

Eastern Health

Annual Report

2022-2023



Healthier together



OUR PROMISE

Healthier together

VALUES IN ACTION

- Respect for all
- Safe always
- Partnering in care
- Learning and improving everyday

OUR STRATEGIC GOALS

- Enabled and empowered people
- Excellent care and experiences
- Safe and welcoming
- Optimising resources

EASTERN HEALTH CATCHMENTS

Geographically, Eastern Health covers the municipalities of Boroondara, Knox, Manningham, Maroondah, Whitehorse and Yarra Ranges. Since its establishment in July 2000, Eastern Health has played a pivotal role in the provision of public health services in Melbourne's east and partners with community healthcare providers, such as general practitioners, community health services and affiliated healthcare agencies.



Eastern Health acknowledges the traditional custodians of the land upon which our health service is built, and we pay our respects to their elders past and present. Eastern Health is an inclusive healthcare service.

Aboriginal and Torres Strait Islander people are advised that this publication may contain images of deceased persons.



Child safety commitment statement

Eastern Health is a child safe organisation, committed to promoting the wellbeing and cultural safety of Aboriginal children, children with disabilities and all children in their diversity.

Modern slavery statement

Eastern Health is committed to safe workplaces, to limiting the risk of modern slavery within its operations and supply chains, and to the eradication of modern slavery.

Introduction

The *Annual Report 2022-23* provides information about Eastern Health's campuses, services, staff and operational achievements and challenges during the financial year.

Eastern Health publications are available online: www.easternhealth.org.au

The *Annual Report 2022-23* will be presented to the public at Eastern Health's annual meeting which will be advertised on the Eastern Health website and in local newspapers.

Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the report of operations for Eastern Health for the year ending 30 June 2023.



Mr Tass Mousaferiadis
Eastern Health Board Chair
22 August 2023

Manner of Establishment

As a public health service established under section 181 of the *Health Services Act 1988 (Vic)*, Eastern Health reports to the Victorian Minister for Health, the Hon Mary-Anne Thomas MP from 1 July 2022 to 30 June 2023.

We also reported to the Victorian Minister for Mental Health, the Hon Gabrielle Williams MP from 1 July 2022 to 30 June 2023.

In addition, we reported to the Victorian Minister for Disability, Ageing and Carers, the Hon Colin Brooks from 1 July 2022 to 5 December 2022, and the Hon Lizzie Blandthorn from 5 December 2022 to 30 June 2023.

The functions of a public health service Board are outlined in the Act and include establishing, maintaining and monitoring the performance of systems to ensure the health service meets community needs.

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OUR BOARD CHAIR AND CHIEF EXECUTIVE

Year in review

2022-23 saw a considerable amount of energy and enthusiasm invested in developing and enacting plans that will enable Eastern Health to fulfil our promise of being 'Healthier together'.

In the first financial year without a lockdown since the pandemic began in Australia, Eastern Health has continued to integrate processes that manage our everyday operations alongside the challenges of COVID-19.

Like many health services, we have been facing significant challenges related to the demand for services from critically unwell patients.

Progress has been made to expand the service to help those in need, with the acquisition of Bellbird Private Hospital, now known as Blackburn Public Surgical Centre.

The dedicated public elective surgical centre has been operational since October 2022 and we thank everyone involved in the transition of this additional Eastern Health campus.

Eastern Health maintains its reputation as being one of the leading research health organisations in Australia. During the 2022-23 financial year, we produced 579 research papers and as at 30 June 2023 had 1,176 ongoing research projects.

This year also saw the launch of our new Strategic Plan which outlines an exciting way forward for the years ahead.

Eastern Health is pleased to report a range of highlights that have been achieved throughout 2022-23.



Strategic Plan launch

The launch of the 2023-2025 Eastern Health Strategic Plan is a roadmap for our future together. Titled *Working Together Towards 2025*, the plan includes a promise – **Healthier together** – ensuring we consider the incredible range of people who interact with our services each day.

We describe how we are going to do this – through our **Values in action**:

- Respect for all
- Safe always
- Partnering in care
- Learning and improving every day.

We list four **Strategic Goals** – from which our focus areas will stem for the years ahead:

- Enabled and empowered people
- Excellent care and experiences
- Safe and welcoming
- Optimising resources.

Our plan is not just about serving the growing and changing needs of our community, but also about the care and development of our staff – the very essence of Eastern Health.

Thank you to the more than 2,000 people who provided incredibly valuable feedback in the formulation of our plan – your input was truly appreciated.



Expansion of our addiction services

In early April 2023, the Minister for Mental Health and Ambulance Services the Hon. Gabrielle Williams MP, together with Eastern Health Turning Point, officially launched the Hamilton Centre, a new statewide specialist centre for addiction and mental health.

Named in honour of the Founding Director of Turning Point, Professor Margaret Hamilton AO, the Centre provides addiction specialist care to consumers with co-occurring mental health disorders and the highest-intensity addiction needs.

This specialist care is being delivered as part of the Hamilton Centre Clinical Network made up of Eastern Health, St Vincent's Hospital Melbourne, Western Health, Austin Health and Goulburn Valley Health.

We are grateful to all the staff and those with lived experience who contributed to the launch of the Hamilton Centre, and look forward to ongoing development of this work.

Board Chair
Mr Tass Mousaferiadis



“Our plan is not just about serving the growing and changing needs of our community, but also about the care and development of our staff – the very essence of Eastern Health.”



Chief Executive
Adjunct Professor
David Plunkett



Reconciliation Action Plan

It was with great pride that Eastern Health presented its first *Innovate Reconciliation Action Plan* (RAP). In line with our promise of Healthier together, Eastern Health has chosen to align its goals with the reconciliation dimension of unity.

We are dedicated to supporting the health and wellbeing of our community with a focus on physical and mental health, and social, spiritual and emotional wellbeing.

In the spirit of reconciliation and with a sense of anticipation, we strive to deliver meaningful and deliberate actions to improve the experience and outcomes for Aboriginal and Torres Strait Islander people, their families and communities.

Our *Innovate RAP* was developed with engagement by our Board Directors, Executive Leadership team and staff, alongside community members from a range of Aboriginal and Torres Strait Islander Communities and organisations.

We are very proud of our achievement and partnership to develop our *Innovate RAP* and through implementing the agreed deliverables in the RAP, we seek to strengthen our community partnerships to deliver outcomes that focus on improving cultural safety and closing the health gap between Aboriginal and Torres Strait Islander peoples and non-Aboriginal and Torres Strait Islander peoples.



Cultural Safety Plan

Providing culturally safe care at Eastern Health is both a responsibility and commitment. For our staff and our community, we are required to continually challenge ourselves to live our values and deliver our strategic promise – Healthier together.

It is a process that requires constant reflection and improvement. We are proud to present our *Aboriginal Health Cultural Safety Plan – Healthier Together Towards 2024* that is the culmination of the efforts and reflections of our many Aboriginal staff and community leaders.

We would like to particularly acknowledge the support of Senior Wurundjeri Elder, Aunty Joy Murphy, in the development of our approach and for the ongoing wisdom and guidance that is provided to our service.

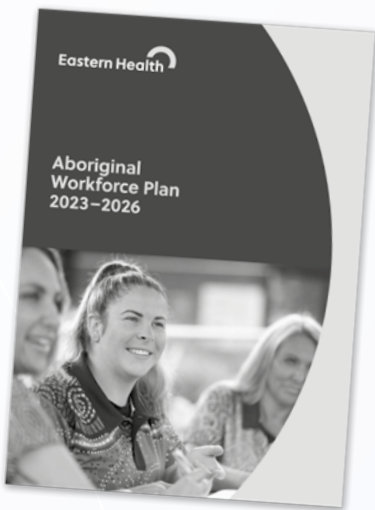
Continued on page 4



We will continue to work towards deepening our partnership with the diverse Aboriginal community in Melbourne's eastern region.

The actions outlined in our *Aboriginal Health Cultural Safety Plan – Healthier Together Towards 2024* will support our commitment to self-determination, cultural recognition, ongoing reflection and the co-design of service delivery that will support closing the health gap.

We would like to thank the Aboriginal staff and community involved in this process for their trust, support and participation in this journey.



Aboriginal Workforce Plan

We were also delighted to introduce the Eastern Health *Aboriginal Workforce Plan 2023–2026*.

This plan, together with the *Reconciliation Action Plan* and

Cultural Safety Plan, demonstrates our commitment to closing the health gap and reducing inequalities in health status and outcomes for Aboriginal peoples in the eastern metropolitan region.

The plan, developed in consultation with our staff and members of our Aboriginal community, will guide our actions and priorities over the next three years, and builds on the efforts and progress we have made through the implementation of previous Aboriginal workforce plans.

Demonstrating our strong commitment to growing and developing a talented and versatile Aboriginal workforce, and with a strong focus on cultural safety and belonging, our *Aboriginal Workforce Plan 2023–2026* articulates how we will deliver impactful attraction, recruitment, on-boarding, development and retention strategies.

Accreditation

Eastern Health was granted full accreditation by the Australian Council on Healthcare Standards in January 2023. After the initial assessment in October 2022, Eastern Health addressed areas where opportunities for improvement had been identified.

In May and June 2023, murranda Residential Aged Care Home was assessed for a three-year accreditation by the Aged Care Quality and Safety Commission.

This was the first assessment visit for murranda after combining three of the four Eastern Health homes into our new Wantirna Health building.

In July, the Commission granted three year accreditation status to murranda, adding to the existing accreditation status of Monda Lodge which occurred in 2022.

We want to thank our staff and consumer representatives for the focus, integrity, determination and commitment they have shown in improving our practices every day.

While we focus on being accreditation-ready every day, we hope our staff will take a moment to reflect on the great work they do and celebrate their achievements with one another.

International recognition for ECMO technology

In 2023 Eastern Health received international recognition for its Extra-Corporeal Membrane Oxygenation (ECMO) – a complex and invasive advanced life support technology. Eastern Health was awarded a Silver Excellence award by the ExtraCorporeal Life Support Organisation (ELSO).

ECMO, which is life-saving for acutely unwell patients with reversible heart and/or lung failure, used to have limited availability for patients, apart from a few tertiary centres in Victoria. Eastern Health Box Hill has treated over 60 patients in under four years.

We are proud of our ECMO service, which provides world leading care for our community members who need it the most.

“The Victorian State Government has committed more than \$1 billion to redevelop and expand Eastern Health Maroondah in Ringwood, which will include a new emergency department, operating theatres, day procedure facilities and specialist care spaces, along with more inpatient beds.”

Expectations for the future

Infrastructure projects

Eastern Health is on track to commence the Early Works Package for Stage 2 of the redevelopment of the Angliss campus. The tender package for the main parcel of works is currently being finalised with a view to commencing in early 2024.

This \$112 million stage of the overall expansion project will deliver a new 32-bed inpatient unit, four operating theatres, a new central sterile supply department and spaces for outpatient services.

With the region served by Eastern Health projected to grow to more than 1.1 million people by 2036, including one in five aged 65 years or older, increased capacity at Eastern Health Angliss will ensure that it is able to meet both current and future demand.

The Victorian State Government has committed more than \$1 billion to redevelop and expand Eastern Health Maroondah in Ringwood, which will include a new emergency department, operating theatres, day procedure facilities and specialist care spaces, along with more inpatient beds.

This investment will help us continue to deliver excellent care and experiences for families across the state.

Expanding our footprint

Our community was thrilled to open the \$84 million murranda Residential Aged Care Service located on the Eastern Health Wantirna campus.

The purpose-built facility welcomed its first residents in September 2022 and can accommodate up to 120 aged care residents with complex physical and mental health care needs.

Growing our mental health services

To support the required growth of services and ensure safe premises for staff, our mental health workforce has expanded into new locations across the eastern suburbs, including offices in Box Hill.



The Eastern Health Mental Health and Wellbeing Transformation Plan was released in mid-2022, and is guiding our planning and implementation of reform activity within the Program and across Eastern Health more broadly.

In May 2023 we commissioned a new campus, Eastern Health Forest Hill, which is home to the Waverley Continuing Care Team, the Outer East Hospital Outreach Post-Suicidal Engagement Team and the Outer East Brief Intervention Team.

Eastern Health continues to build upon the eight priority areas for transforming mental health services in line with the recommendations of the Royal Commission into Victoria's Mental Health System.

The Eastern Health *Mental Health and Wellbeing Transformation Plan* was released in mid-2022, and is guiding our planning and implementation of reform activity within the Program and across Eastern Health more broadly.

The Transformation Plan identifies our foundational activities aligned with eight priority areas specified by the Department of Health, and we are thrilled with the significant progress made against the plan in the past 12 months.

We have an ongoing focus on growing our workforce through delivering the *Mental Health Strategic Workforce Plan*.

Increasing the support for our newly graduated workforce and partnering with consumers and carers to expand our Lived Experience Workforce across all areas of the Mental Health and Wellbeing Program, including expansion into Eastern Health Emergency Departments, has been key, with positive outcomes to date.

We have co-designed new Models of Care, including the Integrated Mental Health and Alcohol & Other Drug (AOD) model, principles for our future case management models, and service delivery standards. Our Infant, Child and Youth model is currently being designed.

Environmental sustainability

Eastern Health is constantly striving to adopt more environmentally friendly methods to carry out day-to-day tasks. We welcomed the addition of 21 Zero Emission Vehicles to our fleet, helping our staff carry out off-site work using sustainable practices.

Installations of solar panels have started rolling out across our Lilydale, Wantirna and Box Hill campuses.

These solar arrays are expected to support Eastern Health with the supply of 150MWh of electricity annually, over and above the 370kW of distributed installations that we have delivered to date. This is an excellent addition to Eastern Health's sustainability efforts.

Mr Tass Mousaferiadis
Board Chair

Adjunct Professor David Plunkett
Chief Executive



FINANCE COMMITTEE CHAIR AND CHIEF FINANCE OFFICER

The Net Operating Result

The Net Operating Result is the key financial measurement which Eastern Health is monitored against in its Annual Statement of Priorities signed by the Board Chair and the Minister for Health for the financial year.

The small deficit result of \$75k is consistent with the Statement of Priorities target of a break even result. For total revenue of \$1.51 billion, this 0.005% margin is an extraordinary result given the exceptional circumstances Eastern Health faced during the year.

The Net Result from Transactions for the year excluding the revaluation surplus and other economic flows shows a deficit of \$42.654 million.

The deficit is due to capital purpose income of \$56.983 million being less than the depreciation expense of \$76.598 million, and the capital expenses of \$22.964 million including software as a service (SaaS).

A reconciliation of the Net Results from Transactions to the Net Operating Result is included on the next page.

Eastern Health's net result for 2022-23 is a \$59.200 million deficit, which takes into account other economic flows, capital purpose income, land and building revaluations and depreciation.

There was a managerial revaluation of buildings in 2022-23, required where more than a 10% increase in land values is evidenced (based on the Valuer-General's land indices) since the last independent revaluation in 2019. The revaluation increase was \$106.343 million.

Our cash position at the end of the financial year was \$181 million, which is a reduction on last year by \$15 million. This cash position includes projects for equipment and building works and residential aged care deposits held in trust.

Demand for services

Operating activity revenues excluding capital revenue grew by 6.5%, and enabled the continued delivery of much-needed services to our community in 2022-23.

The increase in operating expenditure is also by 6.5% to meet this demand and includes COVID costs of \$12.6 million, increase in salaries and wages of 5.7% including back-pays as part of Enterprise Agreements registered through the year.

Managing staffing and consumable costs

Eastern Health's management team, as in prior years, prepared a comprehensive operating budget program for revenue and expenditure, accompanied by detailed activity schedules for monitoring patient activity including inpatient and non-inpatient services across all programs.

No events occurred after the Balance Sheet date.



Lance Wallace
Finance Committee Chair and
Board Director



Geoff Cutter
Chief Finance Officer

Finance Committee Chair
and Board Director
Mr Lance Wallace



Chief Finance Officer
Mr Geoff Cutter

“Eastern Health’s net result for 2022-23 is a \$59.200 million deficit, which takes into account other economic flows (such as Long Service Leave liability revalued by \$14.6m for changed bond rates), capital purpose income, land and building revaluations and depreciation.”

Summary of financial results

	2023 \$000	2022 \$000	2021 \$000	2020 \$000	2019 \$000	2018 \$000
Total revenue	1,510,559	1,447,856	1,288,446	1,179,120	1,100,184	1,070,401
Total expenses	1,553,213	1,435,616	1,317,212	1,230,942	1,144,460	1,080,896
Net result from transactions	(42,654)	12,240	(28,766)	(51,822)	(44,276)	(10,495)
Total other economic flows	(16,546)	13,015	18,302	(4,125)	(17,156)	(2,706)
Operating Result*	(75)	497	0	(429)	2,670	2,948
Net Result	(59,200)	25,255	(10,464)	(55,947)	(61,432)	(13,201)
Total assets	1,702,764	1,627,650	1,502,247	1,479,194	1,435,015	1,033,253
Total liabilities	587,519	559,548	478,760	466,271	366,218	308,550
Net assets	1,115,245	1,068,102	1,023,487	1,012,923	1,068,797	724,703
Total Equity	1,115,245	1,068,102	1,023,487	1,012,923	1,068,797	724,703

* The Operating Result is the result for which the health service is monitored in its Statement of Priorities.

Reconciliation between the Net Result from Transactions reported in the Financial Statements to the Operating Result as agreed in the Statement of Priorities

	2023 \$000	2022 \$000	2021 \$000
Net Operating Result	(75)	497	0
Capital purpose income	56,983	83,118	46,728
Capital expenses (including SaaS)	(22,964)	0	0
Depreciation and amortisation	(76,598)	(71,375)	(75,494)
Net Result from Transactions	(42,654)	12,240	(28,766)



2022-23 AT A GLANCE

Our performance



1,433,189
episodes of patient care



35,667
surgeries
21.1% more than last year



145,248
emergency department presentations
that's approximately one person every 3.4 minutes



44,019
ambulance arrivals to our three emergency departments down by 6.6% - that's approximately one ambulance every 11.9 minutes, 24 hours a day, every day



4,227
babies born
that's one baby every 2 hours



77,225
COVID-19 tests



15,272
patients admitted for elective surgery



290,413
specialist clinic appointments
4% more than last year



3,419
patients admitted to our mental health inpatient units



307,296
occasions of service provided by mental health community services

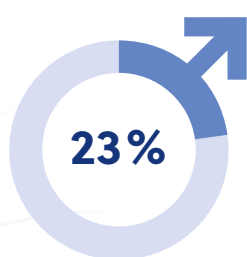
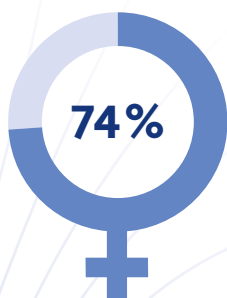


136,656
patients admitted for acute care



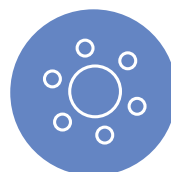
7,744
patients admitted for acute care aged under 18

Our people



Percentage of women and men in the workforce

The remaining unallocated percentage comprises those who have not declared as either male or female.



103
nationalities make up the Eastern Health workforce



11
staff who identify as Aboriginal and Torres Strait Islander





About us

OUR STRATEGY

Eastern Health is proud of its new strategic plan *Working Together Towards 2025* which was launched in February 2023.

