery to Cat 1 and high Cat 2. **COMPLETED** Standardised and co-ordinated processes across Alfred Health. 58,450 telehealth appointments were provided in 2020–21 to ensure access to specialist consultation – 217% from 2019–20. **COMPLETED** Aboriginal Health Outcomes Working Group established with key stakeholders and Executive representation with deliverables developed in collaboration with local Aboriginal community. Established an after-hours on call response for Aboriginal Hospital Liaison Service. Extended telehealth services for Aboriginal and/or Torres Strait Islander patients, including regional in pandemic environment.

Strategic Priorities set out by Minister for Health	Alfred Health Key Deliverables	Executive Sponsor	Progress Update
Respond to the recommendations of the Royal Commission into Victoria's Mental Health System and the Royal Commission into Aged Care Quality and Safety.	Respond to Mental Health Royal Commission.	COO/ Program Director MADH	**IN PROGRESS** Identified as preferred provider for Specialist Women's Mental Health Service in partnership with Private Provider.
Develop and foster local health partner relationships, which have been strengthened during the pandemic response, to continue delivering collaborative approaches to planning, procurement and service delivery at scale. Prioritising innovative ways to deliver health care through shared expertise and workforce models, virtual care, co-commissioning services and surgical outpatient reform to deliver improved patient care through greater integration.	Implementation of Sexual Health hub and spoke network. Participate in South East Metro Cluster partnership projects to maximise effectiveness and efficiency in service delivery. – Pathology – Elective surgery waiting list – Better @ Home Review Maternity & New Born Services (inc. Gynaecology Services) provider arrangements for Sandringham.	COO CEO ED S&P	**COMPLETED** Total of 3 GP centres providing sexual health primary care through a hub (Melbourne Sexual Health Centre) and Spoke (General Practice) Centres in high volume LGAs. **COMPLETED** SE Metro Partnership formed and defined projects have commenced. **COMPLETED** Reviewed requirements to meet needs of Women requiring Maternity & Gynaecological care within Alfred Health catchment and future partnership requirements.
Providing health and wellbeing services, infection prevention and control expertise and other services for the government's hotel quarantine program, protecting the community from the spread of COVID-19.	Delivery of health and wellness services (COVID-19) agreement between Alfred Health and State (Department of Justice and Community Safety). Operationalisation of Health Hotel and Complex Care Hotel.	COO	**COMPLETED** Operational model established June 2020. Over 1,700 people cared for in the AH hotels. Service agreement in place until 31 December 2021.

Part B: Performance Priorities

High quality and safe care

Key performance indicator	Target	2020–21 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	83%	86.2%	
Percentage of healthcare workers immunised for influenza (April 2020 to August 2020)	90%	94.1%	
Patient experience	**Target**	**2020–21 actuals**	
Victorian Healthcare Experience Survey		No VHES surveys were conducted in 2020–21	
Healthcare associated infections (HAIs)			
Number of patients with surgical site infection	No outliers	**Procedure**	2020–21
		CABG	10
		Ortho	7
		Colorectal	8
Number of patients with ICU central-line-associated bloodstream infection (CLABSI)	Nil	**Line days**	12,336
		Inf count	8
		Rate per 1,000	0.65
Rate of patients with SAB[1] per 10,000 occupied bed days	≤ 1		0.91
Adverse events			
Sentinel events – root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days		Not achieved
Unplanned readmission hip replacement	Annual rate ≤ 2.5%	**The Alfred**	**Sandringham**
		8.5	5.6

[1] SAB is *Staphylococcus Aureus Bacteraemia*

Performance

Key performance indicator	Target	2020–21 actuals
Mental Health		
Percentage of adult acute mental health inpatients who are readmitted within 28 days of discharge	14%	12.3%
Rate of seclusion events relating to an adult acute mental health admission	≤ 15/1,000	8.4
Rate of seclusion events relating to an aged acute mental health admission	≤ 15/1,000	0
Percentage of child acute mental health inpatients who have a post-discharge follow-up within seven days	80%	84.1%
Percentage of adult acute mental health inpatients who have a post-discharge follow-up within seven days	80%	84%
Percentage of aged acute mental health inpatients who have a post-discharge follow-up within seven days	80%	90%
Continuing Care		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥ 0.645	0.659

Strong governance, leadership and culture

Key performance indicator	Target	2021 actuals
Organisational culture – People matter survey		
Percentage of staff with an overall positive response to safety and culture questions	80%	70%
Percentage of staff with a positive response to the question, "I am encouraged by my colleagues to report any patient safety concerns I may have"	80%	77%
Percentage of staff with a positive response to the question, "Patient care errors are handled appropriately in my work area"	80%	71%
Percentage of staff with a positive response to the question, "My suggestions about patient safety would be acted upon if I expressed them to my manager"	80%	71%
Percentage of staff with a positive response to the question, "The culture in my work area makes it easy to learn from the errors of others"	80%	67%
Percentage of staff with a positive response to the question, "Management is driving us to be a safety-centred organisation"	80%	69%
Percentage of staff with a positive response to the question, "This health service does a good job of training new and existing staff"	80%	59%
Percentage of staff with a positive response to the question, "Trainees in my discipline are adequately supervised"	80%	62%
Percentage of staff with a positive response to the question, "I would recommend a friend or relative to be treated as a patient here"	80%	82%

Timely access to care

Key performance indicator	Target	2020–21 actuals	
Emergency care		**The Alfred**	**Sandringham**
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	73%	89%
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%	68%	78%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours (NEAT)	81%	66%	78%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	0	0

Timely access to care

Key performance indicator	Target	2020–21 actuals
Elective surgery		
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%	83%
Percentage of patients on the waiting list who have waited longer than clinically recommended time for their respective triage category	5% or 15% proportional improvement from prior year	11.4%
Number of patients on the elective surgery waiting list	2,000	2,306
Number of hospital initiated postponements per 100 scheduled elective surgery admissions	8	4
Number of patients admitted from the elective surgery waiting list[1]	11,250	8,621
Specialist clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	66.3%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	96.3%

Effective financial management

Key performance indicator	Target	2020–21 actuals
Finance		
Operating result ($m)	As agreed in SoP	$0.2m
Average number of days to paying trade creditors	60 days	30 days
Average number of days to receiving patient fee debtors	60 days	71 days
Public and Private WIES[2] activity performance to target	100%	94%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.81
Forecast number of days a health service can maintain its operations with unrestricted cash (based on the end of year forecast)	14 days	(5.4) days
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	3.4 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤ $250,000	$0.7m

[1] The target shown is the number of patients on the elective surgery waiting list as at 30 June 2021.
[2] WIES is a Weighted Inlier Equivalent Separation.

Performance

Part C: Activity and funding

	2020–21 activity achievement
Acute Admitted	
WIES Public	82,174
WIES Private	15,025
WIES DVA	568
WIES TAC	5,919
Acute Non-Admitted	
Home Enteral Nutrition	936
Home Renal Dialysis	94
Radiotherapy WAUs Public	69,888
Radiotherapy WAUs DVA	592
Specialist Clinics (inc DVA)	266,504
Subacute & Non-Acute Admitted	
Subacute WIES – Rehabilitation Public	899
Subacute WIES – Rehabilitation Private	217
Subacute WIES – Rehab DVA	2
Subacute WIES – GEM Public	1,205
Subacute WIES – GEM Private	229
Subacute WIES – GEM DVA	18
Transition Care – Bed days	17,450
Transition Care – Home days	5,913
Aged care	
HACC	15,008
Mental Health and Drug Services	
Mental Health Ambulatory	93,189
Mental Health Inpatient – Available bed days	21,605
Mental Health Subacute (inc CCU and PARC)	8,152
Drug Services	141
Primary Health	
Community Health/Primary Care Programs	10,295
Other	
NFC – Paediatric Lung Transplantation	3

Financial Summary

A Net Operating Result of $0.2m was recorded in 2020–21. The result is in line with the Net Operating Result target in the Statement of Priorities. Total revenue and expenditure increased in financial year 2020–21. The increase is largely due to the impacts of supporting the COVID-19 response including costs, and corresponding funding, to help deliver the State's COVID-19 quarantine hotel program.

The improvement of $30.9m in the Net Result from Transactions in 2020–21 reflects increased capital funding for the Victorian Melanoma Centre project and higher volumes of COVID-19 equipment issued through the State supply arrangement. Alongside these drivers the revaluation of Alfred Health's investments, following an upturn in the market, is further driving the improvement in the Net Result of $45.2m.

Net Assets increased by $40.4 million in the 2020–21 financial year. This was primarily due to an increase in land values following a managerial assessment valuation based on advice from the Valuer-General of Victoria. This assessment occurred in line with compliance reporting requirements.

During the financial year Alfred Health continued to find efficiency improvements whilst 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.

	2017 $'000	2018 $'000	2019 $'000	2020 $'000	2021 $'000
Operating result*	203	240	193	504	243
Total revenue	1,189,097	1,228,190	1,314,925	1,420,708	1,618,690
Total expenses	(1,213,489)	(1,264,477)	(1,352,319)	(1,452,121)	(1,619,231)
Net result from transactions	**(24,392)**	**(36,287)**	**(37,394)**	**(31,413)**	**(541)**
Total other economic flows	(4,125)	2,570	(6,938)	(9,674)	4,645
Net result	**(28,517)**	**(33,717)**	**(44,332)**	**(41,087)**	**4,104**
Total assets	1,096,904	1,160,112	1,446,645	1,486,095	1,586,391
Total liabilities	306,182	338,323	356,039	450,252	510,147
Net assets / Total equity	**790,722**	**821,789**	**1,090,606**	**1,035,843**	**1,076,244**

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

Reconciliation of net results from transactions and net operating result

	2021 $'000
Net operating result	**243**
Capital and specific items	
COVID-19 State Supply Arrangements – Assets received free of charge or for nil consideration under the State Supply	26,807
State supply items consumed up to 30 June 2021	(16,319)
Capital purpose income	86,831
Assets provided free of charge	1,097
Capital expenses	(490)
Depreciation and amortisation	(98,653)
Other	(57)
Net result from transactions	**(541)**
Variance	(0)

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.

The prior year operating result comparatives have been restated to reflect the presentation of other economic flows.

Information and communication technology (ICT) expenditure

The total ICT expenditure incurred during 2020–21 is $48.0 million (excluding GST):

Business as usual (BAU) ICT expenditure ($m)	Non-business as usual (non-BAU) ICT expenditure ($m)	Operational expenditure ($m)	Capital expenditure ($m)	Year
39.8	8.2	6.7	1.5	30 Jun 2021

A new device that targets hard-to-kill tumours is the focus of a research trial led by The Alfred's interventional radiology team, including Dr Gerard Goh.

Research and Partnerships

We continue to be leaders in healthcare research, working closely with internationally renowned universities and partners.

We share a common goal to support the work of clinicians and scientists that achieves better healthcare outcomes for patients and our community.

Research highlights

Our leading researchers reflect on some of their key achievements.

Testing AI for skin cancer

The Victorian Melanoma Service (VMS) is currently conducting a trial into the effectiveness of Artificial intelligence (AI) as a skin cancer assessment tool.

VMS director Associate Professor Victoria Mar said the Improving Skin Cancer Management With Artificial Intelligence (SMARTI) trial directly compares AI results to that of doctors in the real-world setting.

Dermatologists make diagnostic assessments of skin lesions in a dermatology clinic, and the computer is then asked to provide a 'second opinion'.

The accuracy of the algorithm will be assessed in the specialist setting before considering its use in primary care.

"The computer algorithm is trained on thousands of images, just like a doctor might be trained from seeing large numbers of cases," Professor Mar said.

"But whilst a doctor takes years to build up experience, the computer can learn very quickly from a large training set of images and from there the algorithm can be tweaked to improve accuracy."

The training data has been provided by Industry collaborator MoleMap, with over five million images available to train and refine the algorithm developed by the Monash University eResearch team.

"Recent studies show that machine learning algorithms have the potential to surpass the diagnostic performance of experts, at least in experimental settings, and the challenge now is how to implement this new technology safely into clinical practice.

"An artificial intelligence system could be used to provide diagnostic support or a 'second opinion', or alternatively as a triaging tool before clinician assessment. This approach could dramatically improve timely access to specialist care for people requiring urgent attention."

But it comes with a warning.

"Clinicians may have difficulty upskilling by following the algorithms' outputs; and second, there exists the potential for deskilling and underperforming due to an over-reliance on technology," Professor Mar said.

The SMARTI trial is funded by the Victorian Department of Health and Human Services.

Victorian Melanoma Service director Associate Professor Victoria Mar is leading a new trial at the Alfred which will test whether artificial intelligence performs as well as experts in skin cancer management.

Removing HIV as a barrier to organ transplantation

Researchers at The Alfred are hoping to break down the barriers people living with HIV encounter when it comes to undergoing solid organ transplantation.

The results of the research are in keeping with international experience, which suggests HIV-positive patients who undergo an organ transplant are likely to experience similar outcomes to patients living without HIV.

Alfred Health Infectious Diseases Fellow Dr David Griffin said HIV-positive patients should be considered for solid organ transplants, using the same criteria for those who are HIV-negative.

Dr Griffin's research, which looks at the outcomes of local patients over a 15-year period, suggests that HIV-positive patients have good functional organ and HIV outcomes following solid organ transplant.

"There have been a number of barriers, preventing people living with HIV from being considered as organ transplant recipients in the past, but going forward we need to be looking at what we need to do to overcome these barriers."

Three-hour legs kick waiting times

Prosthetic technology being trialled at Caulfield Hospital has lower limb amputees up and walking on a new prosthetic leg within three hours.

Prosthetics manager Jim Lavranos said the technology has the potential to wipe months off waiting times for new legs.

"Rather than going through the process of the traditional plaster cast, this socket is made directly onto the patient and cures within an hour … then we do all the trimming and assembling behind the scenes," he said.

"This can all happen within three hours as opposed to two months which is fantastic because longer wait times can lead to enhanced anxiety not to mention the sooner we get the patient up and going, the sooner we can get them into rehab."

Jean was among the test patients to receive a leg using the technology and said it was a fantastic innovation.

"To be able to come in here for a few hours and actually leave with a new leg is wonderful, it's not something I'd have considered possible … in the past I've had to wait a while," Jean said.

Prosthetic technology being trialled at Caulfield Hospital has lower limb amputees up and walking on a new prosthetic leg within three hours.

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, centred around The Alfred, including Alfred Health, Monash University, Baker Heart and Diabetes Institute, Burnet Institute, Deakin University, La Trobe University, Nucleus Network and 360biolabs.

In 2020, the Alliance:

- Secured more than $162 million in external research funding.
- Published a total of 2727 articles, including original research articles, reviews, book chapters and books.
- Congratulated 268 students on completing their masters and doctoral degrees.

The Alliance members continue to work together to achieve research funding, progress and outcomes, to educate a new generation and to join in celebration and recognition.

In April, Victoria's Lead Scientist, Dr Amanda Caples visited The Alfred precinct. The event provided an opportunity to showcase many of the Alliance's unique translational research capabilities including clinical trials. The round table discussion provided Dr Caples the opportunity to understand more about the research at the precinct and engage in discussion about the upcoming strategy for investing in the State's health and medical research system.

COVID-19 and the Alfred Research Alliance

The COVID-19 pandemic continued to dominate the activities of members, not only through the health service response, but also in research projects and counsel to governments. COVID-19 projects are expansive across the precinct now. As a snapshot, these projects include:

- developing diagnostic tests for COVID-19 infection in asymptomatic patients
- characterising neurological symptoms of infection
- studies to help inform planning of health and social support services for government and employers in response to the pandemic
- establishing an important hospital-based surveillance database to enable real-time tracking and reporting of the sickest patients with COVID-19 in Australian hospitals and ICUs
- multiple studies designed to monitor mental health responses of the population during the pandemic
- screening existing drugs to determine their potential to treat or prevent COVID-19 infection.

Many staff across the precinct, and at multiple Alliance organisations, continue to engage with State and Federal Governments to assist with and inform about the government's public health response through their expertise as public health practitioners.

Regardless of circumstance, working on-site or remotely, Alliance members continue to demonstrate their extraordinary adaptability and commitment as they respond to the world's most pressing health challenges and deliver improved health outcomes for all.

Research Funding

Alfred Health researchers were lead investigators of several new NHMRC (National Health and Medical Research Council) grants commencing in 2021.

Investigator Grants

- Professor Allen Cheng: Preventing illness and death from severe influenza in Australia. $1,719,110
- Professor Paul Fitzgerald: Brain stimulation therapeutics for mental health disorders: from concept to clinical application. $2,116,312
- Professor Anne Holland: Optimising patient & health system outcomes in chronic respiratory disease. $2,613,220
- Associate Professor Anneke van der Walt: Multi-dimensional monitoring of cognition and cerebellar function to prospectively define disease progression in multiple sclerosis. $1,462,250
- Dr Aleksandr Voskoboinik: Improving outcomes in patients with life-threatening ventricular arrhythmias. $606,009

Ideas Grants

- Professor Anton Peleg: Targeting Antimicrobial Resistance and Host Immune Evasion in *Staphylococcus aureus*. $892,831
- Professor Anton Peleg: Virulence Associated small RNAs in *Acinetobacter baumannii*. $964,148
- Professor Andrew Perkins: Gene editing to cure sickle cell disease. $825,864

Development Grants

- Professor David Kaye: Anti-inflammatory compound development for the treatment of heart failure with preserved ejection fraction. $674,659

Medical Research Future Fund

- Assoc Prof Heather Cleland: Third degree burn wound closure using engineered skin – Phase I clinical trial. $2,363,239
- Assoc Prof Julian Elliott: COVID-19 Clinical Evidence Taskforce. $1,683,229
- Prof David Kaye: The Artificial Heart Frontiers Program. $999,570
- Prof Anton Peleg: Genomics, digital health and machine learning: the SuperbugAI Flagship. $3,403,772
- Assoc Prof Andrew Wei: INTERCEPT (Investigating Novel Therapy to target Early Relapse and Clonal Evolution as Pre-emptive Therapy in AML): a multi-arm, precision-based, recursive, platform trial. $4,735,398

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.

This year marks 10 years since Monash Partners was formally established. We now support two universities, seven health services, and three medical research institutes with reach into regional Victoria. Collectively we provide healthcare for more than three million people or ~15 per cent of Australians, and bring a combined research budget over $300 million.

Highlights have included attracting MRFF funding to trial new technology across health partners including Alfred Health, to improve access to electronic health records, optimising clinical trial recruitment, healthcare delivery and health outcomes.

We also led a national women's health research network and supported and funded early to mid-career female researchers; and developed a framework for implementing a Learning Health System to capture, identify and address health service and community priorities and emergent challenges.

Other key events included renewal of funded philanthropic research partnership with Equity Trustees and community partnerships including Cystic Fibrosis, and advancing best practice prevention of pressure injuries as a Ministerial priority.

This year marks 10 years since Monash Partners was formally established.

TrialHub is an Australian-first pilot that aims to bridge the gap between city and regional hospitals, enabling more people in rural areas to take part in clinical trials. Its key projects include one which will see cancer patients in Gippsland have better access to clinical trials locally thanks to a partnership between Alfred Health's Trialhub and Latrobe Regional Hospital. Alfred Health's TrialHub is a federally-funded initiative that supports regional hospitals to establish their own clinical trial units. If successful, it could pave the way for a nation-wide rollout.

Projects and Infrastructure

Opened in 2020, the Innovation & Education Hub at The Alfred is a purpose-built space for staff and partners to come together to connect, learn, recharge and generate new ideas.

Photo: Emily Bartlett

COVID-19 support

The establishment of Immunisation Clinics for our staff and the community across our sites was among the key COVID-19-related infrastructure work completed.

Set up of wards including 2 East and 2 West to provide ICU bed capacity, and Ground Floor East as well as Philip Block to provide ED cubicle capacity, also ensured we were well placed to manage a potential increase in patients.

Other key projects undertaken included major infrastructure works to establish Ward 7 West as a COVID-19 ward. An upgrade to the ICU negative pressure room, and upgrades to ventilation infrastructure with the ED RESUS and RISC areas, were also important in providing a safer environment for patients and staff.

Alfred Lane safety works

In 2021, safety upgrades were completed on Alfred Lane between the property boundary near Old Monash through to Punt Rd including Moubray Lane.

The works sought to address concerns raised in a staff survey on safety. Features of the work included improved road conditions and traffic flow, with enhanced safety for pedestrians. Better street lighting, upgrades to CCTV and duress points were also major features.

While the safety works were underway, upgrades to existing water main infrastructure within the project area were addressed to reduce risk of future failure due to age.

The project has now created a much safer area for both pedestrian as well as vehicle access.

Sandringham Hospital pharmacy

Works were undertaken in 2021, for the Sandringham Hospital pharmacy to be relocated from the outpatients building to the main hospital building.

The design of the new pharmacy will be open plan, providing improved visibility and workflows within the department.

Works were completed by the end of June, with the Pharmacy Department to commence working in the new environment in July 2021.

Helipad lighting upgrade

At The Alfred, the installation of new lighting on the helipad perimeter and a windsock was completed in early 2021. The upgrade will assist aircraft approaching and departing at night, patient retrieval, aircraft repairs and maintenance, and helipad security.

Innovation & Education Hub

In November 2020, The Betty & John Laidlaw AO Alfred Innovation & Education Hub opened. The creation of The Hub, by redeveloping the current AMREP (Alfred Monash Research Education Precinct) and Ian Potter Library, will establish a centre for driving real and sustainable innovation in healthcare and best practice learning and education.

The Hub features state-of-the-art technology and a range of flexible resources including world-class seminar and meeting facilities, break-out areas, a refurbished 200-seat Lecture Theatre, a café, and outdoor space with timber seating.

Caulfield ABI

The Acquired Brain Injury (ABI) Unit at Caulfield Hospital provides specialised care for people with brain injuries due to trauma, stroke and other causes. A number of staff and patient safety solutions are in the process of being implemented, in line with a range of recommendations agreed to be undertaken consistent with a Safer Care Victoria review in 2018.

The past year has seen much of stage 2 of the project undertaken, including: improved acoustics to corridors and meeting room, created 2nd Behaviours of Concern area, provided screens to staff stations and joined two patient courtyard areas to create one larger area. New roof to the basketball courtyard and staff courtyard are currently underway.

The final project is due for completion mid August and is expected to see improvements to staff and patient safety, patient and family experience, staff wellbeing and the general environment.

Emergency Exit Signs, Lights and LEDS

Emergency Lights and Exit Signs within the Alfred Centre, ICU, South Block, Car Parks and the Mental Health IPU were upgraded and replaced to enable the use of LED light technologies and sensor controls. These will produce more efficient infrastructure and automated monitoring and management of these services.

An upgrade to the ICU negative pressure room, and upgrades to ventilation infrastructure with the ED RESUS and RISC areas, were also important in providing a safer environment for patients and staff.

Projects and Infrastructure

Building a better future for cancer research and care

Alfred Health's Victorian Melanoma and Clinical Trials Centre at 545 St Kilda Road will be a world-class facility for the early detection and prevention of skin cancers including melanoma as well as advance clinical research through innovative national clinical trial network, 'Trial Hub'.

With an eye on establishing The Alfred as the trials hub for Victoria, the year has seen the commencement of the design phase of a new facility at 545 St Kilda Road, which will provide specialist multi-disciplinary, comprehensive care and a wellness program for patients with melanoma and other cancers. This facility is due to be opened in January 2024.

Integrated with leading medical imaging modalities and research functions this will enable a seamless and exceptional patient experience, providing support through pathways of care designed to adapt to the needs of individual patients, their families and significant others. The facility will also provide a foundation for Trial Hub flagship initiatives and expanded capacity for research and clinical trials (oncology and non-oncology). This will support the delivery of bench to bedside and bedside to bench research on the one campus, enhancing The Alfred's role as a leading clinical and translational research precinct.

High value equipment and infrastructure funding

Medical equipment proposals	$
General CUSA – operating suite	310,000
Operating room table	310,000
Ultrasound	400,000
Total	**1,020,000**

Engineering infrastructure	$
Building Automation System & Controls – ICU	750,000
Site sewer upgrade	900,000
Electrical upgrade – main operating theatre	800,000
Building automation system and controls – MWB theatres	400,000
Building automation system and control – ED and Trauma Centre	400,000
Electrical switchboard upgrades – Philip Block	370,000
Asbestos removal – Plant rooms	396,460
Nurse call	971,930
Total	4,988,390
Overall total	**6,008,390**

The establishment of Immunisation Clinics for our staff and the community across our sites was among the key COVID-19-related infrastructure work completed.

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

- The Innovation and Education Hub
- The Front Entry 'Amenities' Project
- Old Monash / Alfred Lane House Facade Works

Sandringham Hospital

- Sandringham Ramp Replacement

Other Sites

- Headspace (Blackburn)

Projects with building permits under construction

The Alfred

- Emergency Lights and Exist Signs Upgrade
- Mental Health IPU Refresh
- The Front Entry 'Welcome' Project
- Hyperbaric Unit Upgrade
- Linear accelerator replacement

Sandringham Hospital

- The Pharmacy Relocation Project

Caulfield Hospital

- The Acquired Brain Injury Refurbishment Project

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.

A major upgrade of The Alfred's Hyperbaric Unit 'Fire Deluge System' was completed in July 2020.

Neale is among the hard working volunteering team who provide a friendly welcome and positive experience for our patients and visitors.

Community and Environment

Health promotion

Prevention through health services

Alfred Health continued to receive funding to support Victorian public health services in prevention activities, with a focus on healthy eating and living smoke-free. In 2020–21, support was provided to 21 other Victorian health services, with 58 Victorian health services supported since 2016. A key aspect of this work included developing and leading a metropolitan health services network – a network designed to support health services in implementing the Victorian Healthy Choices Guidelines in complex settings.

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 harm from tobacco, healthy living, improving mental health, reducing the harm from alcohol, and vaccinations and prevention of blood-borne viruses.

Smoke-free

Alfred Health's Smoke-free model of care expanded to Health Hotels in October 2020 with the introduction of an on-site Pharmacist-led model of care, supported by hotel nursing staff. This smoke-free care includes identification of nicotine dependency and offer of support, which may include the provision of nicotine replacement therapies, as clinically appropriate.

Intensive support is provided by the Pharmacy Smoke-free team to all guests with identified nicotine dependency regardless of intention to quit; including a proactive offer of referral to ongoing support services following quarantine.

Healthy Eating

In partnership with the Baker Institute, we completed a mapping exercise to identify services available for Alfred Health inpatients who are overweight or obese. This will be utilised to inform potential referral pathways. We also procured and implemented three scales for outpatient areas that facilitate the identification and support required for patients who are gaining weight. The scales automatically calculate body mass index and document this in the patient's medical file.