At the heart of our new plan is a promise to ourselves, each other and to the community. That promise is 'Healthier together', for it is only in working together that each and every one of us can lead our best and healthiest lives. It is through this promise that we call ourselves and our community to action for a healthier future. The intent of this promise is woven throughout each of the four strategic goals and associated strategies within the plan.

Strategic Goals

Enabled and empowered people

- Partner with our staff to build an engaged and sustainable workforce.
- Extend our capability as a learning organisation.
- Develop workforces of the future through strong partnerships with universities and training partners.
- Build our use of clinical and data informatics and analytics to support high-quality decisions.

Excellent care and experiences

- Continuously strengthen our partnerships with patients, consumers and the community to enable shared decision making and co-designed care.
- Connect clinical practice, research and teaching to advance care and outcomes through dedicated Centres of Excellence.
- Deliver care closer to home through new care models and leveraging technology.
- Enhance impacts on care through increased research collaboration with universities.

Safe and welcoming

- Ensure employee wellbeing and engagement.
- Enhance our capacity to be an equitable and inclusive health service.
- Strengthen our safety culture to prevent harm.
- Create environments that welcome our diverse communities.

Optimising resources

- Partner to create better outcomes for our community.
- Pursue opportunities to deliver modern, fit for purpose technology, equipment and infrastructure.
- Enhance value and reduce waste in our systems and services through innovation.
- Drive financial sustainability.



Values in action

Our new strategic plan includes four new values in action, the behaviours that we believe matter the most in how we carry out our work and interact with each other, and how we care for our patients and support the community. These values in action are no longer single words but represent and convey so much more than their short nature. They embody who we are as a workforce, as a team and as an organisation.

- Respect for all
- Safe always
- Partnering in care
- Learning and improving every day

Our Promise

Healthier Together

Values
in action

**Respect
for all**

Safe always

**Partnering
in care**

**Learning and
improving
every day**

**Enabled and
empowered
people**

**Excellent
care and
experiences**

**Safe and
welcoming**


**Optimising
resources**



To view Eastern Health's
Strategic Plan, visit
www.easternhealth.org.au



WHO WE ARE



Services located across
2,816
square kilometres
the largest geographical area of any metropolitan health service in Victoria



180
dedicated volunteers



190,179
course completions in iLearn



11,327
staff
60% of whom live within the community we serve



45,671
face to face fully attended training sessions by staff

Eastern Health is one of Melbourne's largest metropolitan public health services. We provide a range of emergency, surgical, medical and general healthcare services, including maternity, palliative care, mental health, drug and alcohol, residential care, community health and statewide specialist services to people and communities that are diverse in culture, age, socio-economic status and healthcare needs.

Eastern Health Organisational Profile

Larger campuses

- Eastern Health Angliss
- Eastern Health Blackburn
- Eastern Health Box Hill
- Eastern Health Forest Hill
- Eastern Health Healesville
- Eastern Health Lilydale
- Eastern Health Maroondah
- Eastern Health Peter James
- Eastern Health Richmond
- Eastern Health Wantirna

Corporate functions

- Clinical Governance
- Digital Health
- Finance and Procurement
- Fundraising, Legal Services and Corporate Governance
- Infrastructure and Support Services
- People and Culture
- Eastern Health Institute
- Professional Governance: Medical, Nursing and Allied Health

Student placements

DISCIPLINE	NUMBER OF STUDENTS	NUMBER OF PLACEMENT DAYS
Allied Health Assistant	24	367
Art Therapy	2	126
Dietetics	69	1,345
Midwifery	237	3,625
Nursing	1,978	30,364
Occupational Therapy	98	2,454
Podiatry	5	96
Physiotherapy	356	4,573
Psychology	11	624
Social Work	20	1,221
Speech Pathology	56	841
Sterilisation	2	20
Medicine	*250	*35,630
Total	3,108	85,286

* These figures span the academic year, from January to December 2022.



CLINICAL PROGRAMS AND SERVICES

Eastern Health provides 46 distinct clinical services which are arranged under two Clinical Operations Directorates. These 46 services are supported by a range of support services including pathology, medical imaging and pharmacy services, while the patient access team ensures efficient use of our resources through the allocation and management of patient flow through our hospital beds. Each program is led by a Program Director and an Executive Clinical Director who are responsible for the clinical operations of the services under their respective clinical program.

DIRECTORATE	CLINICAL PROGRAM	CLINICAL SERVICE GROUP	CLINICAL SUPPORT
Clinical Operations	Acute and Aged Medicine	<ol style="list-style-type: none"> 1 Emergency 2 General medicine 3 Geriatric medicine 4 Rehabilitation (inpatient) 5 Palliative care 6 Transition care 7 Residential aged care 8 Aged Care Assessment Service 9 Residential in-reach 	<ul style="list-style-type: none"> • Medical Imaging • Pathology • Pharmacy • Patient Access • Service Reform
	Specialty Medicine and Ambulatory Care	<ol style="list-style-type: none"> 10 Allied Health 11 Cancer services 12 Renal 13 Cardiology 14 Endocrinology 15 Gastroenterology 16 Haematology/haemostasis and thrombosis 17 Infectious diseases 18 Neurosciences 19 Respiratory 20 Rheumatology 21 Dermatology 22 Eastern@Home 23 Sub-acute clinics 24 Community health 25 Community rehabilitation 26 Aboriginal health 	
Mental Health and Clinical Support	Surgery	<ol style="list-style-type: none"> 27 Anaesthetics 28 Breast and endocrine 29 Colorectal 30 Ear, nose and throat 31 General/paediatric 32 Orthopaedic 33 Plastic 34 Upper gastrointestinal/bariatric/thoracic 35 Urology 36 Vascular 37 Intensive care services 	
	Women and Children and Acute Specialist Clinics	<ol style="list-style-type: none"> 38 Obstetrics 39 Gynaecology 40 Paediatric and neonatology 41 Acute specialist clinics 	
	Mental Health and Wellbeing	<ol style="list-style-type: none"> 42 Adult and older adult 43 Infant, Child and youth 	
	Statewide Services	<ol style="list-style-type: none"> 45 Spectrum 46 Turning Point 	





Our Governance

Eastern Health would like to acknowledge the members of the Board and Executive team whose terms at Eastern Health ended during 2022-23. We thank them for their considerable contribution to the success of Eastern Health during their tenure.

OUR BOARD OF DIRECTORS

Eastern Health is a public health service as defined by the *Health Services Act 1988 (Vic)* and is governed by a Board of Directors consisting of up to nine members appointed by the Governor in Council on the recommendation of the Victorian Minister for Health.

The Board must perform its functions and exercise its powers subject to any direction given by the Minister for Health and subject to the principles contained in the *Health Services Act 1988 (Vic)*, and *Public Administration Act 2004*.

The Board is responsible for the governance of Eastern Health and is responsible for its financial performance, strategic direction and quality of healthcare services, and for strengthening community involvement through effective partnerships.

The Board is responsible for ensuring Eastern Health performs its functions under Section 65 of the *Health Services Act 1988 (Vic)*, including the requirement to develop statements of priorities and strategic plans, and to monitor compliance with these statements and plans.

The Board also has responsibility for the appointment of the Chief Executive.

The Eastern Health by-laws enable the Board to delegate certain authority. The by-laws are supported by the Delegations of Authority, enabling designated Executives and staff to perform their duties through exercising specified authority.

The Directors contribute to the governance of Eastern Health collectively as a Board. The Board normally meets monthly and 12 meetings are scheduled each financial year.

During 2022-23, Eastern Health's Board Directors were:

Mr Tass Mousaferiadis – Chair

BEd Grad Dip HealthEd Grad Cert BusMgt, GAICD

Appointed Chair of Eastern Health Board 1 July 2019

Current professional positions

- Chair, Southeast Mental Health and Wellbeing Interim Regional Body
- Board Chair, Victorian Responsible Gambling Foundation
- Board Director, FoodBank Victoria
- Board Chair, Star Health (until December 2022).

Ms Anna Lee Cribb

BA MDisRes

Appointed 1 July 2019

Current professional positions

- Consultant in workplace relations
- Mediation and Conciliation Panel, Commission for Gender Equality in the Public Sector
- Secretary Resolution Institute Mediation PDG

Ms Sally Freeman

FCA-ANZ, GAICD, CISA, BCom, CEW

Appointed 1 July 2020

Current professional positions

- Board Director, Netwealth
- Board Director, Regis Aged Care
- Board Director, Melbourne Football Club
- Board Director, SRLA
- Board Director, Regional Investment Corporation
- Board Director, ADICA
- Audit Committee, Independent Member – HealthShare, Caulfield Grammar and Commonwealth Games, Australia



Mrs Penny Hutchinson

BA(Hons) MA AMusA FCA

Appointed 1 July 2021

Current professional positions

- Board Member, Victorian Registration and Qualifications Authority
- Chair, Audit and Risk Committee, Department of Planning and Environment (NSW)
- Board Member, Gippsland Water
- Chair, Public Sector Panel, CAANZ (Vic)

Dr Bob Mitchell AM

LLB MPhil GradDipTax MThSt PhD FAICD

Appointed 1 July 2019

Current professional positions

- Board Director, Mission Australia
- University Council, University of Divinity
- Legal Practitioner

Mr Andrew Saunders

BSc GradDipEd MBA MAICD

Appointed 1 July 2018

Current professional positions

- Board Director, Victoria Legal Aid
- Principal and Director, Red Mosaic Pty Ltd
- Non-Executive Director, Care Connect
- Independent Board Committee member, Eastern Melbourne Primary Healthcare Network
- Independent Board Committee member, HealthShare Vic

Mr Lance Wallace

Dip Business CPA PSM

Appointed 1 July 2020

Current professional position

- Chair, HealthShare (Health Purchasing Victoria)

Mr Terry Symonds

BA MHSt GCMH GAICD

Appointed 1 July 2022

Current professional positions

- Chief Executive Officer Yooralla
- Board Director, Eastern Melbourne Primary Health Network

Dr Angela Williams

MBBS MForensMed MBA GAICD MPH/ MHM FFFLM(UK) FFCFM(RCPA) AFRACMA PRI NMAS LLB GDLP

Appointed 1 July 2020

Current professional positions

- Senior Forensic Physician, Victorian Institute of Forensic Medicine
- Board Director, Emergency Services Telecommunication Authority
- Board Director, Ozchild
- Tribunal Member, VCAT
- Tribunal Member, Football Victoria
- Adjunct Senior Lecturer, Department of Forensic Medicine, Monash University
- Chair, Faculty of Clinical Forensic Medicine, Royal College of Pathologists Australasia
- Board Member, Royal Australasian College of Medical Administrators

Board Attendance 2022-23

DISCIPLINE	FIRST APPOINTMENT	TERM NUMBER	EXPIRY OF TERM	ATTENDANCE 2022-23	MEETINGS BY CIRCULATION
Mr Tass Mousaferiadis	8 Dec 2015	4	30 June 2025	13/14	7/7
Ms Anna Lee Cribb	1 July 2019	2	30 June 2025	13/14	6/7
Ms Sally Freeman*	1 July 2020	1	30 June 2023	12/14	7/7
Mrs Penny Hutchinson	1 July 2021	1	30 June 2024	10/14	7/7
Dr Bob Mitchell	1 July 2019	2	30 June 2025	13/14	7/7
Mr Andrew Saunders	1 July 2018	2	30 June 2024	13/14	6/7
Mr Terry Symonds	1 July 2022	1	30 June 2024	10/14	7/7
Mr Lance Wallace*	1 July 2020	1	30 June 2023	14/14	7/7
Dr Angela Williams	1 July 2020	2	30 June 2024	14/14	7/7

* Reappointed for a further three years.

Purpose, functions, powers and duties

Eastern Health's core objective 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 other objectives of Eastern Health, as a public health service, are to:

- Provide high-quality health services to the community which aim to meet community needs effectively and efficiently
- Integrate care as needed across service boundaries, in order to achieve continuity of care and promote the most appropriate level of care to meet the needs of individuals
- 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

- Ensure that the health service strives to continuously improve quality and foster innovation
- Support a broad range of high-quality health research to contribute to new knowledge and take advantage of knowledge gained elsewhere
- Operate in a business-like manner which maximises efficiency, effectiveness and cost-effectiveness, and ensures the financial viability of the health service
- Ensure that mechanisms are available to inform consumers and protect their rights, and to facilitate consultation with the community
- Operate a public health service, as authorised by or under the Act
- Carry out any other activities that may be conveniently undertaken in connection with the operation of a public health service or calculated to make more efficient any of the health service's assets or activities.



BOARD COMMITTEES

In accordance with the *Health Services Act 1988 (Vic)*, the Board of Directors is supported by several committees and advisory committees. The responsibilities of each committee are set out in its terms of reference.

Each committee is required to report to the Board through its minutes and may make recommendations. At its meetings the Board discusses the minutes of each committee meeting that are introduced by the relevant Committee Chair.

Audit and Risk Committee

Chair:

- Dr Bob Mitchell AM

Members:

- Ms Sally Freeman
- Mrs Penny Hutchinson
- Mr Tass Mousaferiadis
Board Chair (ex officio)
- Mr Andrew Saunders
- Mr Lance Wallace

The purpose of the Audit and Risk Committee is to assist the Board to discharge its responsibilities by having oversight of the integrity of the financial statements and financial reporting systems of Eastern Health; liaison with the Victorian Auditor-General or the Auditor-General's nominee; the internal auditor's qualifications, performance, independence and fees; and the financial reporting and statutory compliance obligations of Eastern Health.

The committee also assists the Board in relation to oversight and review of risk management, occupational health and safety, and legislative compliance.

In accordance with the Standing Directions under the *Financial Management Act 1994*, the committee is comprised of three or more Board Directors.

All members are independent. The committee has assisted the Board to exercise its financial and risk management responsibility throughout the year.

Community Advisory Committee

Chair:

- Mr Andrew Saunders

Community Co-Chair:

- Ms Gloria Sleaby
(until October 2022)
- Ms Raj Liskaser
(from October 2022)

Members:

- Ms Anna Lee Cribb
Board Director
- Mr Tass Mousaferiadis
Board Chair (ex officio)
- Adj Prof David Plunkett:
Chief Executive

Community Members:

- Mr Stephen Bendle
- Mr Bill Bennett
- Ms Dilnaz Billimoria
- Ms Jean de Waard
- Ms Sue Emery
- Ms Joanne Marchione
- Ms Naveena Nekkallapudi
- Ms Zoe Simmons
(from September 2022)
- Ms Irene Toh
- Mr Dan Wong

The role of the Community Advisory Committee is to provide direction and leadership in relation to the integration of consumer, carer and community views at all levels of health service operations, planning and policy development, and to advocate to the Board on behalf of the community, consumers and carers.

Some of the activities that members participated in included ongoing involvement in planning workshops, consumer forums, Clinical Risk Governance Committees, governance committees and quality improvement projects.

For more information about the Community Advisory Committee, visit www.easternhealth.org.au

Finance Committee

Chair:

- Mr Lance Wallace

Members:

- Ms Sally Freeman
- Mrs Penny Hutchinson
- Dr Bob Mitchell
- Mr Tass Mousaferiadis
- Mr Andrew Saunders

The primary function of the Finance Committee is to assist the Board in fulfilling its responsibilities to oversee Eastern Health's assets and resources. It reviews and monitors the financial performance of Eastern Health in accordance with approved strategies, initiatives and goals.

The committee makes recommendations to the Board regarding Eastern Health's financial performance, financial commitments and financial policy.

The committee normally meets monthly and 11 meetings are scheduled each financial year.

The committee has assisted the Board to exercise its financial stewardship responsibility throughout the year.

Primary Care and Population Health Advisory Committee

Chair:

- Ms Anna Lee Cribb
Board Director

Members:

- Ms Judith Drake
Consumer Nominee, EACH
- Dr Andrew Gosbell
EACH Board Chair
- Ms Kim Griffiths
Inspiro Board Director
- Dr Caroline Johnson
Eastern Melbourne Primary Health Network Board Member
- Ms Deanne McKenzie
Consumer Nominee, Inspiro
- Mr Tass Mousaferiadis
Board Chair
- Adj Prof David Plunkett
Chief Executive
- A/Prof John Rasa
healthAbility Board Chair
- Ms Anna Robinson
Access Health & Community Chief Executive
- Mr Peter Turner
Access Health & Community Board Director
- Dr Angela Williams
Board Director
- Ms Janine Wilson
Eastern Melbourne Primary Health Network Chief Executive
- Ms Shannon Wight
Executive Director Clinical Operations

The role of the Primary Care and Population Health Advisory Committee is to monitor and report to the Board on the effective implementation of the Primary Care and Population Health Plan and any barriers to its successful implementation.

In accordance with the requirements of section 65ZC of the *Health Service Act 1988* (Vic), the committee consists of members who between them have:

- Expertise in identifying health issues affecting the population served by Eastern Health and designing strategies to improve the health of the population
- Expertise in or knowledge of the provision of primary health services in the areas served by Eastern Health
- Knowledge of the health services provided by local government in the areas served by Eastern Health.

Quality and Safety Committee

Chair:

- Dr Angela Williams

Members:

- Ms Anna Lee Cribb
- Ms Raj Liskaser
Consumer
- Ms Tarnya McKenzie
Consumer
- Mr Tass Mousaferiadis
- Mr Terry Symonds

The Quality and Safety Committee is responsible to the Board for ensuring that safe, effective and accountable systems are in place to monitor and improve the quality and safety of health services provided by Eastern Health and that any systemic problems identified with the quality and safety of health services are addressed in a timely manner.

It also ensures Eastern Health strives to continuously improve quality and safety and foster innovation; and that clinical risk and patient safety are managed effectively. The committee has assisted the Board to exercise its clinical governance responsibility throughout the year.