Improving mental health

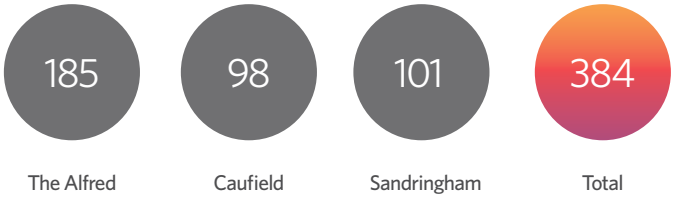
Partnering with Connected AU and C Care, Alfred Health clinicians identified and supported socially isolated community-based consumers to build and maintain social connections by linking them to established programs.

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

During 2020–21, support was provided by Caulfield Community Health Service to over 17 Early Learning Centres to make positive advancements across healthy eating, active living, mental health and gender equity. Five schools received ongoing support to undertake a whole-school approach to Respectful Relationships Education to improve gender equity and reduce family violence. Two schools have been supported to make improvements across healthy eating, active living and mental health priority areas. Two intergenerational programs were run between schools and aged care services, moving to virtual or non-contact during lockdowns.

Volunteers

Number of Volunteers within Alfred Health:



Face-to-face volunteer activities at Alfred Health were suspended for a period of 12 months as a result of the Coronavirus Pandemic. A number of initiatives were introduced to support volunteers and minimise attrition during this period including:

- A monthly newsletter to connect volunteers. This was an opportunity to share photos and videos during lockdown and keep updated on news within the hospital
- The volunteer program sent hand-written postcards with messages of support during National Volunteer Week 2020
- Regular telephone welfare checks were conducted with vulnerable volunteers during the lockdown period.

Our volunteer concierge team returned on 27 January 2021 with Neale being the first volunteer to return to The Alfred after 12 months. All returning volunteers were given an orientation to any new processes within the hospital and changes to the hospital environment, including a mandatory COVID-19 safe hand hygiene online training module. All returning volunteers were offered a COVID-19 vaccination and there was 100 per cent uptake to the vaccine.

Fundraising

The Alfred Foundation

The purpose of The Alfred Foundation is to rally, inspire and support the community to contribute to improving the lives of our patients, their families, our communities and people generally. We do this in the pursuit of excellence and the advancement of healthcare.

While COVID-19 continued to be a significant focus for the health service during 2020–21, there were also considerable other areas in the hospital that the Foundation supported.

The Alfred's 30-year-old iconic helipad – the 'front door' for hundreds of critically ill patients every year – needed important upgrades. These improvements were generously funded by our donors and are now assisting pilots achieve a safer approach and landing and providing better patient transfers to and from the aircraft.

The Betty and John Laidlaw AO Education and Innovation Hub which opened in late 2020, was in large part funded through philanthropic support. The Hub provides a purpose-built environment for staff to recharge, connect, listen and learn. A unique space where healthcare intersects with art, technology and people, it provides staff with an environment to collaborate, advance their knowledge and nurture innovation.

The Victorian Melanoma Service (VMS) at The Alfred was the recipient of a generous gift from The Bertalli Family Foundation, which has allowed the VMS to develop a translational database including 150 data items to what is now more than 11,000 patients. This data has enabled research to answer many questions about melanoma susceptibility, detection, progression and treatment and the results have generated many publications.

In 2020 the Foundation was also able to develop The Jenkins Fellowship for Lymphoma – one of four fellowships in the clinical haematology department dedicated to finding new treatments and therapies for people living with blood disorders. With The Alfred seeing an increasing number of patients with higher-grade lymphomas, the fellowship will work to improve patient outcomes.

The economic and social challenges faced by the community due to COVID-19 have certainly started to become evident. However, we are incredibly grateful to our dedicated donors. Their ongoing commitment has allowed us to achieve extraordinary things, despite the many challenges faced by the community.

This is reflected in the $16.3 million donated to The Alfred in 2020–21.

The Foundation funds items and projects that align to four key funding pillars; *transforming care, leading technology, advancing discovery* and *developing extraordinary caregivers*.

This past year the community has funded many initiatives, large and small, that align with these pillars including:

Transforming Care: Pandemic intervention and Monitoring System (PiMs), pilot program Consumer Focus Group for Australian Centre of Blood Diseases – a first at Alfred Health, music therapy program for patients with cancer, helipad upgrade, patient accommodation facilities for rural and regional cancer patients.

Leading Technology: mobile CT scanner, new generation ventilators, GridION – a device capable of multiple DNA/RNA sequencing experiments, paediatric ultrasound inducer, Globex Pulsatile Pump (for simulation training), Cardioultrasound for ICU, Mini-C-Arm for plastic surgery, bladder scanner.

Advancing Technology: development of COVID-19 Biobank, 'Better, targeted therapies for heart failure patients' study/research, 'Geriatric & Autoimmune Diseases' study/research, 'The low emulsifier diet in Crohn's disease' study/research, The Alfred Cancer Biobank, Research into Human Skin Equivalent to treating skin loss in burns, development of leukaemia treatment in research projects, lung transplant research projects.

Developing Extraordinary Caregivers: Novel multidisciplinary team-based operating simulation project, Cardiac Medical Interventional Research Fellow (new opportunities in heart failure management), two nursing scholarships for the career development of nurses, The Jenkins Fellowship for Lymphoma, development of Cellular Cancer Immunotherapy Capacity and Clinical Trials.

Community and Environment

The Alfred Foundation Board

In 2020–21 The Alfred Foundation Board comprised of:

- Sir Rod Eddington AO (Chairman)
- Mr Patrick Baker (Director, The Alfred Foundation)
- Mr Ravi Bhatia
- Ms Greta Bradman
- Mr Anthony Charles
- Mr Allan Hood
- Ms Meg Landrigan
- Mr Chris Nolan (Father's Day Committee Chair)
- Mr Nick O'Donohue (Life Support Committee Chair)
- Ms Juli Ogilvy
- Mr Tony Phillips
- Mr George Richards
- Mr Rob Sayer
- Mr Paul Sheahan AM
- Mrs Carolyn Stubbs OAM (Women@TheAlfred Chair)
- Professor Andrew Way AM (Chief Executive, Alfred Health)
- Mr Alan Williams
- Sir Donald Trescowthick AC KBE (Joint Patron)

Sandringham Hospital Fundraising

Community support:

Sandringham Hospital received generous support from individuals, community groups, businesses and trusts and foundations. Due to the impact of COVID-19 restrictions, the only major fundraising event held was the Bayside Charity Golf Day at Royal Melbourne Golf Club.

Community support ensured we could purchase a broad range of medical and surgical equipment to support patient care at Sandringham Hospital.

Significant support was received from:

- Black Rock Sports Auxiliary
- Estate of Margaret Titulaer
- Humpty Dumpty Foundation
- L R Cazaly Trust Fund
- Rotary Club of Beaumaris
- The Victoria Golf Club
- 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 and facilitate a safer working environment.

We received a grant from the Estate of Henry Herbert Hoffa for the Aged Care and Rehab wards to purchase and replace much needed equipment.

Funds were also raised through the Cardiac Support Group to update and replace the exercise equipment in the Cardiac Unit.

Funds raised included:

- Estate of Henry Herbert Hoffa $5,500
- Cardiac Support Group $5,377
- Christmas Appeal $10,191
- Tax Appeal $7,160

Environmental sustainability

Our Environmental Sustainability Strategy 2017–21 vision aims to engage, educate and empower staff to create an environmentally sustainable workplace.

Our Environmental Sustainability Committee develops and implements strategies to minimise AH environmental impact, with managing our resources and environmental sustainability one of Alfred Health's strategic goals.

The Department of Health-administered Environmental Data Management System (EDMS) manages environmental and utility data for public health services. The EDMS generates reports to meet public environmental reporting requirements of DH Policy and Funding Guidelines. When actual data is not available, estimated data is used to produce the environmental performance charts and is likely to change in future years as actual data is received or historical data is improved.

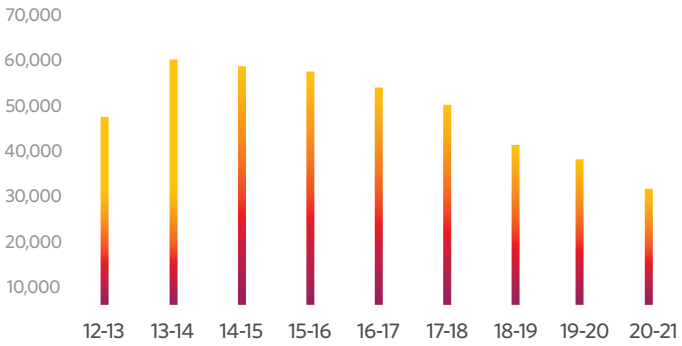
Full details on Alfred Health's environmental performance, as per Department of Health Public Environmental Reporting Guidelines, will be included in a standalone Alfred Health Sustainability Report.

Our Environmental Sustainability Strategy 2017–21 vision aims to engage, educate and empower staff to create an environmentally sustainable workplace.

Greenhouse gas emissions (CO2-e)

Greenhouse gas emissions decreased in 2020–21. The chart outlines greenhouse gas emissions from energy use at Alfred Health facilities. About 75% of emissions are from grid electricity, with the rest arising from natural gas use and emissions from co-generation unit energy production at The Alfred.

CO2-e (tonnes)

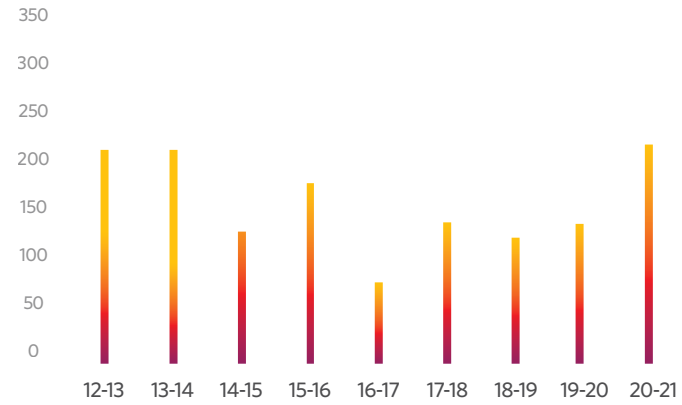


Estimate data available at time of publication, and is subject to change.

Water consumption

Water consumption increased during 2020–21. The chart shows fluctuating annual water consumption at Alfred Health. Activities to improve water systems and metering accuracy have been undertaken over recent years. Possible contributing factors to the 2020-21 increase have been identified, and we will continue monitoring water consumption over time.

Water (ML)



Estimate data available at time of publication, and is subject to change.

Environmental Sustainability highlights

There were a number of key Environmental Sustainability highlights across the year.

Four Operating Theatre Air Handling Units at the Alfred were replaced with new ones that use 60 per cent less power with 20 per cent increase in heating/cooling capacity. The new AHUs require less maintenance and as a result, less down time.

The global warming potential of desflurane is more than 2500 times that of carbon dioxide. The Anaesthesiology Department removed anaesthetic gas desflurane from The Alfred formulary, with minimal impact to clinical practice with significant environmental and cost benefits. This decision supported broader work by anaesthetic trainee-led TRA2SH group to avoid desflurane and the associated high greenhouse gas emissions.

For Earth Day, operating suites at The Alfred, The Alfred Centre and Sandringham Hospital held Operation Clean Up, reduced bluey and drug tray use and improved recycling.

The War on Waste project at Sandringham was a Premier's Sustainability Award finalist. The program helped double recycling rates and cut waste disposal costs by 6 per cent.

In celebration of Earth Day, the Operating Suites Green Team continued their missions to reduce, reuse and recycle by holding 'Operation Clean Up'. They visited each of our theatres to discuss environmentally friendly practice and reducing the environmental impact from our operating suites.

Governance

Deputy Director of Pharmacy Erica Tong has played a key part in the roll-out of the COVID-19 vaccine at Alfred Health.

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 2016–20 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 2021

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

Sally has extensive executive and non-executive private and public sector experience gained in Australia, New Zealand and the United Kingdom. Sally'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, bio-technology commercialisation, logistics, fulfillment 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.

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.

Governance

Board of Directors as of 30 June 2021

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.

She is the Chief Executive Officer at Hepatitis Victoria – the peak organisation providing advocacy, awareness raising, information, support and health promotion for people living with or affected by viral hepatitis.

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. 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 Hanover Welfare, Prahran Mission and St Kilda Skillshare.

She is a Director of Star Health (formerly the Inner South Community Health Centre), Director of Hepatitis Australia, a committee member of the Chronic Illness Alliance of Victoria and a Patron of the Epilepsy Foundation.

Ms Chloe Shorten

Board Member

Ms Shorten has been an executive in the engineering, resources and technology industries, advising boards on media, investor, government and community relations. She 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.

As 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 currently a Non-Executive Director of Industry Fund Services and serves on their Audit and Risk Committee.

Ms Shorten is an Ambassador for Our Watch; a strategic advisor to Burnet Institute for their Healthy Mothers, Healthy Babies Program; the Inaugural Ambassador for the Foyer Foundation; Victoria University's Ambassador for Youth Mental Health and Ambassador for the Gidget Foundation.

She has served on boards of the Endeavour Foundation; the Public Relations Industry Association; the Royal Children's Hospital Developmental Medicine – Solve and Mindcare Limited (Queensland's foundation for mental health).

Ms Anne Howells

BCom, CA, MB (Corporate Governance), GAICD – Chair Finance & Audit Committee

Board Member

Ms Howells is a Chartered Accountant who is passionate about excellence in customer service 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 quality and complaints management roles as part of Telstra's journey to improve customer service.

Ms Howells is the General Manager of a nursing agency, a Director and Committee Chair of Family Planning Victoria, and the Director of CP Solutions Pty Ltd (a private company providing interim executive support to medium sized businesses experiencing growth or other changes).

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 Victorian Bar Health and Wellbeing Committee.

Ms Miriam Suss
OAM BA MSW

Board Member

Ms Suss is a social worker by profession who has served as the Director of Social Work and Community Development Services at Jewish Care.

She was also the Executive Director of the Jewish Community Council of Victoria, the Ethnic Communities' Council of Victoria, and has held the position of General Manager Development, Communications and Marketing at Jewish Care.

Ms Suss's career has covered the provision and management of social work services, community development in a range of settings and fundraising and development for the not for-profit sector.

Ms Suss is currently the Acting Chair of Language Loop, the Victorian Interpreter and Translation Service, a Victorian Government business enterprise. She also serves as the Honorary Secretary for the Melbourne University Social Work Alumni Association.

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 Non-Executive Director of Aristotle Cloud Services Australia, and was a member of Health Purchasing Victoria's (now HealthShare Victoria) Finance and Risk Management Committee for 9 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).

Governance

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.

People and Culture Committee

The People and Culture Committee assists the Board in ensuring that:

- effective and accountable systems are in place to monitor and improve the culture and wellbeing of staff
- any systemic problems identified with the culture and wellbeing of staff services are addressed
- continuous improvement and innovation are fostered within Alfred Health.

Quality Committee

The Quality Committee was established to ensure that effective and accountable systems are in place to monitor and improve the quality and effectiveness of health services. This involves making certain that:

- any systemic problems identified with the quality and effectiveness of the health service are addressed
- continuous improvement and innovation are fostered within Alfred Health.

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 2020–21

Audit Committee

Mrs Sally Campbell (Chair)

Ms Kaye McNaught

Ms Anne Howells

Mr Des Pearson

Mr Michael Gorton AM (ex officio)

Finance Committee

Ms Anne Howells (Chair)

Mr Michael Gorton AM

Associate Professor Victoria Atkinson

Mr Lynton Norris

Professor Andrew Way AM

Community Advisory Committee

Ms Miriam Suss (Chair)
Ms Chloe Shorten
Mr Keven Boyce
Ms Kay Currie
Ms Carol Gordon
Mr John Hawker (term ended November 2020)
Mr Stuart Martin (term ended November 2020)
Mr Barry Westhorpe (term ended November 2020)
Ms Irene Havryluk-Davies
Ms Judith Carruthers
Ms Kim Hungerford
Mr Terry McNamara
Ms Kriss Will (from February 2021)
Ms Amtur Rafiq (from February 2021)
Mr Max Niggl (from February 2021)

Primary Care and Population Health Advisory Committee

Ms Kaye McNaught (Chair)
Mrs Sally Campbell
Ms Melanie Eagle
Professor Andrew Way AM
Associate Professor Peter Hunter
Dr Sudeep Saraf
Dr Elizabeth Deveny
Ms Cath Harrod
Mr Damian Ferrie
Associate Professor Joseph Doyle

People and Culture Committee

Ms Melanie Eagle (Chair)
Ms Miriam Suss
Mr Lynton Norris

Quality Committee

Associate Professor Victoria Atkinson (Chair)
Mr Michael Gorton AM
Ms Chloe Shorten
Dr Cathy Balding
Ms Carolyn Ward (resigned May 2021)
Ms Kay Currie
Michelle Tuck
Ms Carly Bertram
Associate Professor Robert Stirling

Remuneration Committee

Mr Michael Gorton AM (Chair)
Associate Professor Victoria Atkinson
Ms Anne Howells
Mr Lynton Norris

Risk management

Alfred Health has an integrated clinical and enterprise risk register which currently consists of 38 open risks at the end of the 2021 financial year. 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 co-ordination 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. 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. 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

Ms Janet Weir-Phyland
RN BScN MBA

Ms Weir-Phyland is responsible for Allied Health Services, Non-Clinical Support Services and provides professional leadership to the Alfred Health nursing workforce. She also provides leadership for Alfred Health's corporate social responsibility program including consumer participation, patient experience, population health and environmental sustainability. Ms Weir-Phyland also oversees site co-ordination of Sandringham and Caulfield hospitals.

She has worked in a number of management and senior management positions in both Canada and Australia in areas of education, clinical governance, acute, subacute and residential care services.

Ms Weir-Phyland's external appointments include Adjunct Professor School of Nursing and Midwifery, Faculty of Health Deakin University and board member of the Australian Commission on Safety and Quality in Healthcare.

Executive Director, Strategy and Planning

Jenny Walsh
RN 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 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 nine 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.

Executive Director, People and Culture

Ms Chris McLoughlin
BSW

As Executive Director, People and Culture at Alfred Health, Ms McLoughlin's role focuses on building organisational capability.

The Human Resources Team is highly customer-focused and seeks to ensure all new starters have an effective orientation, that current staff members are well supported and developed with an emphasis on all staff receiving regular feedback, and that the OHS unit ensures that safety is a high priority for all.

In the Organisational Development Unit and the Centre for Health Innovation these specialist teams design and develop systems, processes, teams, education and development programs and support innovation. Ms McLoughlin's department works to embed the purpose and beliefs of Alfred Health in the daily work of the health service.

In 2013 Ms McLoughlin successfully completed the Executive Link Program, sponsored and run by DH. She is currently on the Board of the Victorian Hospitals' Industrial Association (VHIA).

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
PhD LLB (Hons)/BSc (Hons)

Responsible for providing legal advice across Alfred Health.

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

Governance

Organisational chart

Legislation change

On 19 April 2021, the Family Violence Information Sharing Scheme, the Child Information Sharing Scheme, and the Multi-Agency Risk Assessment and Management (MARAM) Framework commenced for a series of prescribed organisations, including public health services such as Alfred Health.

These regimes increase organisations' capacity to proactively share information, as well as their obligation to provide information to other prescribed organisations when requested. Information can be shared to assist in assessing the risk of family violence and to protect the victim survivor from familial violence. Consent to share a person's information is not required if that person is an alleged or suspected perpetrator of family violence, or if the information is required to assess or manage the risk to a child victim survivor of family violence (regardless of whether the person is the alleged perpetrator).

Alfred Health's general obligation of confidentiality is now explicitly subject to these obligations. Alfred Health must respond to an information request, although it may deny the request if a relevant exemption applies (e.g. provision of the information would endanger a person's life or prejudice court proceedings). Alfred Health can now take advantage of a good faith defence if we have shared information in good faith and with reasonable care. However, there are significant penalties for unauthorised sharing, including jail terms and large fines.

Alfred Health's Family Violence Project Team has delivered an extensive education piece to assist clinicians to understand the practical effect of the reforms on their practice.

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 2020–21

Applications received	**2594**
Applications granted (full)	2235
Applications granted (part)	32
Access denied	2
No documents	16
Other	50
Not finalised	259
Not finalised 2019 – 2020	**298**
Access granted in full	298
Access granted in part	0
Access denied	0
Other	0

Governance

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.

Consultancy costs

Details of consultancies (under $10,000)

In 2020-21, 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 2020-21, there were 7 consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2020-21 in relation to these consultancies was $303,074 (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 2020–21 (excl GST)	Future approved expenditure
Ernst & Young	Indirect tax and structuring advice	39,500	39,500	-
Deloitte	Payroll business case – reimbursement of Deloitte fees	64,600	64,600	-
Paxton Consulting Pty Ltd	MBS Policy Financial Impact Assessment	31,824	31,824	-
Principals Pty Ltd	Positive and Healthy Workplace Culture Project	69,050	69,050	-
Push Collective	150th Anniversary of The Alfred	68,500	68,500	-
Reos Partners Pty Ltd	Patients Come First Forum – co-design and facilitation	18,600	18,600	-
PeopleScape (Vic) Pty Ltd	Alfred Exec team SCORE program – redesign	11,000	11,000	-
Total		**303,074**	**303,074**	**-**

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:

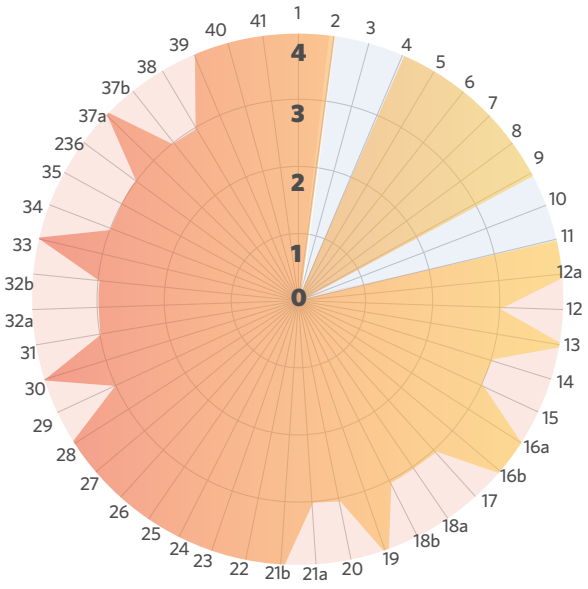
Project Name	Lead Agency	Lead Contractor	Date Commenced	Completion Date	Region Type	Location 1 (Mandatory)	Project Value (ex GST)	Type of Project	Category
Victorian Melanoma & Clinical Trials Centre - Stage 1 (Demolition & ECI Services)	Alfred Health	Built Pty Limited	19/07/2021		Metro	Melbourne – Inner	$1,489,809	Construction	Hospitals and Medical Centres
Provision of Relevant Building Surveyor Services for the Victorian Melanoma Centre	Alfred Health	Philip Chun BC VIC PTY LTD	26/11/2020		Metro	Melbourne - Inner	$306,843	Construction	Hospitals and Medical Centres
Provision of Project Management & Superintendency Services for the Victorian Melanoma Centre	Alfred Health	Johnstaff Projects (VIC) Pty Ltd.	26/10/2020		Metro	Melbourne - Inner	$1,030,564	Construction	Hospitals and Medical Centres
Provision of ICT & AV Consultancy Services for the Victorian Melanoma Centre	Alfred Health	CHW Consulting	28/10/2020		Metro	Melbourne - Inner	$279,198	Construction	Hospitals and Medical Centres
Provision of Quantity Surveyor Consultancy Services for the Victorian Melanoma Centre	Alfred Health	Slattery Australia Pty Ltd	5/02/2021		Metro	Melbourne - Inner	$200,000	Construction	Hospitals and Medical Centres
Provision of Architectural /Principal Consultancy Services for the Victorian Melanoma Centre	Alfred Health	Newpolis Pty Ltd trading as Lyons	20/11/2020		Metro	Melbourne - Inner	$4,672,283	Construction	Hospitals and Medical Centres
Provision of Building Services and Sustainabilty Consultancy Services for the Victorian Melanoma Centre	Alfred Health	Waterman AHW	26/10/2020		Metro	Melbourne - Inner	$881,905	Construction	Hospitals and Medical Centres

Governance

Asset Management Accountability Framework

The following section summarise Alfred Health's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). Alfred Health's target maturity rating is 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.

A key to the requirements can be found below the chart.



Legend

Status	Scale	Compliance
Not Applicable	N/A	Not Applicable
Innocence	0	Non-Comply
Awareness	1	Non-Comply
Developing	2	Non-Comply
Competence	3	Comply
Optimising	4	Comply
Unassessed	U/A	Unassessed

Alfred Health has met or exceeded its target maturity level under all requirements within the Asset Management Accountability Framework listed below

Leadership and Accountability (requirements 1-19)

Requirement	
1	*Overview and key requirements – Leadership & Accountability*
2	*Resourcing and Skills*
3	*Outsourced asset management–Governance (Not applicable to Alfred Health)*
4–5	*Governance*
6–9	*Allocating asset management responsibility*
10	*Outsourced asset management–Operation (Not applicable to Alfred Health)*
11	*Attestation requirements*
12–14	*Monitoring asset performance*
15–16	*Asset management system performance*
17	*Reporting to government*
18	*Evaluation of asset performance*
19	*Other requirements– Identifying risk and risk mitigation on assets*

Planning (requirements 20–23)

20	*Asset management strategy formulation*
21	*Asset lifecycle projection and planning*
22	*Asset risk management plans*
23	*Continuing risk assessment, evaluation and management processes*

Acquisition (requirements 24 and 25)

24	*Overview- Including consultation and planning pre acquisition*
25	*Acquisition process*

Operation (requirements 26-40)

26–30	*Monitoring and preventative action*
31–32	*Maintenance of assets*
33–38	*Information management*
39	*Record keeping*
40	*Asset valuation*

Disposal (requirement 41

41	*Disposal–Includes repurposing of assets*

Please note requirements 3 and 10 are not applicable on this maturity assessment as Alfred Health does not outsource any asset management activities and functionalities externally.

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 the 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;

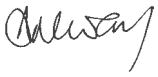
k. A list of major committees sponsored by the Health Service, the purposes of each committee and the extent to which those purposes have been achieved;

l. Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

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 reflects actual performance. Alfred Health has critically reviewed these controls and processes during the year.



Professor Andrew Way AM
Chief Executive

Melbourne
1 September 2021

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 of the Minister for Finance under the *Financial Management Act 1994* and Instructions.

Michael Gorton AM
Chair

Melbourne
1 September 2021

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
1 September 2021

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
1 September 2021

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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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	Gender Equality Act	26
	Reporting obligations under the *Safe Patient Care Act 2015*	63
	Reporting of compliance regarding Car Parking Fees	23
	Reporting obligations under the Asset Management Accountability Framework (AMAF)	70

Financial Statements Year ended 30 June 2021

Board member's, accountable officer's and chief finance & accounting officer's declaration

The attached consolidated financial statements for Alfred Health 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.

The information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2021 and the financial position of Alfred Health and the Consolidated Entity at 30 June 2021.