Remuneration Committee

Chair:

- Mr Tass Mousaferiadis

Members:

- Ms Anna Lee Cribb
- Mr Andrew Saunders

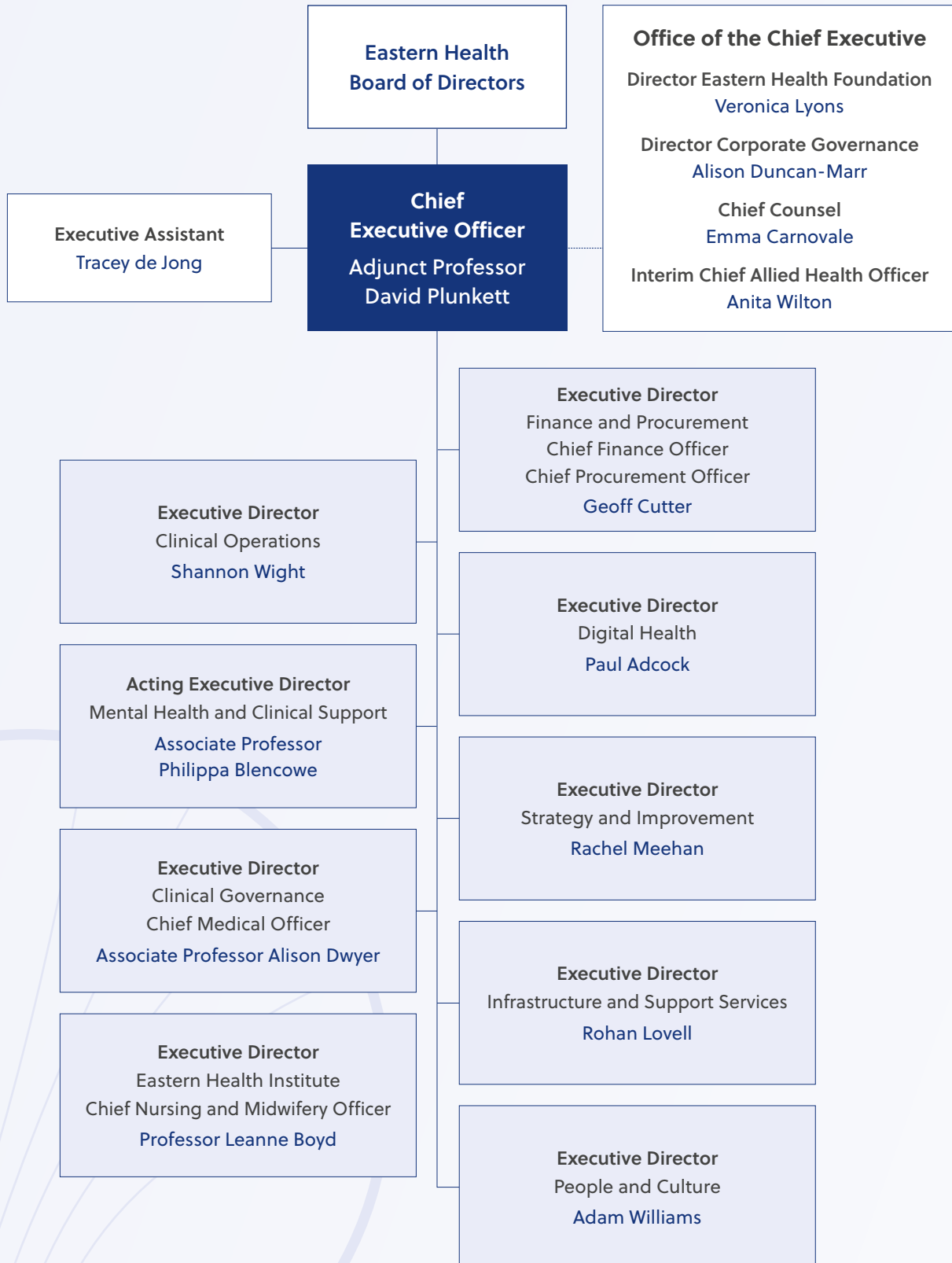
The primary purpose of the Remuneration Committee is to assist the Board to discharge its responsibilities under government policy in relation to the remuneration of the Chief Executive and members of the Executive.

The committee assisted the Board to fulfil its obligations with respect to Executive remuneration.

ORGANISATIONAL STRUCTURE

At Eastern Health there are nine directorates with responsibility for the management of organisational operating systems and organisational performance.

Following an organisation restructure, the structure as at 30 June 2023 is displayed below.



OUR EXECUTIVE



Adjunct Professor David Plunkett

RN GradDipBusMgt MBA GAICD

Chief Executive

Adj Professor Plunkett has many years of executive and senior management experience in both the public and private health sectors. He commenced his health career as a Registered Nurse.

Adj Professor Plunkett joined Eastern Health in 2002 and held various roles, including Chief Nursing and Midwifery Officer and Executive Director Acute Health, all leading to his current role of Eastern Health Chief Executive, held since September 2016.

Adj Professor Plunkett holds a Master of Business Administration and is a graduate of the Australian Institute of Company Directors.

He is a member of the Eastern Metropolitan Partnership, appointed by the Minister for Suburban Development, and is a Fellow and current Board Director of the Australian College of Nursing.



Mr Paul Adcock

DipAppSc BN GradCertCritCare MBA

Executive Director

Digital Health

Mr Adcock commenced at Eastern Health in September 2019 in the Program Director eHealth and Chief Clinical Information Officer role.

Since commencing at Eastern Health, he has also been seconded to the Victorian Aged Care Response Centre as the Workforce Team Lead during the acute phase of the Emergency Management Australia-led response to the COVID-19 epidemic in Residential Aged Care Facilities.

Previously, Mr Adcock was the Director of Technology and Transformation at Alfred Health and has held senior roles in acute health, including clinical, operations and Information Technology.



Associate Professor Philippa Blencowe

PostGradcert Health Administration,
Master of Nursing

MACN, AAICD

Acting Executive Director

Mental Health and Clinical Support Deputy Chief Nursing and Midwifery Officer

Assoc Professor Philippa Blencowe has been at Eastern Health for 20 years and has held many clinical nursing and administrative roles in health care with a clinical background in critical care. She has a passion for ensuring high quality care delivery, staff and patient experience.

She holds a Master of Nursing Practice, post graduate certificate in health administration. She is an Adjunct Associate Professor at Deakin University.

Assoc Professor Blencowe is responsible for professional practice of the nursing and midwifery workforce and supporting clinical operations to deliver care across Eastern Health.

Continued on page 20





Professor Leanne Boyd

DipAppSc BN GradCertCritCare MN
GradCertHigherEd PhD MTerEdMgt
GAICD FACN

Executive Director

Eastern Health Institute Chief Nursing and Midwifery Officer

Professor Boyd commenced at Eastern Health in November 2019. Her previous role was Group Director of Nursing, Education and Research at Cabrini Health and she has more than 20 years of experience in health professional education. Prof Boyd has a clinical background in critical care.

She holds a Master of Tertiary Education Management from the University of Melbourne, and a Doctor of Philosophy in Health Program Evaluation, Master of Nursing, Graduate Certificate in Critical Care and Bachelor of Nursing from Monash University. She is an Adjunct Professor at Deakin University, Australian Catholic University and Monash University.

Prof Boyd is responsible for professional leadership of the nursing and midwifery workforce across Eastern Health.



Mr Geoff Cutter

BEC MBA FCPA GAICD

Executive Director

Finance and Procurement Chief Finance Officer and Chief Procurement Officer

Mr Cutter commenced at Eastern Health in May 2019. He is responsible for financial services and management accounting services, as well as procurement services.

Previously, Mr Cutter was Chief Financial Officer in the health, emergency services, water, local government and ICT sectors.

He is a Fellow of CPA Australia, graduate member of the Australian Institute of Company Directors and has a Bachelor of Economics and Master of Business Administration from Monash University.



Associate Professor Alison Dwyer

MBBS MBA MHSM FRACMA FCHSM
GAICD

Executive Director

Clinical Governance Chief Medical Officer

Assoc Professor Dwyer commenced at Eastern Health in February 2019. Her previous roles have included Chief Medical Officer at Northern Health, Medical Director Quality, Safety and Risk Management at Austin Health and Director Medical Services at Royal Melbourne Hospital. She is a current Board Director of Peninsula Health and Chair of its Quality, Safety & Clinical Governance Committee.

Assoc Professor Dwyer is a Fellow of the Royal Australasian College of Medical Administrators (RACMA) and has a strong involvement in the training of medical administration registrars as a current Supervisor, Preceptor, Examination Censor and Chair of the Medical Administration Workforce Planning Committee.

She is also a current ACHS Surveyor and her research interests have focused on junior medical staff wellbeing, engaging medical staff in quality and the role of the Medical Administrator in Health Services.



Mr Rohan Lovell

BArch

Executive Director Infrastructure and Support Services

Mr Lovell commenced at Eastern Health in February 2023. He is responsible for Major Capital Improvements, Engineering Infrastructure, Support Services and Security, the Business Services Centre, and Fleet, Property and Retail Services.

With over 20 years of strategic Infrastructure, Building and Corporate Support Services experience, Mr Lovell was previously the Director of Property and Asset Services at Fire Rescue Victoria and Director of Infrastructure and Support Services at Barwon Health. He provides a strategic and collaborative approach to the ongoing organisational transformation and sustainable growth for Eastern Health.

He holds a degree in Architecture with additional tertiary qualifications in Risk and Project Management.



Ms Rachel Meehan

MHealth Psych, GAICD

Executive Director Strategy and Improvement

Ms Meehan commenced at Eastern Health in December 2019 as the Executive Officer. Her previous role was Director of Strategy and Integrated Programs at Austin Health and she has more than 20 years of experience in health strategy and improvement.

She holds a Master of Psychology and is a graduate of the Australian Institute of Company Directors.

Ms Meehan is responsible for providing a strategic and collaborative approach to the ongoing transformation and sustainable growth of Eastern Health.



Ms Shannon Wight

RN GradDipCritCare(ICU) MBA, MAICD

Executive Director Clinical Operations

Ms Wight commenced at Eastern Health in February 2019. The Executive Director Clinical Operations accountability is to ensure patients are transferred into the right clinical stream in the right location at the right time to receive their care.

Ms Wight has responsibility for acute medicine (emergency and general medicine), aged medicine (subacute, transition care, residential aged care and chronic disease), specialty medicine and ambulatory care, pathology, pharmacy, patient access and allied health.



Mr Adam Williams

BCom

Executive Director People and Culture

Mr Williams has a 20-year career as a HR executive in Australia and abroad with significant experience in workplace relations, transformation initiatives and strategic workforce planning. Mr Williams joined from CSL where he has been for over 10 years in senior HR roles covering Australia, Asia Pac and Global Operations.

Previously Mr Williams spent time in Visy, Jetstar and Mondelez. Mr Williams is responsible for People and Culture, Occupational Health, Safety and Wellbeing, and Communications.



Our People



WORKING AT EASTERN HEALTH

Eastern Health is committed to strengthening our greatest and most important asset: our people. Our focus is to be a high-performing, safe and values-based organisation with a passionate and diverse workforce. Supporting, developing and learning from them is critical to our continued success. We invest in developing our leaders so they can attract, develop and retain the best people in healthcare. In support of this, Eastern Health has been focused on strategic workforce planning, leadership development, diversity, equity and inclusion, employee experiences, and employee wellbeing.

Employment and conduct principles

Eastern Health is an Equal Opportunity Employer and treats all staff and potential employees on their merit and without consideration of race, gender, age, marital status, religion or any other factor that is unlawfully discriminatory.

We are committed to providing a workplace that is free of discrimination and bullying. Any form of unlawful discrimination or bullying is unacceptable and appropriate action will be taken where behaviours do not align with Eastern Health's values.

We are committed to the employment principles in the *Victorian Public Administration Act 2004*, enshrining the core and enduring public sector values of responsiveness, integrity, impartiality, accountability, respect, support for human rights and leadership.

Our people policies and procedures support:

- Employment decisions based on merit
- People being treated fairly and reasonably
- Provision of equal opportunity
- A safe and healthy work environment
- Human rights, as set out in the *Victorian Charter of Human Rights and Responsibilities Act 2006*
- People being provided with reasonable redress against unfair or unreasonable treatment
- Fostering career pathways in the public healthcare sector.

Industrial relations

During 2022-23, Eastern Health had a number of enterprise agreements that underwent renegotiation:

- Health and Allied Services, Managers and Administrative Workers (Victorian Public Sector) (Single Interest Employers) Enterprise Agreement 2021-2025 approved and certified by the Fair Work Commission.
- Victorian Public Mental Health Services Enterprise Agreement 2020-2024 approved and certified by the Fair Work Commission.
- Nurses and Midwives (Victorian Public Sector) (Single Interest Employers) Enterprise Agreement 2020-2024 approved by the Fair Work Commission.
- Allied Health Professionals (Victorian Public Sector) (Single Interest Employers) Enterprise Agreement 2021-2026 approved and certified by the Fair Work Commission.
- Biomedical Engineers (Victorian Public Sector) (Single Interest Employers) Enterprise Agreement 2022-2023 approved and certified by the Fair Work Commission.
- Medical Scientists, Pharmacists and Psychologists (Victorian Public Sector) (Single Interest Employers) Enterprise Agreement 2021-2025 approved and certified by the Fair Work Commission.



HIGHLIGHTS



74%
of our workforce
is female



11
staff who identify
as **Aboriginal
or Torres Strait
Islander**



103
nationalities
that make up the
Eastern Health
workforce



42
average age
of employees



17
age of **youngest**
employee



84
age of **oldest**
employee

Workforce data

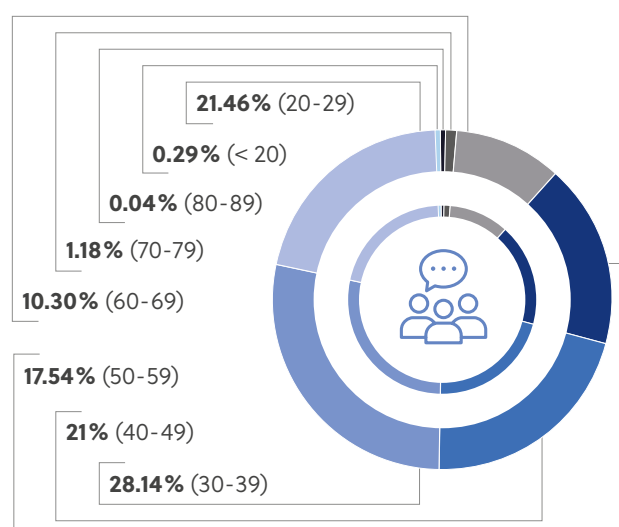
Labour category	JUNE CURRENT MONTH FTE		JUNE YEAR TO DATE FTE	
	2022	2023	2022	2023
1 Nursing services	3,033	3252	3,076	3154
2 Administration & Clerical	1,033	1100	1,003	1065
3 Medical Support Services	661	720	630	692
4 Hotel & Allied Services	369	398	373	391
5 Medical Officers	137	150	138	147
6 Hospital Medical Officers	721	805	692	787
7 Sessional Medical Officers	255	272	250	263
8 Ancillary Support Officers	664	716	671	693
Total	6,873	7,413	6,833	7,192

The FTE figures required in the table are those excluding overtime. These do not include contracted staff (e.g. Agency nurses, Fee-for-Service Visiting Medical Officers) who are not regarded as employees for this purpose. Employees have been correctly classified in workforce data collection.

Workforce age breakdown

AGE GROUP	NUMBER OF STAFF	PERCENTAGE
< 20	33	0.29%
20-29	2431	21.46%
30-39	3188	28.14%
40-49	2382	21%
50-59	1987	17.54%
60-69	1167	10.30%
70-79	134	1.18%
80-89	5	0.04%
Total	11327	100

Employees have been correctly classified in workforce data collection.



Reward and recognition

Aspire to Inspire (A2i) Awards

The Aspire to Inspire (A2i) Awards recognise our people who go above and beyond through their actions and behaviour, and truly demonstrate Eastern Health's values together with key areas of achievement in workplace safety and wellbeing, sustainability, consumer participation, closing the health gap and volunteer engagement.

In 2022, we received almost 400 nominations across 11 award and achievement categories.

All nominations were critically reviewed against the selection criteria, followed by management endorsement. A representative of the Community Advisory Committee joined the judging panel for the consumer participation award.

The Eastern Health Executive carried out a final review to shortlist and award the worthy recipients.

The A2i Awards Ceremony was held via live stream, with pre-recorded acceptance videos of the winners shown during the event. The recording of the live stream has been viewed over 1,500 times.



A2i Awards Recipients 2022



Agility

Catherine Hillman
Associate Program Director
Patient Access



Consumer Participation

Claire Whitely
Maternity Services
Manager



Patients First

Clinical Microbiology Team
Pathology
Box Hill Hospital



Kindness

Maryanne Singh
Administration Assistant



Respect

Gayelene Smith
Ward Clerk



Closing the Health Gap

Dr Vishal Patil
General Practitioner



Excellence

After Hours Coordinators
Box Hill Hospital



Sustainability

Melinda Webb-St Mart
Clinical Risk Manager
Comprehensive Care



Humility

John Stirling
Theatre Technician



Humility

**Education Systems
and Design Team**



Workplace Safety and Wellbeing

Antara Karmakar
Urology Registrar and
Doctors in Training President



Volunteer

Jan Wirth
Consumer Representative

OCCUPATIONAL HEALTH AND SAFETY

Eastern Health acknowledges that our people are central to securing a healthy future for the community we serve. We continue to focus on ensuring staff are safe, healthy and supported by creating a values-based, safe workplace.

Occupational Health and Safety

OCCUPATIONAL HEALTH AND SAFETY STATISTICS	2020-2021	2021-2022	2022-2023
The number of reported hazards/incidents for the year per 100 FTE	32.3	27.8	29.78
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	1.9	1.75	2.04
The average cost per WorkCover claim for the year	\$69,309	\$113,964	\$64,940

Occupational Violence

OCCUPATIONAL VIOLENCE STATISTICS	2021-22	2022-23
Workcover accepted claims with an occupational violence cause per 100 FTE	0.43	0.25
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	2.3	1.6
Number of occupational violence incidents reported	758	923
Number of occupational violence incidents reported per 100 FTE	10.8	12.45
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	46%	52%

Definitions of occupational violence:

Occupational violence

any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.

Incident

an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.

Accepted WorkCover claims

accepted WorkCover claims that were lodged in 2022-23.

Lost time

is defined as greater than one day.

Injury, illness or condition

this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

Our Performance




PERFORMANCE AGAINST STATEMENT OF PRIORITIES: PART A



Achieved






In progress

PRIORITY	OUTCOME
<p>Keep people healthy and safe in the community</p> <p>Maintain COVID-19 readiness</p> <p>Maintain a robust COVID-19 readiness and response, working with the Department of Health, Health Service Partnership and Local Public Health Unit (LPHU) to ensure effective responses to changes in demand and community pandemic orders.</p> <p>This includes, but is not limited to, participation in the COVID-19 Streaming Model, the Health Service Winter Response framework and continued support of the COVID-19 vaccine immunisation program and community testing.</p>	<p></p> <p>Eastern Health is proud of its rapid response to the changing needs of the community as the COVID-19 pandemic has evolved and progressed. A range of services and systems are now in place on an ongoing basis to ensure that our organisation continues to deliver service in alignment with the government's Health Service Response.</p> <p>Through this work we achieved the following for our community:</p> <ul style="list-style-type: none"> • Over 500 COVID-19 vaccines were delivered to staff (a winter 'booster' drive) and vulnerable patients and residents. • Over 200 items of consumer and community feedback were reviewed by the Eastern Health pandemic management committee and used to inform changes and improvements to the organisation's pandemic response and risk settings. • Over 1,000 portable air scrubbers were distributed to clinical areas to optimise ventilation and reduce risk of virus transmission for staff, patients and visitors.