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 1 September 2021.

Michael Gorton AM
Chair

Melbourne
1 September 2021

Professor Andrew Way AM
Chief Executive

Melbourne
1 September 2021

Mr Peter Joyce
Chief Finance & Accounting Officer

Melbourne
1 September 2021

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

Victorian Auditor-General's Office

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 2021 • 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 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the health service 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.
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
15 September 2021

Dominika Ryan
as delegate for the Auditor-General of Victoria

Comprehensive operating statement

for the financial year ended 30 June 2021

	Note	Parent entity 2021 $'000	Parent entity 2020 $'000	Consolidated 2021 $'000	Consolidated 2020 $'000
Revenue and income from transactions					
Operating activities	2.1	1,616,769	1,418,039	1,616,304	1,422,968
Non-operating activities	2.1	1,921	2,668	2,481	3,172
Total revenue and income from transactions		**1,618,690**	**1,420,707**	**1,618,785**	**1,426,140**
Expenses from transactions					
Employee expenses	3.1	(1,052,395)	(946,020)	(1,052,395)	(946,020)
Supplies and consumables	3.1	(342,697)	(292,116)	(342,697)	(292,116)
Finance costs	3.1	(1,340)	(1,639)	(1,340)	(1,639)
Depreciation and amortisation	3.1	(98,653)	(96,096)	(98,653)	(96,096)
Other operating expenses	3.1	(124,146)	(116,249)	(124,236)	(116,314)
Total expenses from transactions		**(1,619,231)**	**(1,452,120)**	**(1,619,321)**	**(1,452,185)**
Net result from transactions – net operating balance		**(541)**	**(31,413)**	**(536)**	**(26,045)**
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	3.2	20	5	20	5
Net gain/(loss) on financial instruments at fair value	3.2	3,726	(9,038)	6,334	(10,199)
Other gain/(loss) from other economic flows	3.2	899	(641)	899	(641)
Total other economic flows included in net result		**4,645**	**(9,674)**	**7,253**	**(10,835)**
Net result for the year		**4,104**	**(41,087)**	**6,717**	**(36,880)**
Other comprehensive income					
Items that will not be reclassified to net result					
Changes in property, plant and equipment revaluation surplus	4.2(f)	36,297	-	36,297	-
Total other comprehensive income		**36,297**	**-**	**36,297**	**-**
Comprehensive result for the year		**40,401**	**(41,087)**	**43,014**	**(36,880)**

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

Balance sheet

as at 30 June 2021

	Note	Parent entity 2021 $'000	Parent entity 2020 $'000	Consolidated 2021 $'000	Consolidated 2020 $'000
Current assets					
Cash and cash equivalents	6.2	101,227	52,100	101,480	59,088
Receivables and contract assets	5.1	61,881	51,150	62,010	51,246
Inventories		14,980	14,085	14,980	14,085
Other assets		16,839	7,013	16,839	7,013
Total current assets		**194,927**	**124,348**	**195,309**	**131,432**
Non-current assets					
Receivables and contract assets	5.1	27,588	27,583	27,588	27,583
Investments and other financial assets	4.1	51,779	42,359	72,726	53,908
Property, plant and equipment	4.2(a)	1,307,179	1,280,285	1,307,179	1,280,285
Intangible assets	4.3	4,918	11,520	4,918	11,520
Total non-current assets		**1,391,464**	**1,361,747**	**1,412,411**	**1,373,296**
Total assets		**1,586,391**	**1,486,095**	**1,607,720**	**1,504,728**
Current liabilities					
Payables and contract liabilities	5.2	186,780	141,081	186,988	141,206
Borrowings	6.1	7,677	23,871	7,677	23,871
Provisions	3.3	246,696	216,479	246,696	216,479
Other liabilities		70	72	70	72
Total current liabilities		**441,223**	**381,503**	**441,431**	**381,628**
Non-current liabilities					
Borrowings	6.1	28,372	27,533	28,372	27,533
Provisions	3.3	40,552	41,216	40,552	41,216
Total non-current liabilities		**68,924**	**68,749**	**68,924**	**68,749**
Total liabilities		**510,147**	**450,252**	**510,355**	**450,377**
Net assets		**1,076,244**	**1,035,843**	**1,097,365**	**1,054,351**
Equity					
Property, plant and equipment revaluation surplus	4.2(f)	985,823	949,526	985,823	949,526
General purpose surplus		88,507	83,750	88,507	83,750
Restricted specific purpose surplus		43,948	50,277	65,085	68,786
Contributed capital		329,004	329,004	329,004	329,004
Accumulated deficits		(371,038)	(376,714)	(371,054)	(376,715)
Total equity		**1,076,244**	**1,035,843**	**1,097,365**	**1,054,351**

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

Statement of changes in equity

for the financial year ended 30 June 2021

Consolidated	Property, plant and 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 2019	**949,526**	**63,804**	**64,397**	**324,134**	**(296,954)**	**1,104,907**
Effect of adoption of AASB 15, 16 and 1058	-	-	-	-	(18,546)	(18,546)
Restated balance at 1 July 2019	**949,526**	**63,804**	**64,397**	**324,134**	**(315,500)**	**1,086,361**
Net result for the year	-	-	-	-	(36,880)	(36,880)
Capital Contribution (i)	-	-	-	4,870	-	4,870
Transfer from/(to) accumulated surplus	-	19,946	4,389	-	(24,335)	-
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 surplus	-	4,757	(3,701)	-	(1,056)	-
Balance at 30 June 2021	**985,823**	**88,507**	**65,085**	**329,004**	**(371,054)**	**1,097,365**

(i) Due to the Government's decision to fund all COVID-19 State capital initiatives under a Treasurer's Advance, 50% of the payment received ($9.7m) was recorded as an equity transfer. The Commonwealth portion of the initiatives was recorded as a capital grant.

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

Parent	Property, plant and 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 2019	949,526	63,804	50,096	324,134	(296,954)	1,090,606
Effect of adoption of AASB 15, 16 and 1058	-	-	-	-	(18,546)	(18,546)
Restated balance at 1 July 2019	**949,526**	**63,804**	**50,096**	**324,134**	**(315,500)**	**1,072,060**
Net result for the year	-	-	-	-	(41,087)	(41,087)
Capital Contribution (i)	-	-	-	4,870	-	4,870
Transfer from/(to) accumulated surplus	-	19,946	181	-	(20,127)	-
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 surplus	-	4,757	(6,329)	-	1,572	-
Balance at 30 June 2021	**985,823**	**88,507**	**43,948**	**329,004**	**(371,038)**	**1,076,244**

(i) Due to the Government's decision to fund all COVID-19 State capital initiatives under a Treasurer's Advance, 50% of the payment received ($9.7m) was recorded as an equity transfer. The Commonwealth portion of the initiatives was recorded as a capital grant.

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

Cash flow statement

for the financial year ended 30 June 2021

	Note	Parent entity 2021 $'000	Parent entity 2020 $'000	Consolidated 2021 $'000	Consolidated 2020 $'000
Cash flows from operating activities					
Operating grants from government		1,337,707	1,171,415	1,337,707	1,171,415
Capital grants from government - State		48,353	52,883	48,481	52,883
Capital grants from government - Commonwealth		27,903	786	27,903	786
Patient fees received		35,544	42,595	35,532	42,582
Private practice fees received		60,326	64,630	60,309	64,611
Donations and bequests received		15,678	12,713	15,678	19,115
GST received from/(paid to) ATO		32,827	37,957	32,827	37,957
Interest received		324	722	325	722
Car park income received		9,577	10,861	9,574	10,861
Other capital receipts		1,570	3,735	1,570	3,735
Other receipts		89,370	80,238	89,579	80,634
Total receipts		**1,659,179**	**1,478,535**	**1,659,485**	**1,485,301**
Employee expenses paid		(1,004,702)	(905,421)	(1,004,699)	(905,410)
Non salary labour costs		(17,866)	(11,818)	(17,866)	(11,818)
Payments for supplies and consumables		(461,055)	(448,370)	(461,541)	(449,898)
Payments for repairs and maintenance		(35,720)	(33,678)	(35,723)	(33,678)
Finance costs		(1,202)	(1,473)	(1,202)	(1,473)
Total payments		**(1,520,545)**	**(1,400,760)**	**(1,521,031)**	**(1,402,277)**
Net cash flow from operating activities	**8.1**	**138,634**	**77,775**	**138,454**	**83,024**
Cash flows from investing activities					
Purchase of non-financial assets		(68,331)	(58,191)	(68,460)	(58,191)
Proceeds from disposal of non-financial assets		20	-	20	-
Purchase of investments		-	-	(6,426)	-
Proceeds from disposal of investments		1,311	2,248	1,311	3,748
Capital donations and bequests received		1,006	2,510	1,006	2,510
Net cash flows (used in) investing activities		**(65,994)**	**(53,433)**	**(72,549)**	**(51,933)**
Cash flows from financing activities					
Cash advance from Department of Health		-	16,020	-	16,020
Repayment of borrowings		(17,833)	(2,701)	(17,833)	(2,701)
Receipt of capital contribution		-	4,870	-	4,870
Cash outflow for leases		(5,680)	(5,899)	(5,680)	(5,899)
Net cash flows from/(used in) financing activities		**(23,513)**	**12,290**	**(23,513)**	**12,290**
Net increase/(decrease) in cash and cash equivalents held		**49,127**	**36,632**	**42,392**	**43,381**
Cash and cash equivalents at beginning of financial year		52,100	15,468	59,088	15,707
Cash and cash equivalents at end of financial year	**6.2**	**101,227**	**52,100**	**101,480**	**59,088**

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

Notes to the financial statements

30 June 2021

Note 1 – Summary of significant accounting policies

Basis of preparation

These annual financial statements represent the audited general purpose financial statements for Alfred Health and the Consolidated Entity for the year ended 30 June 2021. 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.

Alfred Health operates on a fund accounting basis and maintains three categories of funds: Operating, Specific Purpose and Capital Funds.

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

The financial statements are prepared on a going concern basis (refer to note 8.8 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 1 September 2021.

(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. Since this date, 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, has 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;
- 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
- Note 5: Other assets and liabilities
- Note 6: How we finance our operations

(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
SD	Standing Direction
VAGO	Victorian Auditor General's Office
WIES	Weighted Inlier Equivalent Separation

Notes to the financial statements

Note 1 – Summary of significant accounting policies *(continued)*

(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.

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 is 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.

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 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.

Underlying Activity Based Funding decreased as the level of activity agreed in the Statement of Priorities could not be delivered due to reductions in the number of patients being treated at various times throughout the financial year.

This was offset by funding provided by the Department of Health to compensate for reductions in revenue and to cover certain direct and indirect COVID-19 related costs.

Funding provided included:

- COVID-19 grants (including direct and indirect impacts of COVID-19, capital grants, funding for a COVID-19 testing site and vaccination hub);
- State repurposed grants;
- additional elective surgery funding; and
- local public health unit (LPHU) funding.

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 judgment 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 customers. 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.

Notes to the financial statements

Note 2.1 - Revenue and income from transactions

	Consolidated 2021 $'000	Consolidated 2020 $'000
Revenue from contracts with customers		
Government grants (State) – Operating	746,711	741,394
Government grants (Commonwealth) – Operating	153,328	152,035
Patient fees	39,877	44,693
Private practice fees	56,016	59,829
Commercial activities	10,909	12,609
Total revenue from contracts with customers	**1,006,841**	**1,010,560**
Other sources of Income		
Government grants (State) – Operating [(i)]	425,120	263,851
Government grants (State) – Capital	52,439	41,277
Government grants (Commonwealth) – Capital	217	116
Other capital purpose income	34,156	25,415
Assets received free of charge or for nominal consideration (refer to Note 2.2).	27,904	5,484
Other revenue from operating activities (including non-capital donations) (refer to Note 2.3)	69,627	76,265
Total other sources of Income	**609,463**	**412,408**
Total income from operating activities	**1,616,304**	**1,422,968**
Other interest and investment income (refer to Note 2.3)	2,481	3,172
Total income from non-operating activities	**2,481**	**3,172**
Total revenue and income from transactions	**1,618,785**	**1,426,140**

(i) Government Grant (State) – Operating includes additional funding from the COVID -19 submission of $106.0m (2020: $38.8m) 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.

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.

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

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

Notes to the financial statements

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

	Consolidated 2021 $'000	Consolidated 2020 $'000
Cash donations and gifts (capital)	-	500
Plant and equipment	1,097	13
Assets received free of charge under State supply arrangements	26,807	4,971
Total fair value of assets and services received free of charge or for nominal consideration	**27,904**	**5,484**

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 volunteer 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.

Note 2.3 – Other income from operating activities

	Consolidated 2021 $'000	Consolidated 2020 $'000
Other revenue from non-operating activities		
Cash donations and gifts (non-capital)	1,301	8,875
Rental income – investment properties	345	354
Salary and other recoveries	51,637	43,695
Research and sundry revenue	16,344	23,341
Total other revenue from non-operating activities	**69,627**	**76,265**
Income from non-operating activities		
Investment Income	2,156	2,450
Other Interest Income	325	722
Total income from non-operating activities	**2,481**	**3,172**

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.

Notes to the financial statements

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 was 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;
- 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 and outbreak management contributing to an increase in employee costs;
- 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 judgment 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. All other entitlements are measured at their nominal value.