Continued on page 27



PRIORITY	OUTCOME
<p>Keep people healthy and safe in the community</p>	<ul style="list-style-type: none"> • COVID-19 acute demand management plan was regularly updated every three to four months, reflecting Eastern Health's continued evolution of service delivery aligning to the changing needs of patients and the community. • Approximately 25 patients were supplied a series of three early treatment infusions by Hospital in the Home (HITH) services to enable patients to go home earlier from hospital and improve their recovery following acute COVID infection.
<p>Care closer to home</p> <p>Delivering more care in the home or virtually Increase the provision of home-based or virtual care, where appropriate and preferred, by the patient, including via the Better at Home program.</p>	 <p>Achieved as part of Eastern Health's Quality Care Together (QCT) program, in 2022-23 the Better at Home work across Eastern Health has focused on:</p> <ol style="list-style-type: none"> 1. Increase in-hospital bed substitution 2. Reduction in avoidable hospital presentations and admissions 3. Improvements in access key clinical and population cohorts. <p>Through this work a range of services have been introduced and expanded including:</p> <ul style="list-style-type: none"> • Expansion of the home-based Early Supported Discharge for Stroke service • Talk to You Tomorrow, a telephone-based follow-up service after discharge • Strengthening chronic disease management collaboration between the Hospital in the Home (HITH) and Hospital Admission Risk Program (HARP) • Chest Pain Rapid Access Clinic, using telehealth to reduce inpatient admissions for chest pain • Rapid face-to-face triage (evaluation) of patients referred to community rehabilitation program to support timely decision making and management planning • Expansion of the existing Oncology at Home service • Additional medical resources to support the GEM@Home (Geriatric Evaluation and Management) service.

PRIORITY	OUTCOME
<p>Keep improving care</p> <p>Improve quality and safety of care</p> <p>Work with Safer Care Victoria (SCV) in areas of clinical improvement to ensure the Victorian health system is safe and delivers the best care, including working together on hospital-acquired complications, low value care and targeting preventable harm to ensure that limited resources are optimised without compromising clinical care and outcomes.</p>	 <p>Eastern Health is supporting a team of employees to work with Safer Care Victoria across six designated collaborative projects:</p> <ul style="list-style-type: none"> • Age friendly health systems • Post-partum haemorrhage • The preterm birth prevention collaborative • Check again (antibiotic allergies) • Safety for all in mental health inpatient units • Improve heart failure management. <p>A review identified the need to implement additional supports for these staff members to enhance their experience and outcomes from these projects, such as support with data analysis, improving clarity regarding approval requirements as well as engagement across sites, teams and work groups.</p> <p>The projects are at varying stages – from almost complete, to testing and implementation phases.</p> <p>Eastern Health looks forward to sharing and promoting the positive outcomes of these projects as work progresses.</p>
<p>Contribute to a responsive and integrated mental health and wellbeing system</p> <p>Continue to transform Area Mental Health and Wellbeing Services that deliver wellbeing supports and are delivered through partnerships between public health services (or public hospitals) and non-government organisations. Develop or refine services that will be provided across two aged-based streams: infant, child and youth (0-25), and adult and older adult (26+).</p> <p>Provide integrated treatment, care and support to people living with mental illness and substance use or addiction. Subject to the passage of the <i>Mental Health and Wellbeing Bill 2022</i>, actively participate in the implementation of new legislative requirements and embed the legislation’s rights-based objectives and principles.</p> <p>Work with the department to test (‘shadow’) and implement activity-based funding models initially for bed-based and adult ambulatory mental health and wellbeing services. Continue towards implementation and routine use of the electronic statewide mental health and wellbeing record to underpin best practice mental health care and improve the experience of Victorians with lived experience of mental health as they move between providers.</p>	 <p>A multi-year <i>Mental Health and Wellbeing Transformation Plan</i> has been developed and endorsed by the Eastern Health Board and provided to the Department of Health.</p> <p>Work progressed in accordance with this Transformation Plan has included the successful implementation of the majority of foundation areas that will support future success of the Mental Health and Wellbeing Program. These relate to areas such as training programs, consumer reference groups, models of care, and data, analytics and reporting. This includes in particular the reorganisation of the Mental Health and Wellbeing Program into two age-based streams of care.</p> <p>An uplift in clinical services was delivered for 2022-23 which required additional recruitment to deliver expanded services.</p> <p>New clinical space in Forest Hill was commissioned, along with new office space in Box Hill. Additional clinical spaces in Ringwood and Box Hill are in planning and development.</p> <p>A longer term strategic workforce plan remains in development to support future expansion and enhancement of clinical services.</p>

PRIORITY

OUTCOME

Keep improving care

Improve Emergency Department access

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



Eastern Health's Quality Care Together (QCT) program is delivering on organisational reform through targeted local improvement work.

One key area of reform in 2022-23 was addressing 24hr breaches within our three emergency departments (ED); where patients wait more than 24 hours for care progression beyond the ED. While measured in ED, our QCT reform work delivered improved processes across the organisation to significantly reduce breach counts, and these low breach counts are now being sustained as we continue to strive for the target of zero breaches.

Eastern Health is one of 14 participating health services partnering in the Timely Emergency Care Collaborative, which focuses on improving access and flow across EDs and inpatient areas.

To date, Eastern Health's Box Hill Hospital ED has addressed:

1. ED Short Stay Unit (SSU) flow – increasing patient discharges before 10am so patients go home sooner, enabling more patients to be seen.

Subsequent improvements in ED were seen as SSU momentum grew, including:

- Reduced time spent in the SSU short stay
- More patients flowing through SSU (than expected)
- Ambulance handover times decreased due to capacity in ED
- Culture enhancement and relationships across the ED and inpatient wards, further improving patient access and flow.

2. Improving ambulance offload time (less than 40mins) is now underway aiming for sustainable long term improvement.

Pathology reform

Progress with forming shared public pathology entities as Companies Limited by Guarantee under Joint Venture Agreements that will meet the statutory obligations of the *Public Administration Act 2004*.

Implement the new integrated Laboratory Information Systems and participate in the adoption of a Health Information Exchange as a priority for the newly formed pathology entity over the next four years.








Eastern Health has continued to work closely with the Department of Health and pathology partners to progress the North East Pathology Network project. Progress has been made on the implementation of a new Laboratory Information System to replace the existing system.

Detailed work has progressed regarding the financial, technical and legal arrangements for the formation of the new pathology entity under the agreed structural arrangements.

The Department of Health is progressing final elements of the Policy Framework under which the new entity will operate. This policy is expected to be finalised in late 2023. A dedicated project team is progressing the registration of relevant details in preparation for entity formation, as well as appropriate due diligence for the transition.



PRIORITY	OUTCOME
<p>Keep improving care</p> <p>Plan update to nutrition and food quality standards Develop a plan to implement nutrition and quality of food standards in 2022-23, implemented by December 2023.</p>	 <p>Two new food standards for adult and paediatric patients in Victorian hospitals were launched in 2022. Implementing these nutrition and quality food standards will help Eastern Health meet the requirements of relevant industry standards and provide a better healthcare experience for our patients.</p> <p>Eastern Health has completed an evaluation of current practices against these new standards and identified a number of gaps which have been recognised in a detailed action plan. Resourcing of the work required to address all of the identified gaps by the due date is currently being determined.</p>
<p>Climate change commitments Contribute to enhancing health system resilience by improving environmental sustainability, including identifying and implementing projects and/or processes that will contribute to committed emissions reduction targets through reducing or avoiding carbon emissions, and/or implementing initiatives that will help the health system adapt to the impacts of climate change.</p>	 <p>Eastern Health has made significant progress towards improved sustainability. This includes orders for more than 35 electric vehicles as part of our ongoing fleet conversion with charging stations established at Eastern Health Box Hill, and plans in place for charging stations at Eastern Health Angliss.</p> <p>Eastern Health has also been working to install solar panels at the majority of sites where feasible.</p> <p>In addition, the expansion of Eastern Health Angliss includes plans for the full electrification of the new building, allowing it to be run on 100 per cent renewable energy in the future.</p> <p>A range of projects are also supporting Eastern Health's sustainability efforts in areas such as waste management, recycling, and improving energy efficiency.</p>
<p>Asset maintenance and management Improve health service and department Asset Management Accountability Framework (AMAF) compliance by collaborating with Health Infrastructure to develop policy and processes to review the effectiveness of asset maintenance and its impact on service delivery.</p>	 <p>Eastern Health has reviewed and enhanced existing governance arrangements to improve the oversight and support systems for asset management.</p> <p>Development of a Strategic Asset Management Plan, improved asset management governance, and enhanced asset lifecycle management are matters we continue to work on developing.</p> <p>Work is still required in some areas including monitoring and reporting of asset performance and enhancing existing policies and procedures.</p>



PRIORITY	OUTCOME
Improve Aboriginal health and wellbeing	
<p>Improve Aboriginal cultural safety</p> <p>Strengthen commitments to Aboriginal Victorians by addressing the gap in health outcomes by delivering culturally safe and responsive health care. Establish meaningful partnerships with Aboriginal Community Controlled Health Organisations. Implement strategies and processes to actively increase Aboriginal employment.</p> <p>Improve patient identification of Aboriginal people presenting for healthcare, and to address variances in healthcare and provide equitable access to culturally safe care pathways and environments. Develop discharge plans for every Aboriginal patient.</p>	 <p>Eastern Health has strengthened its commitment to our Aboriginal communities and peoples in a number of key ways in 2022-23. These include the launch of our inaugural <i>Innovate Reconciliation Action Plan</i>, a new <i>Aboriginal Workforce Plan</i> and a multi-year <i>Aboriginal Health Cultural Safety Plan</i>. These documents will guide the future work priorities and focus of our dedicated governance committee.</p> <p>In addition, Eastern Health has now established an Aboriginal Health Advisory Committee to support both existing and future partnerships and collaboration with external stakeholders and the community.</p> <p><i>For additional information, refer to the Aboriginal Cultural Safety section on pages 34-35.</i></p>
Moving from competition to collaboration	
<p>Foster and develop local partnerships</p> <p>Strengthen cross-service collaboration, including through active participation in Health Service Partnerships (HSP).</p> <p>Work together with other HSP members on strategic system priorities where there are opportunities to achieve better and more consistent outcomes through collaboration, including the pandemic response, elective surgery recovery and reform, implementation of the Better at Home program and mental health reform.</p>	 <p>Eastern Health leaders have been active members of the North East Metro Health Service Partnership (NEMHSP) and its programs of work. This collaboration, including in areas such as our pandemic response, elective surgery recovery planning, strategic service planning and Better at Home services, continues to ensure that improvements achieved by one partner can be effectively shared to improve standardisation of care and enhance patient experiences and care outcomes.</p>



ACCREDITATION

Eastern Health demonstrates its commitment to excellence through external accreditations against a wide range of industry standards, including the **National Safety and Quality in Health Service (NSQHS) Standards, Aged Care Quality and Safety Standards, Diagnostic Imaging Standards and Pathology Standards.**

The NSQHS Standards are the over-arching standards. Eastern Health underwent an organisation-wide NSQHSS assessment and was fully re-accredited by the Australian Council on Healthcare Standards (ACHS) against these NSQHS Standards in 2023. These accreditation standards are changing Australia-wide to short notice (24 hour) assessments from 1 July 2023.

PRIORITY	OUTCOME
<p>Moving from competition to collaboration</p>	
<p>Joint service planning</p> <p>Develop HSP Strategic Service Plans – co-designed by health services and the department – that guide a system approach to future service delivery and consider equity, quality, safety, and value.</p>	 <p>Staff from a range of areas within Eastern Health have been working with NEMHSP to support the development of a Strategic Service Plan which reflects the combined future intention of partner organisations. This includes clinical, management and planning input into areas such as the care of children and neonates, maternity, haemodialysis, and cancer therapies.</p>
<p>Planned Surgery Recovery and Reform Program</p> <p>Maintain commitment to deliver goals and objectives of the Planned Surgery Recovery and Reform Program, including initiatives as outlined, agreed and funded through the HSP work plan.</p> <p>Health services are expected to work closely with HSP members and the department throughout the implementation of this strategy, and to collaboratively develop and implement future reform initiatives to improve the long term sustainability of safe and high quality planned surgical services to Victorians.</p>	 <p>Eastern Health has worked collaboratively with NEMHSP throughout 2022-23 to establish key initiatives with the overall objective of driving improvements in the management and delivery of planned surgery for our patients.</p> <p>These initiatives are aligned with achieving three key objectives:</p> <ul style="list-style-type: none"> • Optimising surgical throughput; • Fast-track reassessment of long wait patients and improving communication; and • Expanding non-surgical care, supporting patients in preparation for their planned surgery. <p>Examples of some of the projects delivered under this recovery and reform project include:</p> <ul style="list-style-type: none"> • Enhanced recovery after surgery, with multidisciplinary teams providing the necessary care to get patients home on the day of surgery where this is safe and appropriate; • Establishment of a high-risk surgical clinic to provide comprehensive assessment of patients where conservative management may be more appropriate than surgical intervention; • Rapid review of patients who may have already had their planned surgery somewhere else or who may no longer require surgery; • The introduction of automated communication with patients who are on the waiting list to keep them up-to-date on their position on the list, and provide information about their expected wait; • The introduction of additional allied health clinics to look at alternatives to surgery – these alternatives can be to either temporarily defer the need for surgery, or a permanent deferral, resulting in the patient no longer requiring a surgical procedure. <p>This collaborative work has helped to improve the timeliness of care for many patients already and will continue to do so in 2023-24.</p>

PRIORITY

OUTCOME

Moving from competition to collaboration

Support mental health and wellbeing

Support the implementation of recommendations arising from the Royal Commission into Victoria's Mental Health System, by improving compliance with legislative principles supporting self-determination and self-directed care. Embed consumer, family, carer and supporter lived experience at all levels, in leadership, governance, service design, delivery, and improvement.

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



A broad-ranging, multi-year *Mental Health and Wellbeing Transformation Plan* has been developed and endorsed by the Eastern Health Board and provided to the Department of Health.

As part of this work, Eastern Health has been working to enhance models of care and systems of service delivery through a co-designed method to embed the views and priorities of our consumers, families, carers and lived experience workforce.

This will ensure that the care we provide through the Mental Health and Wellbeing Program is person-centred, rights-based and recovery oriented. Where appropriate, this work is being undertaken to align with the delivery of enhanced and expanded services from new facilities as they come online.

A stronger workforce

Improve workforce wellbeing

Participate in the Occupational Violence and Aggression (OVA) training that will be implemented across the sector in 2022-23. Support the implementation of the Strengthening Hospital Responses to Family Violence (SHRFV) initiative deliverables including health service alignment to the Family Violence Multi-Agency Risk Assessment and Management (MARAM) Framework. Prioritise wellbeing of healthcare workers and implement local strategies to address key issues.



Eastern Health has continued to embed systems and practices to ensure care is aligned with the Family Violence Multi-Agency Risk Assessment and Management Framework.

Workforce engagement remains an ongoing focus with training and a range of other activities supporting staff safety both in terms of occupational violence and aggression, as well as other health and safety risks such as falls, and manual handling.

Workforce wellbeing is also supported through initiatives such as strategic workforce planning, new leadership development programs and growing opportunities to enhance talent acquisition, including targeted international recruitment.



MANAGING OUR RISKS

Eastern Health takes a balanced approach to risk management in order to ensure the systematic identification, analysis, recording and reporting of threats and opportunities important to the achievement of our strategic initiatives. Eastern Health proactively and reactively addresses a broad range of risks that may impact, or are impacting, the organisation.

The Audit and Risk Committee has oversight of the enterprise risk management system, with a focus on the most significant risks facing the organisation, including use of key metrics to monitor the system's performance.

Our ongoing response to COVID-19

In 2022, Eastern Health continued to respond to the COVID-19 pandemic, delivering essential care and services in the community.

With increasing rates of vaccination in the population and widespread community transmission of the virus, the Victorian Government's pandemic order legislation was gradually repealed, paving the way for health services to determine their own pandemic settings.

During this period, Eastern Health welcomed staff returning on-site after working remotely for extended periods. Staff vaccination services delivered hundreds of mandatory third dose COVID-19 vaccines and mask fit-testing programs ran each month to protect healthcare workers and support safety and wellbeing.

Eastern Health's clinical services continued to deliver great care throughout the third year of the COVID-19 pandemic. Pandemic processes and procedures were scaled up and back in response to demand, with continued improvement and evolution of practice, balancing the safety of staff and consumers while ensuring timely access to care.

Eastern Health's COVID-19 community pathways service transitioned to community provider EACH in September 2022, after delivering thousands of episodes of care for those unwell and isolating in the community.

Changes to the prescription of antiviral treatments resulted in the closure of the COVID Early Treatment service, with Hospital in the Home (HITH) establishing an outpatient service offering infusions to facilitate early discharge from hospital for COVID positive inpatients.

COVID Navigators worked in and around our hospital Emergency Departments (EDs) to support progression of care and ensure safe and timely discharge from hospital.

In July 2022, a COVID-19 prevention clinic was established at Eastern Health Maroondah, delivering Evusheld medicine for high risk immunocompromised patients.

Eastern Health's clinic was one of only a few established across the state of Victoria.

The Mental Health COVID Inpatient Unit was nominated for 'Excellence in supporting the mental health and wellbeing of Victorians' in the Victorian Public Health Care Awards, recognising excellence in the delivery of specialised and high quality care for consumers admitted with COVID-19.

Evolution of the COVID-19 Demand Management Plan reflected ongoing changes to models of care across the organisation. Visitor permissions were relaxed to support engagement and connection between patients and their families.

In preparation for the winter months, COVID-19 vaccination services were delivered to vulnerable older persons in residential aged care settings and people with disabilities.

Despite continuing to rise to the challenges of the pandemic, the organisation continues to face a number of challenges, including COVID-19 ward outbreaks, furlough of workforce and impacts to staff wellbeing.

The organisation's response to the pandemic continues to evolve, with efforts focused towards ensuring a safe environment for patients, staff and the community.

Supporting Aboriginal communities throughout the pandemic

Eastern Health is committed to ensuring we continue to provide culturally safe care in partnership with the Aboriginal and Torres Strait Islander Community in our region.

In 2022-23 we carried out in-home testing for suspected COVID-19 infections where clients were unable to leave their home to receive assistance.

We also delivered Rapid Antigen Test kits to clients at their homes.

We developed and implemented education about COVID-19, treatments and vaccinations, and provided information about available support services. We also provided assistance in accessing COVID-19 vaccinations where needed.

We provided support for vulnerable clients who tested positive for COVID-19 to receive emergency food relief and carried out regular wellbeing checks, including loaning oximeters where required.

Aboriginal cultural safety

Eastern Health's commitment to providing a welcoming and culturally safe environment for our Aboriginal patients, staff and the Aboriginal Community in the Eastern Region reached new heights in 2022-2023 with our *Innovate Reconciliation Action Plan (RAP)*, *Aboriginal Health Cultural Safety Plan – Healthier Together Towards 2024* and our *Aboriginal Workforce Plan 2023-2026*.

In December 2022, the inaugural *Innovate Reconciliation Action Plan (2022-2024)* was launched.

This Action Plan outlines what Eastern Health will undertake to progress our reconciliation journey under four themes: Respect, Relationships, Opportunities and Governance.

Eastern Health's RAP continues to be monitored by our RAP Committee with leadership from Senior Wurundjeri Elder Aunty Joy Murphy, Uncle Eddie Thompson, Aunty Lucia Baulch and CEO of Mullum Mullum Indigenous Gathering Place, Elke Smirl.

Eastern Health strives to be a reflective organisation, growing and learning as we continue to improve the cultural safety of our services. In October 2022, our Aboriginal Health Advisory Committee was established.



Aboriginal Community Controlled Organisations and Aboriginal Community Health Organisations were invited to participate in this Committee – including Oonah Health and Community Services, Mullum Mullum Indigenous Gathering Place, Boorndawan William Healing Service and the Victorian Aboriginal Health Service.

The Committee also includes five Community Elders, who are consumer representatives who provide invaluable guidance to our program leadership at Eastern Health.

Eastern Health also launched its new *Aboriginal Workforce Plan (2023 – 2026)*. This plan describes a new strategic direction for the organisation with enhanced focus on the supports and professional development available to Aboriginal and Torres Strait Islander staff as well as improving our recruitment and on-boarding processes.

Over 70 people were involved in the consultation and development of the plan.

The Clinical Risk Governance Committee for Aboriginal and Torres Strait Islander Health continues to provide monitoring and oversight of our safety and quality priorities and actions towards closing the health gap.

The Committee reviewed and launched a new policy suite for First Nations (Aboriginal and Torres Strait Islander) health at Eastern Health in 2022, including new guidelines that specify our requirements to provide a welcoming environment and our approach to cultural recognition, engagement and communication with the Aboriginal Community in the eastern region.

Several Sub-Committees support the work of this group, including the Aboriginal Communications and Events Sub-Committee which oversees the recognition, communication and planning of key events on the Aboriginal and Torres Strait Islander calendar.

A Closing the Gap – Women and Children Sub-Committee was established in 2022 to drive improvement in cultural safety in this program.

Eastern Health is grateful for the support and guidance of key staff from the Victorian Aboriginal Community Controlled Health Service in this work.

Embedding self-determination at Eastern Health is a key priority for the organisation moving forward. This would not be possible without the active involvement of the Elders, Community representatives and Aboriginal Community Controlled Organisations and Aboriginal Community Controlled Health Service Organisations that continue to work with us to drive quality and safety in health care for the Aboriginal Community in our region.

Measuring our performance

Eastern Health is committed to its promise of 'Healthier together' and this commitment is supported by a robust clinical governance framework and an organisation-wide focus on a strong and positive safety culture underpinned by improvement.

This includes being aware of and responsive to the needs and emerging risks of our community, patients, staff and other stakeholders.

This includes adapting the elements of our clinical governance system in response to the changing needs of the community such as during the evolving pandemic response and other incidents and events.

Eastern Health takes a risk-based approach to monitoring and improving care, to achieve the best outcomes for our patients, their families and loved ones, and the community as a whole.

Reporting of performance occurs at all levels of the organisation to ensure priorities and achievements are aligned with Eastern Health's strategy. A broad range of clinical and performance indicators are benchmarked against peers at a state and national level.

Eastern Health's performance against key priorities of the state government are publicly available via the Victorian Agency for Health Information website at vahi.vic.gov.au/reports/victorianhealth-services-performance



Eastern Health takes a risk-based approach to monitoring and improving care, to achieve the best outcomes for our patients, their families and loved ones, and the community as a whole.

Eastern Health is accredited against all mandatory industry standards as well as a range of voluntary standards that apply across a variety of services and campuses. For example:

- Eastern Health successfully completed an external assessment against the National Safety and Quality in Health Service Standards (Version 2) during the past year.
- A range of Eastern Health's services are accredited by the Australian Aged Care Quality Agency, including our new residential aged care facility murranda in Wantirna.
- Our pathology laboratories, medical imaging and cardiology services are accredited under their respective industry standards.

Credentialing of trainee positions across a range of medical streams is completed by relevant professional colleges on various cycles, usually between three and five years.

Compliance with these industry standards and credentialing processes ensures we can be confident in the systems, processes and quality of care we provide to all of our patients and the community, regardless of location or service type.

Recommendations and suggestions we receive as a result of activities such as accreditation, audits and other service reviews allow Eastern Health to focus our improvement efforts on area that will have the greatest impact on the quality and safety of our services.



PERFORMANCE AGAINST STATEMENT OF PRIORITIES: PART B

HIGH QUALITY AND SAFE CARE

Eastern Health is committed to delivering safe, high quality care and a great consumer experience to our community. This is supported by our Clinical Governance Framework and an organisation-wide focus to continually strengthen our safety culture.

Safety and quality are monitored at all levels of the organisation, with responsibility for governance of safety and quality resting with the Board's Quality and Safety Committee, the Clinical Executive Committee, and Directorate and Program Quality and Safety Committees.

A number of quality and safety measures are monitored through cascaded scorecards and variance reports.

In addition, the Quality, Patient Safety and Experience Report provides an overview of performance across key clinical quality, safety and experience areas through the analysis of data from a range of sources including clinical incidents, clinical and performance indicators benchmarked against peers, patient and consumer feedback, and administrative and clinical audit data.

This allows identification of, and response to, 'safety signals' within our performance data, and drives continuous improvement.

For clinical care, this includes 10 clinical program quality and safety committees, two clinical operations directorate quality and safety committees, 10 clinical risk governance committees (CRGCs) and three professional councils.

Comprehensive analysis of performance as well as details around improvement initiatives are contained in annual reports as part of 'Appropriate and Effective Care' produced by Programs and Clinical Risk Governance Committees and reported to the Board's Quality and Safety Committee and the Clinical Executive Committee.

Eastern Health maintains a clinical audit schedule. In addition to audits undertaken to support improvement work, planned audits are scheduled to monitor compliance and areas of high risks and unwarranted variation. The Point of Care audits (POC) support monitoring of performance across the National Standards 2-8.

Over the last 12 months, a range of substantial developments and changes have been made within the POC audit program to improve data reporting.

Performance results across the organisation demonstrate consistent themes across standards and service types, and performance gaps are aligned with Eastern Health's clinical risk profile and incident data, such as the management of behaviours of concern and delirium screening and management.

Performance continues to be addressed via local-level improvement as well as targeted work led by the Clinical Risk Governance Committees.

Eastern Health has been working towards improving our hand hygiene compliance rate in line with the National Hand Hygiene Initiative.

This year, we had an opportunity to work on enhancing the compliance rate of our medical staff through education of the 5 Moments of Hand Hygiene.

A multidisciplinary working group was formed and led by the medical lead for Infection Prevention and Control, and this group met twice weekly during October 2022 to January 2023 to review current barriers and opportunities to improve our performance.

As a result, availability of hand hygiene products at the point of care was increased, targeted hand hygiene audits of medical staff increased our data validity, and an intensive program of multi-modal communication, including weekly education of senior-level clinicians, significantly improved awareness, understanding and ownership of this key issue among Eastern Health doctors.

This work and resultant culture change were showcased at the Safer Care Victoria Quality and Safety Leaders Forum in March 2023.

KEY PERFORMANCE INDICATOR	TARGET	2022-23 RESULT
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	85%	86.3%
Percentage of healthcare workers immunised for influenza	92%	97.2%
Patient Experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses	95%	91%
Percentage of mental health consumers reporting a 'very good' or 'excellent' experience of care in the last 3 months or less	80%	56.3%
Percentage of mental health consumers reporting they 'usually' or 'always' felt safe using this service	90%	84.2%
Healthcare associated infections (HAIs)		
Rate of patients with surgical site infection	No outliers	Achieved
Rate of patients with ICU central-line-associated bloodstream infection (CLABSI)	Nil	Achieved
Rate of patients with SAB per 10,000 occupied bed days	≤0.7/1000	1.0
Unplanned readmissions		
Unplanned readmissions to any hospital following a hip replacement	≤6%	5.6%
Mental Health		
Percentage of closed community cases re-referred within six months: CAMHS, adults and aged persons	< 25%	19%
Rate of seclusion events relating to a child and adolescent acute mental health admission per 1,000 occupied bed days	≤5	15
Rate of seclusion events relating to an adult acute mental health admission per 1,000 occupied bed days	≤8	13
Rate of seclusion events relating to an aged acute mental health admission per 1,000 occupied bed days	≤5	0.00
Percentage of child and adolescent acute mental health inpatients who have a post-discharge follow-up within seven days	88%	95%
Percentage of adult acute mental health inpatients who have a post-discharge follow-up within seven days	88%	96%
Percentage of aged acute mental health inpatients who have a post-discharge follow-up within seven days	88%	97%
Percentage of adult acute mental health inpatients who are readmitted within 28 days of discharge	<14%	8.6%
Percentage of child and adolescent acute mental health inpatients who are readmitted within 28 days of discharge	<14%	24%
Percentage of aged acute mental health inpatients who are readmitted within 28 days of discharge	<7%	5%
Percentage of families/carers reporting a positive experience of the service	80%	48.3%
Percentage of families/carers who report they were 'always' or 'usually' felt their opinions as a carer were respected	90%	72.6%

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KEY PERFORMANCE INDICATOR	TARGET	2022-23 RESULT
Maternity and Newborn		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤1.4%	1.5%
Rate of severe fetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤28.6%	24.92%
Proportion of urgent maternity patients referred for obstetric care to a level 4, 5 or 6 maternity service who were booked for a specialist clinic appointment within 30 days of accepted referral	100%	98%
Continuing Care		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	>0.645	0.637

Clinical incidents

Eastern Health staff and consumers are encouraged to report incidents. The number and rate of clinical incidents continues to rise year on year with the most notable increase in incident type being related to behaviours of concern.

The Incident Severity Rating (ISR) is defined in the Sentinel Event Program annual report 2006-07 as:

- **ISR 1:** Severe (including death)
- **ISR 2:** Moderate
- **ISR 3:** Mild
- **ISR 4:** No harm (near miss)

While incident rates have shown an increase, the rate of serious harm showed a reduction from 0.58 per 1,000 bed days in 2021 to 0.51 per 1,000 bed days in 2022.

The rate of ISR 1 and 2 incidents has continued to show a reduction in 2023 following an overall rise of sentinel events (broadly defined as wholly preventable adverse patient safety events that result in serious harm or death to individuals) in 2022.

The Serious Incident Response Scheme (SIRS) was brought into effect in October 2021 by the Aged Care Commission.

There were high numbers of serious incidents reported in early 2021, mainly due to ambiguity of reportable criteria. Criteria and processes for reporting, and staff training are now in place.

High-frequency incidents

The highest frequency incident classifications remained unchanged when compared to past years and each continued to trend upward in numbers. These are:

1. Behaviours of Concern
2. Slip/trip/fall
3. Medicines
4. Harm/injury/skin

Uncooperative or obstructive behaviour accounted for the largest proportion of behavioural incidents followed by attempts to abscond, and intimidating behaviour.

Locations experiencing the highest frequency remained the Emergency Departments, inpatient mental health units and ward 6.1, which is our Acute Medical Unit 1.

Implementation of the Statutory Duty of Candour

Eastern Health implemented processes to implement Open Disclosure and the Statutory Duty of Candour requirements in November 2022.

Under this legislation, consumers are provided information about any serious adverse patient safety event that occurs during the provision of their care within prescribed timeframes and follow prescribed processes.

The intent of this legislation is to enable open, transparent and timely communication with patients and their families following serious adverse patient safety events.





We received

10,480

items of feedback

an increase from **7,027**
items of feedback in 2021
and **9,013** in 2020

Community, consumer and patient feedback

Eastern Health received 10,480 items of feedback in 2022, an increase from 7,027 items of feedback in 2021 and 9,013 in 2020. This increase in feedback is driven by increases in responses to the Eastern Health Patient Experience Survey and the Victorian Healthcare Experience Surveys (VHES).

Eastern Health's Patient Experience Survey transitioned to the REDCap platform in March 2022 and a process commenced in August to email the surveys to a sample of discharged patients.

This is in addition to staff providing brochures to discharged patients or providing an iPad at the point of discharge for survey completion. Emailing the surveys has increased the sample size of responses and is aimed at reducing selection bias.

Complaints and compliments

In 2022 Eastern Health's Victorian Health Incident Management System (VHIMS) Feedback module was upgraded providing improved technical capabilities, workflow and efficiency.

The upgrade included the use of the Health Complaints Analysis Tool (HCAT) to theme feedback. HCAT is the first standardised tool for analysing healthcare complaints in a rigorous and conceptually meaningful way.

The number of compliments captured significantly increased in the second half of 2022 which was most likely a result of the ability to capture complaints and compliments in the one entry on VHIMS following the introduction of the upgraded feedback module.

Clinical indicators and benchmarking

In 2022, Eastern Health participated in the following benchmarking for Quality and Safety:

1. The Health Roundtable (HRT) - Patient Safety Indicators which include Mortality, Readmission and Hospital-acquired complications.
2. ACHS Clinical Indicator Program. Participation is voluntary and programs identify clinical indicator suites based on potential benefits from participation.
3. Healthcare Associated Infection Surveillance (VICNISS).

4. Specialty-specific benchmarking through consultative councils including CCOPMM, VASM, VPSPi [Victorian Perinatal Services Performance Indicators] and disease-specific Registries (e.g. National Hip Fracture Registry, Victorian Cardiac Outcomes Registry (VCOR)) and other industry benchmarking (there is inconsistent participation and use of registry data).
5. Public Sector Residential Aged Care Services (PSRACS) indicators. Since July 2006 PSRACS in Victoria have participated in the collection, reporting and benchmarking of data for a set of quality of care performance indicators. There are 18 indicators currently reported to assist in monitoring and improving care provided to PSRACS residents across five areas of clinical risk.
6. Australasian Rehabilitation Outcome Centre (AROC) Indicators.
7. Palliative Care Outcome Collaborative (PCOC) and additional Department of Health (DH) Palliative Care Indicator Trials.
8. Pathology: Royal College of Pathologists Australia Quality Assurance Programs (RCPA QAP) for all analytical testing.
9. Victorian Healthcare Experience Survey (VHES).

In addition to reports produced by these various bodies, Eastern Health also receives benchmarked reports from the Victorian Agency for Health Information (VAHI). Access to an interactive portal has enabled timely benchmarking to be undertaken.



STRONG GOVERNANCE, LEADERSHIP AND CULTURE

In 2022, Eastern Health continued to build capability, and provide capacity for leaders and the system, to drive strong governance, manage change and build and sustain a culture of quality, safety and improvement.

Eastern Health demonstrates its commitment to excellence through external accreditation against a wide range of industry standards, including the National Safety and Quality Health Service Standards.

Eastern Health is fully accredited by the Australian Council on Healthcare Standards (ACHS) against these standards.

Building strong leadership capability is integral to Eastern Health's promise of a 'Healthier together'. Eastern Health leaders at all levels come together periodically to:

- a. adapt, learn and grow
- b. problem solve and provide support
- c. maintain and improve standards
- d. seize opportunities for improvement
- e. ensure positive people and patient experiences.

The regular delivery of leadership forums, culture think tanks, leadership programs, coaching and mentoring, development workshops and action learning projects has supported the development of leadership capability in 2022.

The People Matter Survey, which has historically been a primary source of evidence to measure employee perceptions of governance, leadership effectiveness and culture health, was not completed in 2022.

Eastern Health elected not to participate in order to provide adequate space and time for the organisation and its people to deliver on 2021 actions which had been delayed due to COVID-19 operations.

In 2022, Eastern Health successfully delivered on engagement and culture commitments identified and noted benefits in areas relating to improved enablement, tools of the trade and collaboration.

Eastern Health will participate in the People Matter Survey in October 2023 and will ascertain areas of progress and further opportunities for the year ahead.

Eastern Health remains invested in improving the experiences of people and has an extensive program of work occurring in support of this aim.



TIMELY ACCESS TO CARE

KEY PERFORMANCE INDICATOR	TARGET	2022-23 RESULT
Emergency care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	45%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time	80%	79%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	42%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	2,552
Mental Health		
Percentage of 'crisis' (category 'C') mental health triage episodes with a face-to-face contact received within 8 hours	80%	69%
Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours	81%	20%
Elective surgery		
Number of patients on the elective surgery waiting list as at 30 June 2023	7,650	6,924
Number of patients admitted from the elective surgery waiting list	15,407	15,272
Number of patients (in addition to base) admitted from the elective surgery waiting list	5,460	0
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%	70.6%
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	49.6%
Number of hospital-initiated postponements per 100 scheduled elective surgery admissions	≤7/100	9.5
Specialist clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	81%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	93.2%

EFFECTIVE FINANCIAL MANAGEMENT

The Minister sets out key targets as part of an annual Statement of Priorities. The key indicators are:

KEY PERFORMANCE INDICATOR	TARGET	2022-23 RESULT
Operating Result	\$0.00m	(\$0.08m)
Average number of days to paying trade creditors	60 days	59 days
Average number of days to receiving patient fee debtors	60 days	52 days
Adjusted current asset ratio (Variance between actual ACAR and target, including performance improvement over time or maintaining actual performance)	0.7 or 3% improvement	0.48 or 3% improvement
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	Not Achieved
Actual number of days available cash, measured on the last day of each month	14 days	23 days

HEALTH CARE IN ANY LANGUAGE

Eastern Health employs an in-house team of interpreters certified by the National Accreditation Authority for Translators and Interpreters (NAATI). A total of 33,407 interpreter services were provided in 2022-23, an increase of 12 per cent from the previous year.

In 2022-23 the demand for language services has remained consistently high. With the easing of COVID-19 restrictions, requests for on-site interpreters has increased and continues to be supported by telehealth via the Health Direct platform and telephone to access interpreters, including Auslan interpreters.

This provides opportunities for increasing the number of languages offered and the number of interpreters to which the service has access.

In 2022-23 a total of 14,431 occasions of service were delivered via telehealth and telephone calls, representing 43 per cent of the total occasions of interpreter service.

Eastern Health routinely provides interpretation services in 16 languages with its in-house and casual team of interpreters, and with advances in telehealth technology now has further opportunities to connect with NAATI-certified interpreters, including those in other states and potentially overseas, as these remote connections are not limited to providers who live and work in Melbourne.

The top three languages of demand continue to be Mandarin, Cantonese and Greek, followed by Italian, Persian, Vietnamese, Chin Hakha, Arabic, Burmese and Korean completing the top 10.

In 2022-23, supported by its external agency providers, Eastern Health provided language services in 85 languages.



29%

of our patients were born in a non-English speaking country



33,134

patients with a primary language other than English



85

languages in which services were provided



ACTIVITY AND FUNDING

FUNDING TYPE	ACTIVITY
Consolidated Activity Funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	152,327
Acute Admitted	
National Bowel Cancer Screening Program NWAU	115
Acute admitted DVA	468
Acute admitted TAC	228
Acute Non-Admitted	
Home Enteral Nutrition NWAU	51
Home Renal Dialysis NWAU	644.45
Subacute/Non-Acute, Admitted and Non-admitted	
Subacute admitted - DVA	137
Transition Care - Bed days	22,430
Transition Care - Home days	9,663
Aged Care	
Residential Aged Care	34,961
HACC	3,338
Mental Health and Drug Services	
Mental Health Ambulatory	199,485
Mental Health Inpatient - Available bed days	43,472
Mental Health Residential	14,600
Mental Health Service System Capacity	2
Mental Health Subacute	21,700
Primary Health	
Community Health/Primary Care Programs	21,491

* Figures for drug services were not available for 2022-23; data will be collected for future reporting.