Note 3.1 – Expenses from transactions

	Consolidated 2021 $'000	Consolidated 2020 $'000
Employee expenses		
Salaries and wages	827,562	741,384
On-costs	198,085	183,854
Agency expenses	13,971	8,436
Fee for service medical officer expenses	3,895	3,382
WorkCover premium	8,882	8,964
Total employee expenses	**1,052,395**	**946,020**
Supplies and consumables		
Drug supplies	147,449	142,282
Medical and surgical supplies (including prostheses)	67,763	63,965
Diagnostic and radiology supplies	22,231	14,254
Other supplies and consumables	105,254	71,615
Total supplies and consumables	**342,697**	**292,116**
Finance costs		
Finance costs	1,340	1,639
Total finance costs	**1,340**	**1,639**
Other operating expenses		
Fuel, light, power and water	10,045	9,191
Repairs and maintenance	22,174	20,638
Maintenance contracts	18,572	18,642
Medical indemnity insurance	11,580	11,118
Expenses related to short-term leases	100	212
Other administrative expenses	61,274	56,124
Expenditure for capital purposes	491	389
Total other operating expenses	**124,236**	**116,314**
Other non-operating expenses		
Depreciation and amortisation (refer to Note 4.4)	98,653	96,096
Total other non-operating expenses	**98,653**	**96,096**
Total expenses from transactions	**1,619,321**	**1,452,185**

Notes to the financial statements

Note 3.1 – Expenses from transactions *(continued)*

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 (including superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans);
- agency expenses;
- fee for service medical officer expenses; and
- work cover premiums.

Supplies and consumables

Supplies and consumables includes 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;
- finance charges in respect of finance leases which are recognised in accordance with AASB 16 *Leases*; and
- Borrowing costs of qualifying assets – In accordance with AASB 123 *Borrowing Costs applicable to not-for-profit public sector entities*, Alfred Health continues to recognise borrowing costs immediately as an expense, to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset.

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.

Note 3.2 – Other economic flows included in net result

	Consolidated 2021 $'000	Consolidated 2020 $'000
Net gain/(loss) on non financial assets		
Net gain/(loss) on disposal of property plant and equipment	20	5
Total gain/(loss) on non financial assets	**20**	5
Net gain/(loss) on financial instruments at fair value		
Allowance for impairment losses of contractual receivables	(5,386)	(5,850)
Net gain/(loss) on revaluation of financial instruments (investments)	11,720	(4,349)
Total net gain/(loss) on financial instruments at fair value	**6,334**	(10,199)
Other gain/(loss) from other economic flows		
Net gain/(loss) arising from revaluation of long service liability	899	(641)
Total other gain/(loss) from other economic flows	**899**	(641)
Total gain/(loss) from economic flows included in net result	**7,253**	**(10,835)**

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

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);
- 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.

Notes to the financial statements

Note 3.3 – Employee benefits in the balance sheet

	Consolidated 2021 $'000	Consolidated 2020 $'000
Current provisions		
Employee benefits [i]		
Accrued days off		
- Unconditional and expected to be settled wholly within 12 months [ii]	2,156	2,285
Annual leave		
- Unconditional and expected to be settled wholly within 12 months [ii]	83,625	70,061
- Unconditional and expected to be settled after 12 months [iii]	9,689	8,211
Long service leave		
- Unconditional and expected to be settled wholly within 12 months [ii]	8,410	9,786
- Unconditional and expected to be settled after 12 months [iii]	120,098	106,077
	223,978	196,420
Provisions related to employee benefit on-costs		
- Unconditional and expected to be settled within 12 months [ii]	9,118	8,037
- Unconditional and expected to be settled after 12 months [iii]	13,600	12,022
	22,718	20,059
Total current provisions	**246,696**	216,479
Non-current provisions		
Conditional long service leave [iii]	36,681	37,271
Provisions related to employee benefit on-costs [iii]	3,871	3,945
Total non-current provisions	**40,552**	41,216
Total provisions	**287,248**	**257,695**

(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

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

Provisions

Provisions are recognised when 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 settlements 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.

Long service leave

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

Current liability – 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.

Non-current liability – 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.

Notes to the financial statements

Note 3.3 – Employee benefits in the balance sheet *(continued)*

On-costs related to employee expenses

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

Employee benefits and related on-costs	Consolidated 2021 $'000	Consolidated 2020 $'000
Current employee benefits and related on-costs		
Unconditional long service leave entitlements	142,068	128,128
Annual leave entitlements	102,244	85,823
Accrued days off	2,384	2,528
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	40,552	41,216
Total employee benefits and related on-costs	**287,248**	**257,695**
Carrying amount at start of year	**257,695**	**234,151**
Additional provisions recognised	116,378	111,035
Amounts incurred during the year	(85,926)	(88,132)
Net gain/(loss) arising from revaluation of long service liability	(899)	641
Carrying amount at end of year	**287,248**	**257,695**

Note 3.4 – Superannuation

	Contribution paid or payable for the year		Contribution outstanding at year end	
	Consolidated 2021 $'000	Consolidated 2020 $'000	Consolidated 2021 $'000	Consolidated 2020 $'000
Defined benefit superannuation plans [(i)]:				
Health Super	620	656	110	99
Defined contribution superannuation plans:				
Aware Super	34,873	33,921	3,025	2,491
Hesta	28,856	25,456	2,877	2,012
Other	15,272	12,837	4,186	3,619
Total superannuation	**79,621**	**72,870**	**10,198**	**8,221**

(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 the 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

4.1 Investments and other financial assets

4.2 Property, plant and equipment

4.3 Intangible assets

4.4 Depreciation and amortisation

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.
- 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. As a result, the fair value of right of use buildings has decreased during the year by $6.2M.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment and investment properties	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 2021, 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 apply significant judgement and estimate to determine the recoverable amount of the asset.

Note 4.1 – Investments and other financial assets

	Consolidated 2021 $'000	Consolidated 2020 $'000
Non-current assets		
Financial assets at fair value through the net result		
Managed funds	69,793	51,196
Financial assets at amortised costs		
Managed funds	2,933	2,712
Total investments and other financial assets	**72,726**	**53,908**
Represented by:		
Investments held in trust	72,726	53,908
Total investments and other financial assets	**72,726**	**53,908**

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 Specialist 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.

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

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

Notes to the financial statements

Note 4.2 – Property, plant and equipment

a) Gross carrying amount and accumulated depreciation

	Consolidated 2021 $'000	Consolidated 2020 $'000
Land		
Crown land at fair value	310,382	248,904
Land – right of use at cost	36,336	24,312
Less accumulated depreciation	(1,691)	-
Total land – right of use	34,645	24,312
Total land	**345,027**	**273,216**
Buildings		
Buildings under construction at cost	11,858	12,832
Buildings at fair value	947,377	934,569
Less accumulated depreciation	(124,448)	(61,722)
Subtotal buildings at fair value	834,787	885,679
Buildings – right of use	26,801	25,993
Less accumulated depreciation	(10,728)	(5,383)
Subtotal buildings – right of use	16,073	20,610
Leasehold improvements at cost	5,972	5,674
Less accumulated amortisation	(1,933)	(1,689)
Subtotal leasehold improvements	4,039	3,985
Total buildings	**854,899**	**910,274**
Plant & equipment, furniture & fittings		
Medical equipment at fair value	219,991	196,805
Less accumulated depreciation	(143,862)	(133,947)
Total medical equipment	76,129	62,858
Computers & communication equipment at fair value	50,707	57,371
Less accumulated depreciation	(49,084)	(55,139)
Total computers & communication equipment	1,623	2,232
Furniture & fittings at fair value	6,481	7,403
Less accumulated depreciation	(5,893)	(6,775)
Total furniture & fittings	588	628
Other plant and equipment at fair value	64,175	62,214
Less accumulated depreciation	(45,332)	(44,687)
Total other plant and equipment	18,843	17,527
Right of use – plant & equipment and motor vehicles	3,916	2,772
Less accumulated depreciation	(1,701)	(1,078)
Total right of use – plant & equipment and motor vehicles	2,215	1,694
Motor vehicles at fair value	60	60
Less accumulated depreciation	(60)	(60)
Total motor vehicles	-	-
Plant & equipment – work in progress at cost	7,855	11,856
Total plant & equipment, furniture & fittings and motor vehicles	**107,253**	**96,795**
Total property, plant and equipment	**1,307,179**	**1,280,285**

b) Reconciliations of the carrying amounts

Consolidated	Land $'000	Right of use -Land $'000	Buildings [iii]	Right of use – buildings [iii] $'000	Leasehold improve-ments $'000	Medical equipment $'000	Computers and communication equipment $'000	Furniture and Fittings $'000	Other plant and equip-ment $'000	Right of use-plant & equipment and Motor Vehicles $'000	Totals $'000
Balance at 1 July 2019	**248,904**	**24,312**	**912,296**	**25,598**	**3,483**	**59,644**	**5,001**	**705**	**24,673**	**2,313**	**1,306,929**
Additions / (WIP transfers)	-	-	35,105	395	738	14,813	(127)	97	6,137	392	57,550
Disposals (WDV)	-	-	-	-	-	(12)	-	-	-	(5)	(17)
Revaluation Increments	-	-	-	-	-	-	-	-	1,799	-	1,799
Depreciation (refer Note 4.4)	-	-	(61,722)	(5,383)	(235)	(11,587)	(2,642)	(174)	(3,227)	(1,006)	(85,976)
Balance at 30 June 2020	**248,904**	**24,312**	**885,679**	**20,610**	**3,986**	**62,858**	**2,232**	**628**	**29,382**	**1,694**	**1,280,285**
Additions / (WIP transfers) [i]	31,000	-	11,836	13,565	312	26,222	1,049	123	667	1,578	86,352
Disposals (WDV)	-	-	-	(6,551)	-	(5)	-	-	-	(105)	(6,661)
Transfer [ii]	(12,025)	12,025	-	-	-	-	-	-	-	-	-
Revaluation Increments	42,503	-	-	(6,206)	-	-	-	-	-	-	36,297
Depreciation (refer Note 4.4)	-	(1,692)	(62,728)	(5,345)	(259)	(12,946)	(1,658)	(163)	(3,351)	(952)	(89,094)
Balance at 30 June 2021	**310,382**	**34,645**	**834,787**	**16,073**	**4,039**	**76,129**	**1,623**	**588**	**26,698**	**2,215**	**1,307,179**

(i) On 14th April 2021 final settlement on land at 545 St Kilda Road was made to secure land for construction of the Victorian Melanoma Centre and Clinical Trials Hub.

(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.

(iii) Buildings and ROU Buildings are considered a combined class in relation to the Property, plant and equipment revaluation surplus (buildings). Refer to Note 4.2(f).

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

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

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

Subsequent measurement

Items of property, plant and equipment (excluding right-of-use assets) are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

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

Further information regarding fair value measurement is disclosed below.

Notes to the financial statements

Note 4.2 – Property, plant and equipment *(continued)*

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 perform 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 2021 indicated an overall:

- increase in fair value of land of 17% ($42.5m) for the fair value of land; and
- increase in building indices of less than 10%.

As the cumulative movement was less than 10% for buildings since the last revaluation a managerial revaluation adjustment was not required as at 30 June 2021.

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

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

Revaluation increments are recognised in 'Other Comprehensive Income' and are credited directly 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.

Impairment

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

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

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 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	10 to 50 years
Leased plant, equipment, furniture, fittings and vehicles	2 to 10 years

Presentation of right-of-use assets

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

Initial recognition

When a contract is entered into, 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.

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 asset at cost. Refer to Note 6.1 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 (non-peppercorn leases) are subsequently measured at fair value 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).

Impairment

At the end of each financial year, Alfred Health assesses if there is any indication that a right-of-use asset may be impaired by considering internal and external sources of information. If an indication exists, Alfred Health estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. Alfred Health performed an impairment assessment and noted there were indications of its right-of-use assets being impaired at balance date. A fair value adjustment for Right of Use – Buildings of $6.2m was recognised as at 30 June 2021.

Notes to the financial statements

Note 4.2 – Property, plant and equipment *(continued)*

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

	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				
Specialised land	310,382	-	-	310,382
Total land at fair value	**310,382**	**-**	**-**	**310,382**
Buildings at fair value				
Specialised buildings	822,929	-	-	822,929
Right of use	16,073	-	-	16,073
Total buildings at fair value	**839,002**	**-**	**-**	**839,002**
Plant & equipment, furniture & fittings at fair value				
Medical equipment	76,129	-	-	76,129
Computers & communication equipment	1,623	-	-	1,623
Furniture & fittings	588	-	-	588
Plant and Equipment – right of use	2,215	-	-	2,215
Other equipment	18,843	-	-	18,843
Total plant & equipment and furniture & fittings at fair value	**99,398**	**-**	**-**	**99,398**
Total assets at fair value	**1,248,782**	**-**	**-**	**1,248,782**
Land at fair value				
Specialised land	248,904	-	-	248,904
Total land at fair value	**248,904**	**-**	**-**	**248,904**
Buildings at fair value				
Specialised buildings	872,847	-	-	872,847
Right of use	20,610	-	-	20,610
Total buildings at fair value	**893,457**	**-**	**-**	**893,457**
Plant & equipment, furniture & fittings at fair value				
Medical equipment	62,858	-	-	62,858
Computers & communication equipment	2,232	-	-	2,232
Furniture & fittings	628	-	-	628
Plant and Equipment – right of use	1,694	-	-	1,694
Other equipment	17,527	-	-	17,527
Total plant & equipment and furniture & fittings at fair value	**84,939**	**-**	**-**	**84,939**
Total assets at fair value	**1,227,300**	**-**	**-**	**1,227,300**

There have been no transfers between levels during the period.

d) Reconciliation of level 3 fair value

30 June 2021	Land $'000	Buildings $'000	Plant & equipment, furniture & fittings $'000	Totals $'000
Balance at 30 June 2020	**248,904**	**893,457**	**84,939**	**1,227,300**
Additions / (WIP transfers)	31,000	19,824	33,534	84,358
Transfers [(i)]	(12,025)	-	-	(12,025)
Gains or losses recognised in net result				
- Disposals	-	-	(5)	(5)
- Depreciation	-	(68,073)	(19,070)	(87,143)
Items recognised in other comprehensive income				
- Revaluation	42,503	(6,206)	-	36,297
Closing balance as at 30 June 2021	**310,382**	**839,002**	**99,398**	**1,248,782**

(i) Transfer to Land – right of use from the identification of a peppercorn lease.