ENVIRONMENTAL PERFORMANCE

	2022/23	2021/22	2020/21
Electricity use			
EL1 Total electricity consumption segmented by source (MWh)			
Purchased	36,429.52	37,589.33	35,282.96
Self-generated	249.17	141.56	8.73
EL1 Total electricity consumption (MWh)	36,678.68	37,730.89	35,291.69
EL2 On site-electricity generated (MWh) segmented by:			
Consumption behind-the-meter			
Solar Electricity	249.17	141.56	8.73
Total Consumption behind-the-meter (MWh)	249.17	141.56	8.73
Exports			
Solar Electricity	0.00	0.00	0.00
Total Electricity exported (MWh)	0.00	0.00	0.00
EL2 Total On site-electricity generated (MWh)	249.17	141.56	8.73
EL3 On-site installed generation capacity (kW converted to MW) segmented by:			
Cogeneration Plant	1.15	1.15	1.15
Diesel Generator	17.14	17.14	17.14
Solar System	0.30	0.30	0.30
EL3 Total On-site installed generation capacity (MW)	18.59	18.59	18.59
EL4 Total electricity offsets segmented by offset type (MWh)			
LGCs voluntarily retired on the entity's behalf	0.00	0.00	0.00
GreenPower	0.00	0.00	0.00
RPP (Renewable Power Percentage in the grid)	6,848.75	6,987.86	6,679.06
Certified climate active carbon neutral electricity purchased	0.00	0.00	0.00
EL4 Total electricity offsets (MWh)	6,848.75	6,987.86	6,679.06
Stationary energy			
F1 Total fuels used in buildings and machinery segmented by fuel type (MJ)			
Natural gas	125,628,990.30	118,654,088.10	132,846,681.60
Diesel	1,429,523.90	160,062.60	2,124,103.80
F1 Total fuels used in buildings (MJ)	127,058,514.20	118,814,150.70	134,970,785.40
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (Tonnes CO²-e)			
Natural gas	6,473.66	6,114.25	6,845.59
Diesel	100.35	11.24	149.11
F2 Greenhouse gas emissions from stationary fuel consumption (Tonnes CO²-e)	6,574.01	6,125.49	6,994.70
Transportation energy			
T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type (MJ)			
Non-emergency transport (Health service operated) - Gasoline	4,724,730.00	430,578.00	323,364.40
Non-executive fleet - Gasoline	0.00	4,487,963.80	3,634,495.70
Petrol	4,724,730.00	4,918,541.80	3,957,860.10
Non-emergency transport (Health service operated) - E10	14,705.30	0.00	
Non-executive fleet - E10	0.00	20,944.60	4,322.00



	2022/23	2021/22	2020/21
Petrol (E10)	14,705.30	20,944.60	4,322.00
Non-emergency transport (Contracted) - Diesel			177,946.00
Non-emergency transport (Health service operated) - Diesel	1,193,126.00	93,026.00	0.00
Non-executive fleet - Diesel	0.00	1,224,654.70	910,056.60
Diesel	1,193,126.00	1,317,680.70	1,088,002.60
Non-executive fleet - LPG			0.00
LPG			0.00
Total energy used in transportation (vehicle fleet) (MJ)	5,932,561.30	6,257,167.10	5,050,184.70
T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type (tonnes CO²-e)			
Non-emergency transport (Health service operated) - Gasoline	319.49	29.12	21.87
Non-executive fleet - Gasoline	0.00	303.48	245.76
Petrol	319.49	332.60	267.63
Non-emergency transport (Health service operated) - E10	0.90	0.00	
Non-executive fleet - E10	0.00	1.28	0.26
Petrol (E10)	0.90	1.28	0.26
Non-emergency transport (Contracted) - Diesel			
Non-emergency transport (Health service operated) - Diesel	84.01	6.55	0.00
Non-executive fleet - Diesel	0.00	86.23	64.08
Diesel	84.01	92.78	64.08
Non-executive fleet - LPG			0.00
LPG			0.00
Total Greenhouse gas emissions from transportation (vehicle fleet) (tonnes CO²-e)	404.40	426.65	344.50
T(opt1) Total vehicle travel associated with entity operations (1,000 km)			
Total vehicle travel associated with entity operations (1,000 km)	1,799.00	1,548.94	1,938.65
T(opt2) Greenhouse gas emissions from vehicle fleet (tonnes CO²-e per 1,000 km)			
tonnes CO ² -e per 1,000 km	0.40	0.28	0.18
Total energy use			
E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)			
Total energy usage from stationary fuels (F1) (MJ)	127,058,514.20	118,814,150.70	134,970,785.40
Total energy usage from transport (T1) (MJ)	5,932,561.30	6,257,167.10	5,050,184.70
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)	132,991,075.50	125,071,317.80	140,020,970.10
E2 Total energy usage from electricity (MJ)			
Total energy usage from electricity (MJ)	132,043,252.83	135,831,183.81	127,050,079.64
E3 Total energy usage segmented by renewable and non-renewable sources (MJ)			
Renewable	25,553,964.23	25,667,983.42	24,076,484.66
Non-renewable (E1 + E2 - E3 Renewable)	239,480,364.11	235,234,518.19	242,994,565.08

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ENVIRONMENTAL PERFORMANCE (CONTINUED)

	2022/23	2021/22	2020/21
E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser			
Energy per unit of Aged Care OBD (MJ/Aged Care OBD)	9,768.58	7,355.23	7,193.83
Energy per unit of LOS (MJ/LOS)	562.55	594.47	589.53
Energy per unit of Separations (MJ/Separations)	1,780.56	1,752.16	1,654.84
Energy per unit of floor space (MJ/m ²)	1,521.28	1,486.12	1,529.16
Water use			
W1 Total units of metered water consumed by water source (kl)			
Potable water (kl)	190,464.80	201,853.91	206,280.58
Reused water (kl)	43,098.00	47,670.00	79,257.21
Total units of water consumed (kl)	233,562.80	249,523.91	285,537.79
W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity			
Water per unit of Aged Care OBD (kl/Aged Care OBD)	8.81	7.21	7.84
Water per unit of LOS (kl/LOS)	0.51	0.58	0.64
Water per unit of Separations (kl/Separations)	1.61	1.72	1.80
Water per unit of floor space (kl/m ²)	1.37	1.46	1.67
Waste and recycling			
WR1 Total units of waste disposed of by waste stream and disposal method (kg)			
Landfill (total)			
General waste	1,504,894.02	1,381,655.74	1,508,899.12
Offsite treatment			
Clinical waste - incinerated	26,002.11	31,435.38	29,095.10
Clinical waste - sharps	36,993.17	35,680.23	36,273.36
Clinical waste - treated	438,201.86	530,021.65	468,219.68
Recycling/recovery (disposal)			
Cardboard	226,756.45	222,836.15	491,929.85
Commingled	183,513.44	217,889.76	453,799.68
Paper (confidential)	128,499.01	101,423.60	101,029.59
Paper (recycling)	3,764.74	8,032.89	9,674.49
PVC	2,702.00	1,607.00	6,758.00
Total units of waste disposed (kg)	2,551,326.80	2,532,659.40	3,148,898.37
WR1 Total units of waste disposed of by waste stream and disposal method (%)			
Landfill (total)			
General waste	58.98%	54.55%	47.92%
Offsite treatment			
Clinical waste - incinerated	1.02%	1.24%	0.92%
Clinical waste - sharps	1.45%	1.41%	1.15%
Clinical waste - treated	17.18%	20.93%	14.87%
Recycling/recovery (disposal)			
Cardboard	8.89%	8.80%	15.62%
Commingled	7.19%	8.60%	14.41%
Paper (confidential)	5.04%	4.00%	3.21%
Paper (recycling)	0.15%	0.32%	0.31%
PVC	0.11%	0.06%	0.21%



	2022/23	2021/22	2020/21
WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method			
Total waste to landfill per PPT ((kg general waste)/PPT)	1.92	1.81	1.82
Total waste to offsite treatment per PPT ((kg offsite treatment)/PPT)	0.64	0.78	0.64
Total waste recycled and reused per PPT ((kg recycled and reused)/PPT)	0.69	0.72	1.33
WR4 Recycling rate (%)			
Weight of recyclable and organic materials (kg)	545,235.64	553,866.40	1,106,411.11
Weight of total waste (kg)	2,551,326.80	2,532,659.40	3,148,898.37
Recycling rate (%)	21.37%	21.87%	35.14%
WR5 Greenhouse gas emissions associated with waste disposal (tonnes CO²-e)			
tonnes CO ² -e	2,596.98	2,559.21	2,643.00
Greenhouse gas emissions			
G1 Total scope one (direct) greenhouse gas emissions (tonnes CO²e)			
Carbon Dioxide	6,959.99	6,534.89	7,319.87
Methane	12.81	11.99	13.59
Nitrous Oxide	5.60	5.24	5.75
Total	6,978.40	6,552.13	7,339.20
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) (tonnes CO²-e)	6,574.01	6,125.48	6,994.70
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) (tonnes CO²-e)	404.39	426.65	344.50
Total scope one (direct) greenhouse gas emissions (tonnes CO²e)	6,978.40	6,552.13	7,339.20
G2 Total scope two (indirect electricity) greenhouse gas emissions (tonnes CO²e)			
Electricity	25,025.33	27,449.52	27,516.95
Total scope two (indirect electricity) greenhouse gas emissions (tonnes CO²e)	25,025.33	27,449.52	27,516.95
G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO²e)			
Waste emissions (WR5)	2,596.98	2,559.21	2,643.00
Indirect emissions from Stationary Energy	3,751.55	3,474.14	3,714.07
Indirect emissions from Transport Energy	101.98	22.55	18.19
Paper emissions	119.30	141.05	135.98
Any other Scope 3 emissions	322.62	379.16	340.16
Total scope three greenhouse gas emissions (tonnes CO²e)	6,892.44	6,576.10	6,851.38
G(Opt) Net greenhouse gas emissions (tonnes CO²e)			
Gross greenhouse gas emissions (G1 + G2 + G3) (tonnes CO²e)	38,896.17	40,577.75	41,707.53
Carbon Neutral Electricity	0.00	0.00	0.00
Green Power Electricity	0.00	0.00	0.00
Purchased LGCs	0.00	0.00	0.00
Any Offsets purchased	0.00	0.00	0.00
Net greenhouse gas emissions (tonnes CO²e)	38,896.17	40,577.75	41,707.53
Normalisation factors			
1000km (Corporate)	1,799.00	1,548.94	1,938.65
Aged Care OBD	26,524.00	34,621.00	36,423.00
ED Departures	152,705.00	156,604.00	192,053.00
LOS	460,585.00	428,354.00	444,459.00
OBD	487,109.00	462,975.00	480,882.00
PPT	785,331.00	764,911.00	831,271.00
Separations	145,517.00	145,332.00	158,336.00
TotalAreaM ²	170,317.75	171,349.00	171,349.00

* All figures reflect data available up until the time this report was compiled and may change due to validation procedures or billing errors. These results are estimates derived from the Department of Health's Environmental Data Management System (EDMS), which will continue to be used in future reports to meet the requirements of FRD 24.



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

In 2022-23 there were 13 consultancies where the total fees payable to the consultant were greater than \$10,000 with the total expenditure of \$1, 581, 036 (excluding GST).

Details of the individual consultancies are published on the Eastern Health website.

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

In 2022-23, there was one consultancy where the total fee payable to the consultant was less than \$10,000. The total expenditure incurred during 2022-23 in relation to this consultancy was \$5,000 (excluding GST).

Information and Communication Technology (ICT) expenditure

Total Information and Communication Technology (ICT) expenditure incurred during 2022-23 is \$64.63 million (excluding GST), as per below:

BAU	NON-BAU		
	Expenditure	Total expenditure	Operational expenditure
\$27.1m	\$37.6m	\$29.2m	\$8.4m

BAU – Business as usual



DISCLOSURES REQUIRED UNDER LEGISLATION

Freedom of Information Act 1982

Eastern Health complies with the *Victorian Freedom of Information Act 1982* which allows individuals to apply for access to government documents that are not available for public inspection.

Applications must be in writing to the Eastern Health FOI Service. You can use the application form (available on the Eastern Health website or from Health Information Services at each site) or simply write a letter or email.

You can ask for a copy of the record, or to view the record. Your request must clearly identify which documents you want to access.

Applications must be sent with the current application fee (see link to website for current charges) and proof of your identity (e.g. copy of driver's licence).

Applications can be forwarded to:

Eastern Health Freedom of Information Service
Health Information Services

Maroondah Hospital
PO Box 135
Ringwood East VIC 3135

P: (03) 9871 3170
F: (03) 9871 1653
E: foi@easternhealth.org.au

Eastern Health must give you access to the records you request, unless they fall within one of the "exemption" categories in the FOI Act.

If Eastern Health denies you access to any documents, it will explain its reasons, and advise you how to request a review of that decision.

In 2022-23, Eastern Health received 1,753 requests under the *Freedom of Information Act 1982*. This total comprised of 1,364 personal requests, mostly from patients or their representatives seeking access to their medical records and 389 non-personal requests which included requests for patient medical

records from insurance companies, WorkCover and TAC.

Full access to documents was provided in 623 requests. Partial access was granted for 825 requests, while 9 requests were denied in full.

The most common reason for Eastern Health seeking to fully or partially exempt requested documents was the protection of personal privacy in relation to requests for information about persons other than the applicant.

There were 126 requests either withdrawn by the applicant, processed outside the Act or no documents could be located or were in existence and 170 requests were not yet finalised at 30 June 2023.

Most applications were received from patients, their legal or other representative, or surviving next of kin and most were for access to medical records.

For information about how to make an FOI request and any costs associated with the request, visit www.easternhealth.org.au

FREEDOM OF INFORMATION REQUESTS	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Number of requests	1,262	1,378	1,359	1,385	1,504	1,551	1753
Access provided in full	708	820	756	621	628	584	623
Access provided in part	410	420	448	590	654	747	825
No documents	38	40	55	67	53	57	70
Access denied	8	7	6	12	10	9	9
Request withdrawn by applicant	7	9	11	9	16	15	23
Transferred to another agency	1	0	0	1	1	0	0
Requests not completed	89	80	71	79	135	137	170
Requests processed outside the Act	2	2	12	7	8	2	33
Complaints lodged with OVIC	6	4	2	1	Nil	3	10
Referred to OVIC for review	6	9	10	12	5	4	8
Decisions referred to VCAT	1	1	0	0	2	0	0

OVIC – Office of the Victorian Information Commissioner

VCAT – Victorian Civil and Administrative Tribunal



Building Act 1993

Eastern Health complies with the building and maintenance provisions of the *Building Act 1993* and Department of Health Fire Risk Management Guidelines, with all works completed in 2022-23 in accordance with the relevant provisions of the National Construction Code.

Eastern Health ensures works are inspected by independent registered building surveyors. All building practitioners are required to show evidence of current registration and must maintain their registration status throughout the course of their work with us.

Public Interest Disclosures Act 2012

Eastern Health complies with the *Public Interest Disclosures Act 2012 (Vic)*, which forms part of Victoria's anti-corruption laws. Neither "improper conduct" nor "reprisal against a person for a public interest disclosure" is acceptable to us.

Eastern Health supports the making of disclosures about such conduct to the Independent Broad-based Anti-Corruption Commission (IBAC).

Any requests for information about our procedures for the protection of persons from unlawful reprisal for public interest disclosures should be directed to the Executive Director People and Culture at Eastern Health.

Public interest disclosures are distinguished from complaints or grievances that would be dealt with under Eastern Health's usual complaint or grievance processes, such as a patient's healthcare complaint or an employee's industrial grievance.

There were no public interest disclosures related to Eastern Health made to IBAC in 2022-23.

For more information, visit www.ibac.vic.gov.au

Statement on National Competition Policy

Eastern Health is committed to ensuring that services demonstrate both quality and efficiency.

Competitive neutrality, which supports the Commonwealth Government's National Competition Policy, helps to ensure net competitive advantages that accrue to a government business are offset.

Eastern Health understands the requirements of competitive neutrality and acts accordingly.

It complies with the Competitive Neutrality Policy Victoria and any subsequent reforms that relate to responsible expenditure and infrastructure projects, and the creation of effective partnerships between private enterprise and the public sector.

Carers Recognition Act 2012

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

Eastern Health ensures compliance with obligations under the Act through:

- Articulating how the role of carers is recognised, promoted and valued in the Eastern Health Partnering with our Patients, Families and Carers Standard.
- Ensuring the Victorian charter supporting people in care relationships (Carers Charter) and the Statement for Australia's Carers are available to Eastern Health staff via the Standard, and to the community via the Eastern Health website.
- Celebrating and promoting National Carers Week to raise community awareness among the Eastern Health Community about the diversity of carers and their caring roles.

- Employing Disability Liaison Officers.
- An active Disability Working Group with staff with lived experience as a carer in the membership.

Social procurement framework

Eastern Health has Social Procurement objectives to:

- Provide opportunities for Victorian Aboriginal people by purchasing from Victorian Aboriginal businesses and generate employment for Victorian Aboriginal people through suppliers to Eastern Health.
- Support women's equality and safety through the adoption of family violence leave and gender equality by Eastern Health's suppliers.
- Seek suppliers to attest that they comply with Modern Slavery reporting obligations on sources of supply.
- Promote sustainable business practices through the adoption of sustainable business practices by Eastern Health's suppliers.

Eastern Health spent approximately \$7M over 2022-23 with social benefit suppliers, which represents 1.7 per cent of the total \$419.7M procurement expenditure for the period. This figure is expected to increase as the social procurement activities gain momentum.

Over the past year, Eastern Health has incorporated Social Procurement objectives in its high value procurement programs, in line with the Victorian Government's Social Procurement Framework, that encourage the employment of Indigenous staff and the use of Indigenous businesses as suppliers.

In addition to assigning social procurement weightings as part of the evaluation process, Eastern Health has required high value suppliers to develop Reconciliation Action Plans and undertake Cultural Awareness training for staff, to bring suppliers in line with Eastern Health's own practices.



Local Jobs First Act 2003

Eastern Health complies with the *Local Jobs Act First 2003* (the Act, formerly the *Victorian Industry Participation Policy Act 2003*) is Australia's longest-standing industry participation legislation and is focused on promoting employment growth by expanding market opportunities for local industry and providing for industry development.

Administered by the Department of Jobs, Precincts and Regions (DJPR), this supports Victorian businesses and workers by ensuring that small and medium size enterprises (SMEs) are given a full and fair opportunity to compete for both large and small government contracts, helping to create job opportunities, including for apprentices, trainees and cadets.

The following information for contracts commenced and/or completed in the financial year must be disclosed under the Local Jobs First Act 2003 (Refer to FRD 25 5.3 *Local Jobs First - Disclosures in the Report of Operations (April 2019)*, which now includes all disclosures under the *Victorian Industry Participation Policy (VIPP)*):

The number of projects that the Major Projects Skills Guarantee has been applied on (from 16 August 2018), the total number of hours completed or to be completed by apprentices, trainees or cadets on these projects, and the total number of opportunities created for apprentices, trainees and cadets on these projects.

Nil to report

The number of projects and percentage of 'local content' committed under projects that commenced and/or completed in the reporting period to which LIDP was required;

(i) metropolitan;

3 x project commenced in 2022-23 for Metropolitan

1. Replacement of CT Scanner Fleet Eastern Health EH22-0203T 40.00% local content commitment.
2. Preferred Pharmaceutical Wholesaler EH21-0814T 44% local content commitment.
3. Eastern Health Network Uplift Project EH22-0407T 32.47% local content commitment.