There have been no transfers between levels during the period.

30 June 2020	Land $'000	Buildings $'000	Plant & equipment, furniture & fittings $'000	Totals $'000
Opening balance	**248,904**	**926,653**	**81,275**	**1,256,832**
Additions / (WIP transfers)	-	33,909	22,552	56,461
Gains or losses recognised in net result				
- Disposals	-	-	(17)	(17)
- Depreciation	-	(67,105)	(18,871)	(85,976)
Subtotal	**248,904**	**893,457**	**84,939**	**1,227,300**

Classified in accordance with the fair value hierarchy, refer to Note 4.2(c).

There have been no transfers between levels during the period.

e) Fair value determination

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 2021.

Notes to the financial statements

Note 4.2 – Property, plant and equipment *(continued)*

(f) Property, plant and equipment revaluation surplus

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
Property, plant and equipment revaluation surplus			
Balance at the beginning of the reporting period		949,526	949,526
Revaluation increment			
- 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**	**949,526**
*** Represented by:**			
- Land		266,455	223,952
- Buildings		719,368	725,574
		985,823	**949,526**

Measurement of fair value

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

For the purpose of fair value disclosures, Alfred Health has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Alfred Health determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

Valuation hierarchy

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

Judgements about 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 paragraph AASB 13.29, 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.

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 it is also equally applicable to market participants. This approach is in line with 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 are classified as level 3 assets.

For Alfred Health, the current replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as level 3 for fair value measurements.

An independent valuation of 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

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 Alfred Health who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying value (current replacement 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 current 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 the current replacement cost will be materially different from the existing carrying amount.

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

For all assets measured at fair value, the current use is considered the HBU.

Notes to the financial statements

Note 4.3 – Intangible assets

	Consolidated 2021 $'000	Consolidated 2020 $'000
Computer software at cost	55,299	52,415
Less accumulated amortisation	(50,381)	(40,895)
Total intangible assets	**4,918**	**11,520**

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 2019	**17,790**
Additions	3,850
Disposals	-
Amortisation (refer to Note 4.4)	(10,120)
Balance at 1 July 2020	**11,520**
Additions	2,957
Disposals	-
Amortisation (refer to Note 4.4)	(9,559)
Balance at 30 June 2021	**4,918**

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.

Impairment

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are testing for impairment whenever an indication of impairment is identified.

Note 4.4 – Depreciation and amortisation

	Consolidated 2021 $'000	Consolidated 2020 $'000
Depreciation		
Buildings	62,728	61,722
Medical equipment	12,946	11,587
Computers and communication equipment	1,658	2,642
Furniture and fittings	163	174
Other plant and equipment	3,351	3,227
Leased assets		
Right of use assets		
- Right of use land	1,692	-
- Right of use buildings	5,345	5,383
- Right of use plant, equipment, furniture and fittings and motor vehicles	952	1,006
Leasehold improvements	259	235
Total depreciation	**89,094**	**85,976**
Amortisation		
Computer software	9,559	10,120
Total amortisation	**9,559**	**10,120**
Total depreciation and amortisation	**98,653**	**96,096**

Recognition of depreciation

All infrastructure assets, 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.

	2021	2020
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	40 years	40 years
Right of use assets (buildings)	25 – 56 years	25 – 56 years
Right of use assets (MV and other PPE)	1–5 years	1–5 years

Notes to the financial statements

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 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.

Note 5.1 – Receivables and contract assets

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
Current			
Contractual assets			
Inter hospital debtors		2,562	3,022
Trade debtors		12,561	15,201
Contract Assets	5.1 (c)	27,635	17,137
Patient fees receivable		19,908	17,303
Total Contractual Assets before loss allowances		**62,666**	**52,663**
Less allowance for impairment losses of contractual receivables			
- Trade debtors		(382)	(326)
- Patient fees		(4,695)	(4,315)
Total allowance for impairment losses of contractual receivables	5.1 (a)	(5,077)	(4,641)
Total contractual assets		**57,589**	**48,022**
Statutory receivables			
GST receivable		4,421	3,224
Total statutory receivables		4,421	3,224
Total current receivables and contract assets		**62,010**	**51,246**
Non-current			
Contractual assets			
Long service leave – Department of Health		27,588	27,583
Total non-current receivables and contract assets		**27,588**	**27,583**
Total receivables and contract assets		**89,598**	**78,829**

5.1 (a) Movement in the allowance for impairment losses of contract receivables

Opening balance brought forward	(4,641)	(4,725)
Amounts written off/(on) during the year	4,950	5,934
Increase in allowance recognised in net result	(5,386)	(5,850)
Balance at end of year	**(5,077)**	**(4,641)**

5.1 (b) – Financial assets classified as receivables and contract assets

Total receivables and contract assets		89,598	78,829
GST receivable		(4,421)	(3,224)
Total financial assets	**7.1**	**85,177**	**75,605**

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

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

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

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

Impairment losses of contractual receivables

Refer to Note 7.2(a) Credit risk for Alfred Health's contractual impairment losses.

5.1 (c) – Contract assets

	Consolidated 2021 $'000	Consolidated 2020 $'000
Current contract assets		
Opening balance brought forward	17,137	-
Add: Additional costs incurred that are recoverable from the customer	27,635	17,137
Less: Transfer to trade receivable or cash at bank	(17,137)	-
Total current contract assets	**27,635**	**17,137**
Represented by		
Current contract assets	27,635	17,137
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 the next financial year.

Notes to the financial statements

Note 5.2 – Payables and contract liabilities

	Consolidated 2021 $'000	Consolidated 2020 $'000
Current		
Contractual		
Trade creditors	8,224	4,145
Accrued expenses	50,521	47,700
Accrued salaries and wages	26,454	27,042
Deferred grant revenue (refer to Note 5.2(a) & 5.2(b))	75,803	44,460
Contract liabilities – income received in advance (refer to Note 5.2(c))	11,984	5,621
Salary packaging	3,804	4,017
Superannuation	10,198	8,221
Total current payables and contract liabilities(i)	**186,988**	**141,206**
Financial liabilities classified as payables and contract liabilities		
Total current payables and contract liabilities	186,988	141,206
Deferred grant revenue	(75,803)	(44,460)
Contract liabilities	(11,984)	(5,621)
Total financial liabilities (refer to Note 7.1)	**99,201**	**91,125**

(i) The average credit period is 30 days (2020: 42 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. Accounts payable and salaries and wages payable 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) for the ageing analysis of payables.

Note 5.2(a) – Deferred capital grant revenue

	Consolidated 2021 $'000	Consolidated 2020 $'000
Opening balance of deferred grant income	38,244	-
Grant consideration for capital works recognised that was included in the deferred grant liability balance (adjusted for AASB 1058) at the beginning of the year	-	18,546
Grant consideration for capital works received during the year	77,475	44,978
Grant revenue for capital works recognised consistent with the capital works undertaken during the year	(47,876)	(25,280)
Closing balance of deferred capital grant income	**67,843**	**38,244**

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.

5.2 (b) – Grant consideration

	Consolidated 2021 $'000	Consolidated 2020 $'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	7,960	6,085
Longer than one year but not longer than five years	-	131
Longer than five years	-	-
Total grant consideration	**7,960**	**6,216**
Total deferred capital grant income 5.2(a)	67,843	38,244
Total deferred grant revenue	**75,803**	**44,460**

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)*

5.2(c) – Contract liabilities – income received in advance

	Consolidated 2021 $'000	Consolidated 2020 $'000
Opening balance of contract liabilities	**5,621**	**-**
Payments received for performance obligations yet to be completed during the period [(i)]	1,006	2,010
Grant consideration for sufficiently specific performance obligations received during the year [(ii)]	8,968	3,611
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	(3,611)	-
Total contract liabilities	**11,984**	**5,621**
Represented by		
Current contract liabilities	11,984	5,621
Non-current contract liabilities	-	-

(i) Contract liabilities for donations with specific performance obligations that have not been met.
(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.

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 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 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
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. • 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

	Consolidated 2021 $'000	Consolidated 2020 $'000
Current		
Australian dollar borrowings		
- Treasury Corporation Victoria loans (i-iv)	1,931	1,812
- Lease liability (vi)	5,746	6,039
- Advance from government (v)	-	16,020
Total current borrowings	**7,677**	**23,871**
Non-current		
Australian dollar borrowings		
- Treasury Corporation Victoria loans (i-iv)	8,774	10,705
- Lease liability (vi)	19,598	16,828
Total non-current borrowings	**28,372**	**27,533**
Total borrowings	**36,049**	**51,404**

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 2021 is $2.1m (2020: $2.7m).

(ii) Average interest rate applied during the financial year (FY) 2020–21 was 6.33% (FY2019–20: 6.33%). Interest rate is fixed for the life of the loans.

(iii) Repayments for the Alfred Centre car park are quarterly starting from September 2007 and with the final instalment due on 15 June 2027. The principal outstanding for this loan at 30 June 2021 is $8.6m (2020: $9.8m).

(iv) Repayment of these loans has been guaranteed in writing by the Treasurer.

Advances from government

(v) Advance provided by the Department of Health to fund working capital requirements of departmental policy change to creditor payment terms. This balance was repaid on 14 December 2020.

Lease liability

(vi) 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 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.

Lease liabilities

Repayments in relation to leases are payable as follows:

	Minimum future lease payments		Present value of minimum future lease payments	
	Consolidated 2021 $'000	Consolidated 2020 $'000	Consolidated 2021 $'000	Consolidated 2020 $'000
No later than one year	6,180	6,510	5,746	6,039
Later than 1 year and not later than 5 years	11,915	13,516	10,877	12,658
Later than 5 years	8,986	4,343	8,721	4,169
Minimum lease payments	27,081	24,369	25,344	22,866
Less future finance charges	(1,737)	(1,503)	-	-
Total	**25,344**	**22,866**	**25,344**	**22,866**
Included in the financial statements as:				
Current borrowings – lease liability			5,746	6,039
Non-current borrowings – lease liability			19,598	16,827
Total			**25,344**	**22,866**

The weighted average interest rate implicit for the leases is 1.8% (2020: 2.4%).

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.

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.

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.

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.

Notes to the financial statements

Note 6.1 – Borrowings *(continued)*

Subsequent measurement

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

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

Leases with significantly below market terms and conditions

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 4 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

	Consolidated 2021 $'000	Consolidated 2020 $'000
Cash on hand (excluding monies held in trust)	24	24
Cash at bank (excluding monies held in trust)	253	513
Cash at bank (held in trust)	70	6,474
Cash at bank – Central Banking System (CBS) (excluding monies held in trust)	101,133	52,077
Total cash and cash equivalents	**101,480**	**59,088**
Represented by		
Cash held for:		
Health service operations	12,100	7,640
Pre-funded capital projects	67,843	42,645
Employee salary packaging	2,087	2,329
Other Committed Funds	19,380	-
Total cash excluding funds held in trust	**101,410**	**52,614**
Monies held in trust on behalf of patients	70	72
Cash at bank (monies held in trust) (i)	-	6,402
Total cash held in trust	**70**	**6,474**
Total cash and cash equivalents	**101,480**	**59,088**

(i) At 30 June 2020 Alfred Health had $6.4m of cash that has been classified as restricted cash as it is the donation monies received for the John F Marriott Trust to be invested at a later date. On 6 August 2020 this balance was transferred to the investment manager for investment.

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.

Note 6.3 – Commitments for expenditure

	Consolidated 2021 $'000	Consolidated 2020 $'000
Capital expenditure commitments:		
Not later than one year	20,783	19,234
Total capital expenditure commitments	**20,783**	**19,234**
Other expenditure commitments:		
Not later than one year	42,389	44,784
Later than one year but not later than 5 years	44,958	45,921
Later than 5 years	3,383	4,977
Total other expenditure commitments	**90,730**	**95,682**
Total commitments for expenditure (inclusive of GST)	**111,513**	**114,916**
Less GST recoverable from the Australian Tax Office	**(10,138)**	**(10,447)**
Total commitments for expenditure (exclusive of GST)	**101,375**	**104,469**

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 for further information.

Notes to the financial statements

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

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*.

	Note	Financial assets at amortised cost 2021 $'000	Financial assets at fair value through net result 2021 $'000	Financial liabilities at amortised cost 2021 $'000	Total 2021 $'000
Consolidated 2021					
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 exclude statutory liabilities (i.e. amounts payable or deferred grant liabilities recognised against State Government and taxes payable).

Note 7.1 – Financial instruments *(continued)*

	Note	Financial assets at amortised cost 2020 $'000	Financial assets at fair value through net result 2020 $'000	Financial liabilities at amortised cost 2020 $'000	Total 2020 $'000
Consolidated 2020					
Financial assets					
Cash and cash equivalents	6.2	59,088	-	-	59,088
Receivables					
- Trade debtors		14,875	-	-	14,875
- Other receivables		60,730	-	-	60,730
Total Receivables	**5.1**	**75,605**	**-**	**-**	**75,605**
Investments and other financial assets					
- Managed funds	4.1	2,712	51,196	-	53,908
Total financial assets [(i)]		**137,405**	**51,196**	**-**	**188,601**
Financial liabilities					
Payables	5.2	-	-	91,125	91,125
Borrowings	6.1	-	-	51,404	51,404
Other liabilities		-	-	72	72
Total financial liabilities [(ii)]		**-**	**-**	**142,601**	**142,601**

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

Notes to the financial statements

Note 7.1 – Financial instruments *(continued)*

Financial assets at fair value through other comprehensive income

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

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

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

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.

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 be 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.

Notes to the financial statements

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 counter party 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. As with the policy for debtors, 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 financial year 2020–21.

Impairment of financial assets under AASB 9

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.

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-21	Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
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**

30-Jun-20	Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
Expected loss rate	0.9%	7.0%	14.9%	29.9%	32.8%	
Gross carrying amount of contractual receivables ($'000) [i]	31,419	5,139	6,184	6,165	3,756	52,663
Loss allowance	**285**	**358**	**923**	**1,845**	**1,230**	**4,641**

(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 (2020: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 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.

	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-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**
30-Jun-20								
Financial Liabilities at amortised cost								
Payables	5.2	91,125	91,125	87,223	1,627	2,275	-	-
Borrowings	6.1	51,404	51,404	513	1,460	21,898	21,684	5,849
Other Financial Liabilities		72	72	72	-	-	-	-
Total Financial Liabilities		142,601	142,601	87,808	3,087	24,173	21,684	5,849

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 $'000	Net result (15%)	Net result 15%
2021			
Investments and other contractual financial assets	69,793	(10,469)	10,469
Total impact	**69,793**	**(10,469)**	**10,469**
2020			
Investments and other contractual financial assets	51,196	(7,679)	7,679
Total impact	**51,196**	**(7,679)**	**7,679**

Note 7.3 – Fair value of financial instruments

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instruments with standard terms and conditions which are traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

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 2020–21 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits Receivables: • Sale of goods and services • Other receivables Investments and other contractual financial assets: • Managed Funds	Payables: • For supplies and services • Amounts payable to government and agencies • Other payables 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.

Financial assets and liabilities measured at fair value

		Fair value measurement at end of reporting period using:		
	Carrying amount as at 30 June $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
30-Jun-21				
Financial assets at FVTPL				
Managed Funds	69,793	57,743	12,050	-
Total	**69,793**	**57,743**	**12,050**	**-**
30-Jun-20				
Financial assets at FVTPL				
Managed Funds	51,196	41,128	10,068	-
Total	**51,196**	**41,128**	**10,068**	**-**

Notes to the financial statements

Note 7.4 – Contingent assets and contingent liabilities

No contingent assets or liabilities are present for the year ended 30 June 2021 (2020: 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 2021 $'000	Consolidated 2020 $'000
Net result for the year		6,717	(36,880)
Non-cash movements:			
Depreciation	4.4	89,094	85,976
Amortisation of intangible assets	4.4	9,559	10,120
Provision for doubtful debts	3.2	5,386	(84)
Non-cash investment income		(2,063)	(2,366)
Net assets and inventory received free of charge		(11,585)	(2,883)
(Net gain)/loss on revaluation of financial instruments	3.2	(11,581)	-
Net gain/(loss) arising from revaluation of long service liability	3.2	(899)	-
Net loss from disposal of non-financial physical assets	3.2	(20)	(5)
Capital donations received	2.2	-	(500)
Movements in assets & liabilities			
- Increase in employee benefits		29,553	23,545
- Increase/(decrease) in payables		45,784	15,943
- Increase/(decrease) in other liabilities		(2)	3
- (Increase)/decrease in receivables		(10,768)	(3,350)
- (Increase) in prepayments		(9,826)	(3,644)
- (Increase)/decrease in inventories		(895)	(2,851)
Net cash inflows/(outflows) from operating activities		**138,454**	**83,024**

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.

	Period
The Honourable Martin Foley MP:	
Minister for Mental Health	1 Jul 2020 – 29 Sep 2020
Minister for Health	26 Sep 2020 – 30 Jun 2021
Minister for Ambulance Services	26 Sep 2020 – 30 Jun 2021
Minister for the Coordination of Health and Human Services: COVID-19	26 Sep 2020 – 09 Nov 2020
Minister for Equality	1 Jul 2020 - 30 Jun 2021
The Honourable Jenny Mikakos MP:	
Minister for Health	1 Jul 2020 – 26 Sep 2020
Minister for Ambulance Services	1 Jul 2020 – 26 Sep 2020
Minister for the Coordination of Health and Human Services: COVID-19	1 Jul 2020 – 26 Sep 2020
The Honourable Luke Donnellan MP:	
Minister for Child Protection	1 Jul 2020 – 30 Jun 2021
Minister for Disability, Ageing and Carers	1 Jul 2020 – 30 Jun 2021
The Honourable James Merlino MP:	
Minister for Mental Health	29 Sep 2020 – 30 Jun 2021
The Honourable Lisa Neville MP:	
Minister for Police and Emergency Services	1 July 2020 – 30 Jun 2021
The Honourable Danny Pearson MP:	
Acting Minister for Police and Emergency Services	20 Feb 2021 – 30 Jun 2021
Governing Board	
Mr Michael Gorton AM (Chair of the Board) BCom LLB	1 Jul 2020 – 30 Jun 2021
Ms Kaye McNaught BA (PSYCH, CRIM) LLB (MELB)	1 Jul 2020 – 30 Jun 2021
Ms Miriam Suss OAM BA MSW, GAICD	1 Jul 2020 – 30 Jun 2021
Ms Melanie Eagle BA BSW LLB, GAICD, GradDip (International Development)	1 Jul 2020 – 30 Jun 2021
Dr Victoria Atkinson MBBS, FRACS, AFRACMA, Masters of Health Management	1 Jul 2020 – 30 Jun 2021
Ms Sally Campbell LLB/BA, GAICD	1 Jul 2020 – 30 Jun 2021
Ms Anne Howells BCom CA, MB (Corporate Governance), GAICD, FGIA	1 Jul 2020 – 30 Jun 2021
Mr Lynton Norris FCPA, GAICD, BBus (Acc) BBus (IntTrade)	1 Jul 2020 – 30 Jun 2021
Ms Chloe Shorten BA (Comms)	1 Jul 2020 – 30 Jun 2021
Accountable Officer	
Prof Andrew Way AM (Chief Executive) RN BSc (Hons) MBA FAICD, FACHSM	1 Jul 2020 – 30 Jun 2021

Note 8.2 – Responsible persons disclosures

Remuneration of responsible persons

The number of responsible persons are shown in their relevant income bands:

Income band	Consolidated 2021 $'000	Consolidated 2020 $'000
$50,000 – $59,999	8	8
$100,000 – $109,999	1	1
$590,000 – $599,000	1	1
Total number	**10**	**10**
Total remuneration received or due and receivable by responsible persons from the reporting entity amounted to:	**1,160**	**1,163**

Amounts relating to responsible ministers are reported within the 'Department of Parliamentary Services' 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 (including key management personnel disclosed in Note 8.4)	Consolidated 2021 $'000	Consolidated 2020 $'000
Short term employee benefits	2,625	2,309
Post-employment benefits	217	183
Other long-term benefits	60	56
Total remuneration [(i) (ii)]	**2,902**	**2,548**
Total number of executives	**10**	**7**
Total annualised employee equivalent (AEE) [(iii)]	**8**	**7**

(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).

(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 Kaye McNaught	Board member
Alfred Health	Ms Chloe Shorten	Board member
Alfred Health	Ms Miriam Suss	Board member
Alfred Health	Ms Melanie Eagle	Board member
Alfred Health	Dr Victoria Atkinson	Board member
Alfred Health	Ms Sally Campbell	Board member
Alfred Health	Ms Anne Howells	Board member
Alfred Health	Mr Lynton Norris	Board member
Alfred Health	Prof Andrew Way	Chief Executive Officer
Alfred Health	Ms Simone Alexander	Chief Operating Officer
Alfred Health	Mr Martin McCall-White	Acting Chief Operating Officer (appointed 6 April 2021)
Alfred Health	Dr Lee Hamley	Executive Director, Medical Services & Chief Medical Officer
Alfred Health	Ms Janet Weir-Phyland	Executive Director, Nursing Services & Chief Nursing Officer (resigned 30 May 2021)
Alfred Health	Ms Kethly Fallon	Acting Executive Director, Nursing Services & Chief Nursing Officer (appointed 31 May 2021)
Alfred Health	Mr Paul Butler	Deputy CEO & Executive Director, Strategy and Planning (resigned 31 October 2020)
Alfred Health	Ms Jenny Walsh	Executive Director, Strategy and Planning (appointed 1 November 2020)
Alfred Health	Mr Peter Joyce	Executive Director, Finance and Chief Financial Officer
Alfred Health	Ms Christine McLoughlin	Executive Director, People and Culture
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	Prof Duncan Topliss	Trustee (resigned 18 December 2020)
Alfred Hospital Whole Time Medical Specialists' Private Practice Trust	Mr Michael Gorton	Trustee
Alfred Hospital Whole Time Medical Specialists' Private Practice Trust	Mr David Daly	Trustee (appointed 18 December 2020)
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 are reported within the Department of Parliamentary Services' financial report.

Compensation - KMPs	Consolidated 2021 $'000	Consolidated 2020 $'000
Short-term employee benefits	3,697	3,384
Post-employment benefits	291	258
Other long-term benefits	73	69
Total	**4,061**	**3,711**

Where appropriate KMPs are also reported in Note 8.2 responsible person's 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 $1.16b (2020: $1.075b) and indirect contributions of $5.4m (2020: $6.2m).

Alfred Health had an advance to fund working capital requirements from the Department of Health at 30 June 2021 of $nil (30 June 2020: $16m). The outstanding balance at 30 June 2020 was repaid during the financial year.

Alfred Health has a receivable to partially fund Long Service Leave obligations with the Department of Health at 30 June 2021 of $27.6m (30 June 2020: $27.6m).

Alfred Health also provided services to other government related entities that were not individually significant totalling $16.6m (2020: $10.1m), and received services that were not individually significant totalling $12.1m (2020: $14.6m).

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 Victoria 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 scarce resources.

There were no related party transactions with cabinet Ministers required to be disclosed in financial year 2020–21 (2020: nil). There were no related party transactions required to be disclosed for Alfred Health's Board of Directors and executive directors in financial year 2020–21 except for the following as noted below.

Alfred Health's Board member Michael Gorton is also a Board member of Ambulance Victoria and Chair of Wellways Australia. The transactions between Alfred Health and Ambulance Victoria forms part of the services to/from government related entities disclosed in Note 8.4. The transactions between Alfred Health and Wellways Australia relates to reimbursements made by Alfred Health to Wellways Australia for the provision of good 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, in financial year 2020–21 an amount of $0.1m was charged (FY2019–20: $0.1m). WTMS provides donation funding for the benefit of Alfred Health and its employees, in financial year 2020–21 this was $0.3m (FY2019–20 $1.1m). Alfred Health has an agreement to provide management services to John F Marriott Trust, in financial year 2020–21 an amount of $0.02m was charged (FY2019–20: $Nil).

Note 8.5 – Remuneration of auditors

	Consolidated 2021 $'000	Consolidated 2020 $'000
Victorian Auditor-General's Office		
Audit of financial statements	268	260
Total remuneration of auditors	**268**	**260**

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/ Interpretation	*Summary*	*Applicable for annual reporting periods beginning on*	*Impact on public sector entity financial statements*
AASB 17 *Insurance Contracts*	The new Australian standard seeks to eliminate inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reissuance contracts that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities. AASB 2020-5 *Amendments to Australian Accounting Standards – Insurance Contracts* was issued in July 2020 with the intention to reduce the costs of application and ease transition by deferring its effective date to annual periods beginning on or after 1 January 2023 instead of 1 January 2021.	1 January 2023	This standard currently does not apply to the not-for-profit public sector entities.
AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified. AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* was issued in August 2020 and defers the effective date to annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022, with earlier application permitted.	1 January 2023	The standard is not expected to have a significant impact on the public sector.
AASB 2021-3 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021*	This Standard amends AASB 16 to extend by one year the application period of the practical expedient added to AASB 16 by AASB 2020-4 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions*. The practical expedient permits lessees not to assess whether rent concessions that occur as a direct consequence of the Covid-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications (e.g. account for as variable lease payment instead). This standard extends the practical expedient to rent concessions that reduce lease payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.	1 April 2021	The standard is not expected to have a significant impact on the public sector.

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

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 future financial years.

Notes to the financial statements

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 September 2022. 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	2021 $'000	2020 $'000
Net result for the year		
Alfred Hospital Whole Time Medical Specialists' Private Practice Trust	1,815	(2,190)
John F Marriott for HIV Trust	798	6,383
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 requires the satisfaction of all of the following three criteria for control to exist over an entity for financial reporting purposes:

(a) The investor has power over the investee;

(b) The investor has exposure, or rights to variable returns from its involvement with the investee; and

(c) 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 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.

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.

Notes to the financial statements

Note 8.11 – Glossary of terms and style conventions *(continued)*

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.

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.

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 includes sale of goods and services income.

Notes to the financial statements

Note 8.11 – Glossary of terms and style conventions *(continued)*

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
- FY2020–21 – current year period to 30 June 2021.
- FY2019–20 – prior year period to 30 June 2020.

Patricia McCabe is a patient in The Alfred's Cancer@Home program.

Glossary

Consumer	Someone who uses or has used our healthcare services
DH	Department of Health
ED	Emergency Department
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 2019–20
	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
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.

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Sandringham Hospital

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