For projects commenced, a statement of total LIDP commitments (local content, employment and engagement of apprentices, trainees and cadets) committed as a result of these projects;

3 x project commenced in 2022-23

Item 1:

Total Employment Commitment for project: 2.87 Annualised Employee Equivalent (AEE). Consisting of 1.43 Retained AEE and 1.43 Created.

Item 2:

Total Employment Commitment for project: 5.75 Annualised Employee Equivalent (AEE). Consisting of 2.87 Retained AEE and 2.87 Created.

Item 3:

Total Employment Commitment for project: 12.57 Annualised Employee Equivalent (AEE). Consisting of 10.63 Retained AEE and 1.94 Created.

Total committed as a result of these projects: 21.19 AAE

For projects completed, a statement of total VIPP Plan or LIDP outcomes (local content, employment and engagement of apprentices/trainees) achieved as a result of these contracts; and

Nil completed for this financial year

The total number, across all projects commenced or completed by the department, of small and medium sized businesses engaged as either the principal contractor or as part of the supply chain.

20

1. Replacement of CT Scanner Fleet Eastern awarded to GE, 1 SME principal contractor (1)
2. Preferred Pharmaceutical Wholesaler awarded to CH2, 13 SME plus principal contractor. (14)
3. Eastern Health Network Uplift Project awarded to NTT Australia, 4 SME plus principal contractor. (5)

Gender Equality Act 2020

The objective of the *Gender Equality Act (Vic) 2020* (the Act) is to improve workplace gender equality in the Victorian public sector, universities and local councils.

This legislation requires Eastern Health to measure, report on, plan for and progress gender equality over a 4-year period on criteria and processes articulated by the Commission for Gender Equality in the Public Sector.

Eastern Health's Audit and Action Plan was endorsed in 2022 and since then progress has been made against year one actions, with the first progress report to be submitted to the Commission in February 2024.

Notable highlights to date include:

- a. Executing against communication and events plan to raise awareness and stakeholder engagement regarding topics impacting equity, inclusion and belonging.
- b. Completed system reconfiguration to capture intersectionality data for new and existing team members. Commenced collection of data for new hires.
- c. Improved governance of Eastern Health's Diversity, Equity and Inclusion (DEI) agenda through the establishment of the DEI Committee and making gender workforce data available to leaders.

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- d. Sponsored leaders, emerging leader through to executive, to participate in Women in Leadership Programs, including those offered by the Australian School of Applied Management and INSEAD.
- e. Developed Employee Impact Assessment (EIA) training to equip all policy owners to apply an intersectionality lens and remove bias from policies, standards and guidelines.

Safe Patient Care Act 2015

Workforce management systems and processes ensure Eastern Health maintains compliance with the Safe Patient Care (*Nurse to Patient and Midwife to Patient Ratios*) Act 2015. This requires ratios to be met when determining staffing levels across the services and wards covered by this legislation.

Eastern Health remains impacted by the workforce challenges experienced at both a state and national level and under section 40 of the *Safe Patient Care Act 2015*, has met the legislative obligations.

ATTESTATIONS AND DECLARATIONS

Financial Management Compliance Attestation

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



Mr Tass Mousaferiadis
Eastern Health Board
22 August 2023

Data Integrity Declaration

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



Adjunct Professor David Plunkett
Chief Executive Eastern Health
22 August 2023

Conflict of Interest Declaration

I, David Plunkett, certify that Eastern Health has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC.

Declaration of private interest forms have been completed by all executive staff within Eastern 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 Committee, Board and Board Committee meeting.



Adjunct Professor David Plunkett
Chief Executive Eastern Health
22 August 2023

Integrity, Fraud and Corruption Declaration

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



Adjunct Professor
David Plunkett

Eastern Health Chief Executive
22 August 2023

Compliance with HealthShare Victoria (HSV) Purchasing Policies

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



Adjunct Professor
David Plunkett

Eastern Health Chief Executive
22 August 2023

Additional information available on request

Details in respect of the items listed below have been retained by the health service and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

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

Car Parking Fees

Eastern Health complies with the Department of Health *Hospital Circular* on car parking fees and details of car parking fees and concession benefits can be viewed at www.easternhealth.org.au

Eastern Health Foundation



Through the Eastern Health Foundation, thousands of compassionate community members have enhanced the healthcare experience and outcomes for the local community. This is done by providing additional medical equipment, funding clinical research and offering dedicated healthcare workers scholarship opportunities across all Eastern Health locations.

These examples explain how funds raised have helped to enhance patient care in Melbourne's east.

Investing in research: increasing women's awareness of the link between breast cancer and alcohol consumption


Breast cancer is the most prevalent cancer in Australia and alcohol is a major modifiable risk factor for breast cancer in women – with at least 6.6 per cent (or one in 15 cases) being attributable to alcohol consumption¹.

However, awareness of this risk remains low and is not systematically addressed in healthcare settings.

Health4Her is a brief intervention to improve awareness of the alcohol-breast cancer link and address harmful alcohol use among women attending breast screening services.

Thanks to the funds raised by local community group, Shades of Pink, the *Health4Her* research team has been able to work with women to co-design an automated, self-completed version of the educational intervention to increase awareness of alcohol as a breast cancer risk factor on a larger scale. The intervention is being tested at Maroondah Hospital.

Improving efficiencies in providing health promotion within healthcare practices will have greater outcomes for women in Melbourne's east, and more broadly across the state of Victoria.



Local community group, Shades of Pink, raised funds to enable the *Health4Her* research team to co-design the educational intervention to increase awareness of alcohol as a breast cancer risk factor.

¹ <https://www.mja.com.au/journal/2023/218/11/brief-intervention-improving-cohort-literacy-and-reducing-harmful-alcohol-use>



Family comfort at Upton House thanks to Box Hill RSL

Thanks to the support of Box Hill RSL, the family room at Upton House has been refurbished to create a family-friendly space that is welcoming, calm and appropriate for children and loved ones to spend time with patients.

Providing care and support to people aged 18-64 who require an inpatient stay for the treatment of mental health issues, the treating team at Upton House works to provide the best available treatment for patients' mental and physical health to assist in recovery.

The family room offers a warm, safe and inviting environment for patients to reconnect during a stressful time and discuss future medical care with the treating team. This support can also help reduce the chance of re-admission.





Congratulations to the

54

recipients

of the Eastern Health
Staff Development
Scholarship



ABOVE: Veronica Lyons (Foundation Director), Peter Hitchener (Patron), Iris' nieces, Bev Atkinson and Pam Prior with David Plunkett (Eastern Health CEO) at the launch of the society.



LEFT: Iris with her husband, Alfred Allingham, outside their home in Box Hill.

Developing the next generation of medical leaders

Many dedicated and hardworking nurses and other medical clinicians are committed to becoming leaders in their fields.

Thanks to the support of individuals, businesses and community groups, the Eastern Health Foundation Staff Development Scholarships give clinical and non-clinical staff the opportunity to pursue further learning and specialisation in their fields.

Fifty-four individuals were the recipients of Staff Development Scholarship across a range of specialties including Emergency, Intensive Care, Maternity and Cardiac departments.

These scholarships empower our people to become leaders, to develop specialist skills and/or continue learning to give every patient the care they deserve.

Congratulations to the 54 recipients who received a scholarship between July 2022 and June 2023.



The Iris Allingham Society

The Eastern Health Foundation is fortunate to have many supporters with a gift in their Will.

To recognise and acknowledge these people for their kindness, generosity and foresight for leaving such a legacy, the Iris Allingham Society has been created.

The society enables us to say thank you to these special people while we still can.

Launched in May 2023, the society has been named after Iris Allingham, who was a long-term committed member of the Box Hill community, living her whole life in Box Hill.

Iris bequeathed her entire estate to Box Hill Hospital in a perpetual trust to continue to support her community for generations to come.



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Eastern Health Foundation
Research and Innovation
Grants





“The experience that children have with us is very important as it helps to build trust in the healthcare system as they move through their own stages of life.”

Benefits of life and colour for kids

White sterile walls can be a little scary for children who need to visit their local hospital.

Thanks to a generous donation from the Rotary Club of Box Hill Burwood and Wheelton Philanthropy, Melbourne-based artist and muralist, Tess Dawson, was invited to share her talents throughout the Children’s Ward at Box Hill Hospital.

The Australiana themed artwork brought life and colour to the ward.

Once the murals were completed, Eastern Health Paediatrician, Dr Jessica Costa-Pinto noticed some surprising benefits for both staff and patients, *“It’s had a huge impact already. I know for me, every day that I’m at work doing the ward rounds I use the artwork to get the kids out of their room and engaged in the ward.”*

“The experience that children have with us is very important as it helps to build trust in the healthcare system as they move through their own stages of life.”



Thank you to our philanthropic partners

We are most grateful for the care and compassion from individuals, community groups, clubs, corporates and charitable trusts and foundations who have generously given to advance patient care and develop lifesaving research. We would especially like to thank:

Individual donors

- Mr Keith Boniface
- Mr Conroy Chan and Ms Josie Ho
- Mr Philip Crohn
- Mr John Curran
- Mr Henk De Jong
- The Dicker Family
- Miss Yvonne Gray
- Mr Alan C. and the late Helen J. Horstman
- Mr Sani Lee
- Mr Brian Naismith
- The Sammons Family
- The Sokhi and Sandhu Family
- Mr John, Chris and Peter Williams
- Ms Kim Wong

Corporates and community groups

- Asian Business Association of Whitehorse
- Auxiliary – Angliss Hospital Ferntree Gully
- Auxiliary – Maroondah Hospital Kiosk

- BankVic
- Box Hill Chinese Senior Citizens Club
- Box Hill RSL
- CBD Development Management Pty Ltd
- Dandenong Ranges Community Bank Group
- Glyde Metal Industries Pty Ltd
- Hoscat Pty Ltd
- Mark Leonard Plumbing
- Noel Jones Ringwood
- Ringwood Mazda
- Rotary Club of Box Hill Burwood
- Rotary Club of Maroondah
- Shades of Pink
- She Won’t Be Right Mate
- Verum Built
- Yarra Valley Motor Group

Trusts and Foundations

- Bai Fu Xin Philanthropic Foundation
- Collier Charitable Fund

- Coopersmith Family Foundation
- Honda Foundation
- Portland House Foundation
- Robert C Bulley OAM Charitable Fund
- The Harry Secomb Foundation
- Tides Foundation
- Wheelton Philanthropy
- William Angliss (Victoria) Charitable Fund

Gifts in Wills

- State Trustees Australia Foundation
- The Erica Wareham Cromwell Trust
- The Estate of Annie Noble
- The Estate of Betty Sanders Hunt
- The Estate of Ezme Joan Coghlan
- The Estate of Jonathan Wright
- The Estate of Ronald Leslie Elliott
- The Iris Allingham Trust
- The Pam and Alfred Lavey Trust



DISCLOSURE INDEX

The annual report of Eastern 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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BOARD MEMBER'S, ACCOUNTABLE OFFICER'S AND CHIEF FINANCE AND ACCOUNTING OFFICER'S DECLARATION

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

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2023 and the financial position of Eastern Health at 30 June 2023.

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

We authorise the attached financial statements for issue on this day.

Board Member



Mr Tass Mousaferiadis
Chair (On behalf of the Board)
22 August 2023

Accountable Officer



Adjunct Professor David Plunkett
Chief Executive
Box Hill
22 August 2023

Chief Finance and Accounting Officer



Mr Geoff Cutter
Chief Finance Officer
Box Hill
22 August 2023

Independent Auditor's Report

To the Board of Eastern Health

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

- balance sheet as at 30 June 2023
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- 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 position of the health service as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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



Dominika Ryan
as delegate for the Auditor-General of Victoria

MELBOURNE
7 September 2023

EASTERN HEALTH COMPREHENSIVE OPERATING STATEMENT

For the Financial Year Ended 30 June 2023

	NOTE	2023 \$'000	2022 \$'000
Revenue and income from Transactions			
Operating Activities	2.1	1,502,588	1,447,250
Non-Operating Activities	2.1	7,971	606
Total Revenue and income from Transactions		1,510,559	1,447,856
Expenses from Transactions			
Employee Expenses	3.1	(1,071,594)	(1,013,230)
Supplies and Consumables	3.1	(226,317)	(192,189)
Finance Costs	3.1	(893)	(475)
Other Administrative Expenses	3.1	(81,490)	(68,743)
Depreciation and Amortisation	4.5	(76,598)	(71,375)
Other Operating Expenses	3.1	(96,321)	(89,604)
Total Expenses from Transactions		(1,553,213)	(1,435,616)
NET RESULT FROM TRANSACTIONS - NET OPERATING BALANCE		(42,654)	12,240
Other Economic Flows included in Net Result			
Net Gain/(Loss) on Sale of Non-Financial Assets	3.2	(240)	(55)
Net Gain/(Loss) on Financial Instruments at Fair Value	3.2	(1,643)	(119)
Other Gain/(Loss) from Other Economic Flows	3.2	(14,663)	13,189
Total Other Economic Flows included in Net Result		(16,546)	13,015
NET RESULT FOR THE YEAR		(59,200)	25,255
Other Economic Flows - Other Comprehensive Income			
Items That Will Not Be Reclassified To Net Result			
Changes in Property, Plant and Equipment Revaluation Surplus	4.3	106,343	19,360
Total Other Comprehensive Income		106,343	19,360
COMPREHENSIVE RESULT FOR THE YEAR		47,143	44,615

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

EASTERN HEALTH BALANCE SHEET

As at 30 June 2023

	NOTE	2023 \$'000	2022 \$'000
Assets			
Current Assets			
Cash and Cash Equivalents	6.2	180,983	196,431
Receivables	5.1	49,104	21,031
Contract Assets	5.2	5,001	6,044
Inventories	4.6	10,172	10,269
Prepaid Expenses		2,655	2,120
Total Current Assets		247,915	235,895
Non-Current Assets			
Receivables	5.1	77,895	83,754
Property, Plant and Equipment	4.1(a)	1,311,072	1,218,294
Right of Use Assets	4.2(a)	46,037	42,078
Intangible Assets	4.4(a)	19,845	47,629
Total Non-Current Assets		1,454,849	1,391,755
TOTAL ASSETS		1,702,764	1,627,650
Liabilities			
Current Liabilities			
Payables	5.3	214,534	180,685
Contract Liabilities	5.4	8,375	44,609
Borrowings	6.1	9,802	9,357
Employee Benefits	3.3	261,179	236,503
Other Liabilities	5.5	22,917	21,954
Total Current Liabilities		516,807	493,108
Non-Current Liabilities			
Borrowings	6.1	35,070	32,622
Employee Benefits	3.3	35,642	33,818
Total Non-Current Liabilities		70,712	66,440
TOTAL LIABILITIES		587,519	559,548
NET ASSETS		1,115,245	1,068,102
Equity			
Property, Plant and Equipment Revaluation Surplus	4.3	852,819	746,476
Restricted Specific Purpose Reserve		37,937	35,625
Contributed Capital		249,890	249,890
Accumulated Surplus/(Deficit)		(25,401)	36,111
TOTAL EQUITY		1,115,245	1,068,102

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



EASTERN HEALTH STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2023

	PROPERTY, PLANT AND EQUIPMENT REVALUATION SURPLUS \$'000	RESTRICTED SPECIFIC PURPOSE RESERVE \$'000	CONTRIBUTED CAPITAL \$'000	ACCUMULATED SURPLUS/ (DEFICIT) \$'000	TOTAL \$'000
Balance at 1 July 2021	727,116	36,613	249,890	9,868	1,023,487
Net Result for the Year	-	-	-	25,255	25,255
Other Comprehensive Income for the Year	19,360	-	-	-	19,360
Transfer from/(to) Accumulated Surpluses/ (Deficit)	-	(988)	-	988	-
Balance at 30 June 2022	746,476	35,625	249,890	36,111	1,068,102
Net Result for the Year	-	-	-	(59,200)	(59,200)
Other Comprehensive Income for the Year	106,343	-	-	-	106,343
Transfer from/(to) Accumulated Surpluses/ (Deficit)	-	2,312	-	(2,312)	-
Balance at 30 June 2023	852,819	37,937	249,890	(25,401)	1,115,245

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

EASTERN HEALTH CASH FLOW STATEMENT

For the Financial Year Ended 30 June 2023

	NOTE	2023 \$'000	2022 \$'000
Cash Flows from Operating Activities			
Operating Grants from Government		1,240,116	1,198,595
Operating Grants From Commonwealth Government		58,417	60,021
Capital Grants From State Government		62,417	25,388
Patient and Resident Fees Received		47,631	46,597
Private Practice Fees Received		27,737	35,384
Donations and Bequests Received		2,729	1,364
GST Received From ATO		33,080	27,692
Interest Received		7,971	605
Car Park Income Received		6,854	6,169
Other Receipts		46,031	32,099
Total Receipts		1,532,983	1,433,914
Payments to Employees		(1,076,514)	(973,763)
Payments to Contractors and Consultants		(6,671)	(6,395)
Payments For Supplies and Consumables		(256,315)	(177,625)
Finance Costs		(1,343)	(1,316)
Payments for Insurance		(21,310)	(19,986)
Payments for Repairs and Maintenance		(36,618)	(34,852)
Payments for Fuel, Light and Power		(9,369)	(8,432)
Other Payments		(79,156)	(93,094)
Total Payments		(1,487,296)	(1,315,463)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	8.1	45,687	118,451
Cash Flows from Investing Activities			
Purchase of Non-Financial Assets		(52,600)	(19,655)
Purchase of Intangible Assets		(3,185)	(4,869)
Proceeds from Sale of Non-Financial Assets		93	1
Capital Donations and Bequests Received		-	2,601
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(55,692)	(21,922)
Cash Flows from Financing Activities			
(Repayments) of Borrowings from Treasury Corporation of Victoria		(1,192)	(1,143)
(Repayments) of Borrowings from Department of Health		(1,557)	(1,500)
Receipt of Borrowings from Department of Health		-	287
Repayment of Aged Care Accommodation Deposits		(2,957)	(2,991)
Receipt of Aged Care Accommodation Deposits		(6,315)	2,195
Repayment of Principal Portion of Lease Liabilities		(6,052)	(5,050)
NET CASH FLOWS/(USED IN) FINANCING ACTIVITIES		(5,443)	(8,202)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		(15,448)	88,327
Cash and Cash Equivalents at Beginning of Year		196,431	108,104
CASH AND CASH EQUIVALENTS AT END OF YEAR	6.2	180,983	196,431
Represented by:			
Monies for Health Service Operations		168,903	187,709
Monies held in trust – accommodation deposits		12,080	8,722
		180,983	196,431

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



NOTE 1: BASIS OF PREPARATION

Structure

- 1.1: Basis of preparation of the financial statements
- 1.2: Impact of COVID-19 pandemic
- 1.3: Abbreviations and terminology used in the financial statements
- 1.4: Key accounting estimates and judgements
- 1.5: Accounting standards issued but not yet effective
- 1.6: Goods and Services Tax (GST)
- 1.7: Reporting entity

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

This section explains the basis of preparing the financial statements.

Note 1.1: Basis of preparation of the financial statements

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards, which include interpretations issued by the Australian Accounting Standards Board (AASB).

They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements*.

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

Directions (SDs) authorised by the Assistant Treasurer.

Eastern Health is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a "not-for-profit" health service under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions.

Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

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

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

The financial statements are in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Eastern Health on 22 August 2023.

Note 1.2: Basis of preparation of the financial statements

The Pandemic (Public Safety) Order 2022 (No. 5) which commenced on 22 September 2022 ended on 12 October 2022 when it was allowed to lapse and was revoked.

Long-term outcomes from COVID-19 infection are currently unknown and while the pandemic response continues, a transition plan towards recovery and reform in 2022/23 was implemented.

Victoria's COVID-19 Catch-Up Plan is aimed at addressing Victoria's COVID-19 case load and restoring surgical activity.

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

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

Note 1.3: Abbreviations and terminology used in the financial statements

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

FREEDOM OF INFORMATION REQUESTS	TITLE
AASB	Australian Accounting Standards Board
AASs	Australian Accounting Standards, which include Interpretations
DH	Department of Health
DTF	Department of Treasury and Finance
FMA	<i>Financial Management Act 1994</i>
FRD	Financial Reporting Direction
NWAU	National Weighted Activity Unit
SD	Standing Direction
VAGO	Victorian Auditor-General's Office

Note 1.4: Key accounting estimates and judgements

Management makes estimates and judgements when preparing the financial statements.

These estimates and judgements are based on historical knowledge and best available current information and assume any reasonable expectation of future events. Actual results may differ.

Revisions to key estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

The accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and relate to the following disclosures:

- **Note 2.1:** Revenue and income from transactions
- **Note 3.3:** Employee benefits and related on-costs
- **Note 4.1:** Property, plant and equipment
- **Note 4.2:** Right-of-use assets
- **Note 4.4:** Intangible assets
- **Note 4.5:** Depreciation and amortisation
- **Note 4.7:** Impairment of assets
- **Note 5.1:** Receivables
- **Note 5.2:** Contract assets
- **Note 5.3:** Payables
- **Note 5.4:** Contract liabilities
- **Note 6.1(a):** Lease liabilities
- **Note 7.4:** Fair value determination

Note 1.5: Accounting standards issued but not yet effective

Eastern Health has assessed the potential impacts of the accounting standards and interpretations

issued by the AASB that are not yet mandatorily applicable to Eastern Health as having no material impact on the financial statements of the health service.

Note 1.6: Goods and Services Tax (GST)

Income, expenses, assets and liabilities are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office (ATO).

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

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

Note 1.7: Reporting entity

The financial statements include all the controlled activities of Eastern Health.

Eastern Health's principal address is:

5 Arnold Street
Box Hill
Victoria 3128

A description of the nature of Eastern Health's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

NOTE 2: FUNDING DELIVERY OF OUR SERVICES

Eastern Health's overall objective is to provide quality health services that support and enhance the wellbeing of all Victorians. Eastern Health is predominantly funded by grant funding for the provision of outputs. Eastern Health also receives income from the supply of services.

Structure

2.1: Revenue and income from transactions

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

COVID-19

Revenue and income, recognised to fund the delivery of our services attributable to the COVID-19 Coronavirus pandemic, decreased during the financial year. This was due to the scaling down of the COVID-19 public health response during the year ended 30 June 2023.

\$32.8m was recognised as income to fund the delivery of services attributable to COVID-19 for the year ended 30 June 2023 (2021-22: \$132.6m).

Key judgements and estimates

This section contains the following key judgements and estimates:

KEY JUDGEMENTS AND ESTIMATES	DESCRIPTION
Identifying performance obligations	<p>Eastern 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.</p> <p>If this criterion is met, the contract/funding agreement is treated as a contract with a customer, requiring Eastern Health to recognise revenue as or when the health service transfers promised goods or services to the beneficiaries.</p> <p>If this criterion is not met, funding is recognised immediately in the net result from operations.</p>
Determining timing of revenue recognition	<p>Eastern 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.</p>
Determining time of capital grant income recognition	<p>Eastern 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.</p>
Assets and services received free of charge or for nominal consideration	<p>Eastern Health applies significant judgement to determine the fair value of assets and services provided free of charge ("FOC") or for nominal value. Assets received free of charge from the State's inventory is valued at the cost to the supplier of these FOC assets.</p>

Note 2.1: Revenue and income from transactions

	NOTE	2023 \$'000	2022 \$'000
Operating activities			
Revenue from contracts with customers			
Government Grants (State) – Operating		792,070	846,399
Government Grants (Commonwealth) – Operating		6,997	5,677
Patient and Resident Fees		49,127	40,427
Private Practice Fees		27,610	31,201
Commercial Activities ⁽ⁱ⁾		28,105	23,494
Total revenue from contracts with customers		903,909	947,198
Other sources of income			
Government Grants (State) - Operating		451,789	333,534
Government Grants (Commonwealth) - Operating		50,298	52,792
Government Grants (State) - Capital		57,168	78,463
Capital Donations		-	2,600
Assets Received Free of Charge or for Nominal Consideration	2.2	9,412	17,564
Salary and Other Recoveries		10,441	8,433
Research and Sundry Income		2,419	2,550
Other Income from Operating Activities		17,152	4,116
Total other sources of income		598,679	500,052
TOTAL REVENUE AND INCOME FROM OPERATING ACTIVITIES		1,502,588	1,447,250
Non-operating activities			
Income from other sources			
Other Interest		7,971	606
Total other sources of income		7,971	606
TOTAL INCOME FROM NON-OPERATING ACTIVITIES		7,971	606
TOTAL REVENUE AND INCOME FROM TRANSACTIONS		1,510,559	1,447,856

(i) Commercial activities represent business activities which Eastern Health enters into to support its operations.



Note 2.1: Revenue and income from transactions (continued)**Note 2.1 (a): Timing of Revenue from Contracts with Customers**

	2023 \$'000	2022 \$'000
Eastern Health disaggregates revenue by the timing of revenue recognition		
Goods and Services Transferred to Customers		
At a Point in Time	891,626	853,978
Over Time	12,283	94,759
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	903,909	948,737

How we recognise revenue and income from transactions

Government operating grants

To recognise revenue, Eastern 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 a point in time or over time as and 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 in accordance with AASB 1058.

In contracts with customers, the 'customer' is typically a funding body, who is the party that promises funding in exchange for Eastern Health's goods or services.

Eastern Health's funding bodies often direct that goods or services are to be provided to third party beneficiaries, including individuals or the community at large.

In such instances, the customer remains the funding body that has funded the program or activity, however the delivery of goods or services to third party beneficiaries is a characteristic of the promised good or service being transferred to the funding body.

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

GOVERNMENT GRANT	PERFORMANCE OBLIGATION
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid. The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity. Revenue is recognised at a point in time, which is when a patient is discharged.

Note 2.1: Revenue and income from transactions (continued)

Note 2.1 (a): Timing of Revenue from Contracts with Customers

Capital grants

Where Eastern 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 Eastern 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

The performance obligations related to private practice fees are the provision of specified medical and clinical services by senior medical staff who have signed a Right to Private Practice Agreement with the health service.

These performance obligations have been selected as they align with the terms and conditions of providing the services. Revenue is recognised, in accordance with the Right to Private Practice Agreement, when the medical and clinical services have been provided, the patient discharged and an invoice raised.

Private practice fees include recoupments from the private practice for the use of hospital facilities.

Commercial activities

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

How we recognise revenue and income from non-operating activities

Interest Income

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

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

	2023 \$'000	2022 \$'000
Plant and Equipment	1,003	1,831
Personal Protective Equipment and Other Consumables	8,409	15,733
TOTAL FAIR VALUE OF ASSETS AND SERVICES RECEIVED FREE OF CHARGE OR FOR NOMINAL CONSIDERATION	9,412	17,564



Note 2.2: Fair value of assets and services received free of charge or for nominal consideration (continued)

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

Personal protective equipment

In order to meet the State of Victoria’s health system supply needs during the COVID-19 pandemic, arrangements were put in place to centralise the purchasing of essential personal protective equipment (PPE) and other essential plant and equipment.

The general principles of the State Supply Arrangement were that HealthShare 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 Eastern Health as resources provided free of charge.

HealthShare Victoria and Monash Health were acting as an agent of the Department of Health under this arrangement.

Contributions of resources

Eastern Health may receive resources for nil or nominal consideration to further its objectives.

The resources are recognised at their fair value when Eastern Health obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

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 Eastern Health as a capital contribution transfer.

Volunteer 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.

Eastern Health greatly values the services provided by volunteers but does not depend on volunteers to deliver its services.

Non-cash contributions from the Department of Health

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

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



NOTE 3: THE COST OF DELIVERING OUR SERVICES

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

Structure

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

COVID-19

Expenses, incurred to deliver of our services attributable to the COVID-19 Coronavirus pandemic, decreased during the financial year. This was due to the scaling down of the COVID-19 public health response during the year ended 30 June 2023.

Key judgements and estimates

This section contains the following key judgements and estimates:

KEY JUDGEMENTS AND ESTIMATES	DESCRIPTION
Classifying employee benefit liabilities	<p>Eastern Health applies significant judgement when classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Eastern Health does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Employee benefit liabilities are classified as a non-current liability if Eastern Health has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p>
Measuring employee benefit liabilities	<p>Eastern Health applies significant judgement when measuring its employee benefit liabilities. The health service applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.</p> <p>Expected future payments incorporate:</p> <ul style="list-style-type: none"> • an inflation rate of 4.35%, reflecting the future wage and salary levels • durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 4.368% and 3.963% • discounting at the rate of 4.063%, as determined with reference to market yields on government bonds at the end of the reporting period. <p>All other entitlements are measured at their nominal value.</p>



Note 3.1: Expenses from transactions

	Note	2023 \$'000	2022 \$'000
Salaries and Wages		938,075	881,925
On-costs		109,435	114,161
Agency Expenses		6,894	2,575
Fee for Service Medical Officer Expenses		6,765	7,110
Workcover Premium		10,425	7,459
Total Employee Expenses		1,071,594	1,013,230
Drug Supplies		58,179	58,112
Medical and Surgical Supplies (including Prostheses)		108,927	77,667
Diagnostic and Radiology Supplies		31,751	33,157
Other Supplies and Consumables		27,460	23,253
Total Supplies and Consumables		226,317	192,189
Finance Costs		893	475
Total Finance Costs		893	475
Other Administrative Expenses		81,490	68,743
Total Other Administrative Expenses		81,490	68,743
Domestic Expenses		29,024	26,535
Fuel, Light and Power		9,369	8,432
Insurance (incl. Medical Indemnity)		21,310	19,785
Repairs and Maintenance		17,378	17,558
Maintenance Contracts		19,240	17,294
Total Other Operating Expenses		96,321	89,604
TOTAL OPERATING EXPENSES		1,476,615	1,364,241
Depreciation and Amortisation	4.5	76,598	71,375
Total Depreciation and Amortisation		76,598	71,375
TOTAL NON-OPERATING EXPENSES		76,598	71,375
TOTAL EXPENSES FROM TRANSACTIONS		1,553,213	1,435,616



Note 3.1: Expenses from transactions (continued)

How we recognise expenses from transactions

Expense recognition

Employee expenses include:

- salaries and wages (including fringe benefits tax, leave entitlements, termination payments);
- on-costs;
- agency expenses;
- fee for service medical officer expenses; and
- WorkCover premium.

Supplies and consumables

Supplies and consumables costs are recognised as an expense in the reporting period in which they are incurred.

The carrying amounts of any inventories held for distribution are expensed when distributed.

Finance costs

Finance costs include:

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

Other operating expenses

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

- fuel, light and power;
- repairs and maintenance;
- other administrative expenses; and
- expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of \$1,000).

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

These amounts have been brought to account as grants in determining the operating result for the year by recording them as revenue and also recording the related expense.

Non-operating expenses

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

Note 3.2: Other economic flows included in net result

	2023 \$'000	2022 \$'000
Net Gain/(Loss) on Disposal of Property, Plant and Equipment	(240)	(55)
Net Gain/(Loss) on Non-Financial Assets	(240)	(55)
Net Gain/(Loss) on Disposal of Financial Instruments	(867)	(731)
Allowance for Impairment Losses of Contractual Receivables	(776)	612
Total Net Gain/(Loss) on Financial Instruments	(1,643)	(119)
Net Gain/(Loss) arising from the Revaluation of Long Service Leave Liability	(14,663)	13,189
Total Other Gain/(Losses) From Other Economic Flows	(14,663)	13,189
TOTAL GAINS/(LOSSES) FROM OTHER ECONOMIC FLOWS	(16,546)	13,015

How we recognise other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions.

Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- reclassified amounts relating to available-for-sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.



Note 3.3: Employee benefits and related on-costs

	2023 \$'000	2022 \$'000
Current Employee Benefits and Related On-Costs		
Accrued Days Off		
Unconditional and Expected to be settled within 12 months ⁱ	2,149	1,831
	2,149	1,831
Annual Leave		
Unconditional and Expected to be settled within 12 months ⁱ	73,391	65,187
Unconditional and Expected to be settled after 12 months ⁱⁱ	11,605	10,483
	84,996	75,670
Long Service Leave		
Unconditional and Expected to be settled within 12 months ⁱ	16,480	15,255
Unconditional and Expected to be settled after 12 months ⁱⁱ	127,087	118,130
	143,567	133,385
Provisions Related to Employee Benefit On-Costs		
Unconditional and Expected to be settled within 12 months ⁱ	11,503	9,252
Unconditional and Expected to be settled after 12 months ⁱⁱ	18,964	16,365
	30,467	25,617
Total Current Employee Benefits and Related On-Costs	261,179	236,503
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave	31,322	29,939
Provisions related to employee benefit on-costs	4,320	3,879
Total Non-Current Employee Benefits and Related On-Costs	35,642	33,818
TOTAL EMPLOYEE BENEFITS AND RELATED ON-COSTS	296,821	270,321

(i) The amounts disclosed are nominal amounts.

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

Note 3.3: Employee benefits and related on-costs (continued)

Note 3.3 (a): Employee benefits and related on-costs

	2023 \$'000	2022 \$'000
Current Employee Benefits and Related On-Costs		
Unconditional Long Service Leave Entitlements	163,155	150,300
Unconditional Annual Leave Entitlements	95,875	84,372
Unconditional Accrued Days Off	2,149	1,831
Total Current Employee Benefits and Related On-Costs	261,179	236,503
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements	35,642	33,818
Total Non-Current Employee Benefits and Related On-Costs	35,642	33,818
TOTAL EMPLOYEE BENEFITS AND RELATED ON-COSTS	296,821	270,321
Attributable to:		
Employee Benefits	262,033	240,826
Provision for Related On-Costs	34,788	29,495
CARRYING AMOUNT AT THE END OF THE YEAR	296,821	270,321

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

	2023 \$'000	2022 \$'000
Carrying Amount at Start of Year	29,496	25,140
Additional Provisions Recognised	16,827	8,668
Net Gain/(Loss) Arising from Revaluation of Long Service Liability	170	(1,492)
Amounts Incurred During the Year	(11,705)	(2,820)
CARRYING AMOUNT AT END OF YEAR	34,788	29,496



Note 3.3: Employee benefits and related on-costs (continued)

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

How we recognise employee benefits

Employee benefit recognition

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

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

As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

Annual leave and accrued days off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as current liabilities, because Eastern Health does not have an unconditional right to defer settlements of these 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 Eastern Health expects to wholly settle within 12 months; or
- **present value:**
if Eastern Health does not expect to wholly settle within 12 months.

Long service leave

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

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

An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

- **nominal value:**
if Eastern Health expects to wholly settle within 12 months; or
- **present value:**
if Eastern Health does not expect to wholly settle within 12 months.

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

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

Termination benefits

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

Provision for on-costs related to employee expense

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



Note 3.4: Superannuation

	PAID CONTRIBUTION FOR THE YEAR		CONTRIBUTION OUTSTANDING AT YEAR END	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Defined Benefit Plans⁽ⁱ⁾				
First State Superannuation Fund	346	426	-	42
State Superannuation Fund	238	217	-	24
Defined Contribution Plans				
First State Superannuation Fund	42,011	36,412	-	3,829
HESTA Superannuation Fund	38,511	28,148	-	3,330
Other	19,300	13,316	-	1,591
Total	100,406	78,519	-	8,816

(i) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

How we recognise superannuation

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

Defined benefit superannuation plans

The defined benefit plan provides benefits based on years of service and final average salary.

The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by Eastern Health to the superannuation plans in respect of the services of current Eastern 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.

Eastern Health does not recognise any unfunded defined benefit liability in respect of the plans because the entity 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 Eastern Health.

The name, details and amounts of the expense in relation to the major employee superannuation funds and contributions made by Eastern Health are disclosed above.

Defined contribution superannuation plans

Defined contribution (i.e., accumulation) superannuation plan expenditure is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period.

Contributions to defined contribution superannuation plans are expensed when incurred.

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

NOTE 4: KEY ASSETS TO SUPPORT SERVICE DELIVERY

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

Structure

- 4.1: Property, plant & equipment
- 4.2: Right-of-use assets
- 4.3: Revaluation surplus
- 4.4: Intangible assets
- 4.5: Depreciation and amortisation
- 4.6: Inventories
- 4.7: Impairment of assets

COVID-19

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

Key judgements and estimates

This section contains the following key judgements and estimates:

KEY JUDGEMENTS AND ESTIMATES	DESCRIPTION
Estimating useful life of property, plant and equipment	<p>Eastern Health assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset.</p> <p>Eastern Health reviews the useful life and depreciation rates of all assets at the end of each financial year and, where necessary, records a change in accounting estimate.</p>
Estimating useful life of right-of-use assets	<p>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.</p> <p>Eastern Health applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.</p>
Estimating the useful life of intangible assets	<p>Eastern Health assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.</p>
Identifying indicators of impairment	<p>At the end of each year, Eastern Health assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment.</p> <p>Eastern Health considers a range of information when performing its assessment, including considering:</p> <ul style="list-style-type: none"> • If an asset's value has declined more than expected based on normal use • If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset • If an asset is obsolete or damaged • If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life • If the performance of the asset is or will be worse than initially expected. <p>Where an impairment trigger exists, the health service applies significant judgement and estimate to determine the recoverable amount of the asset.</p>

Note 4.1: Property, plant and equipment**Note 4.1 (a): Gross carrying amount and accumulated depreciation**

	2023 \$'000	2022 \$'000
Land		
Land at Fair Value - Crown	115,750	115,750
Land at Fair Value - Freehold	116,017	116,017
Total Land at Fair Value	231,767	231,767
Land at Cost	13,450	-
Total Land at Cost	13,450	-
Buildings		
Buildings at Cost	69,145	28,892
Less Accumulated Depreciation	(1,949)	(1,896)
Total Buildings at Cost	67,196	26,996
Buildings at Fair Value	929,724	988,488
Less Accumulated Depreciation	-	(144,337)
Total Buildings at Fair Value	929,724	844,151
Leasehold Improvements		
Leasehold Improvements at Fair Value	7,795	7,795
Less Accumulated Depreciation	(7,785)	(7,516)
Total Leasehold Improvements at Fair Value	10	279
Buildings Under Construction at Cost	24,195	77,496
TOTAL LAND AND BUILDINGS	1,266,342	1,180,689
Plant and Equipment		
Medical Equipment Fair Value	121,180	110,601
Less Accumulated Depreciation	(89,105)	(82,986)
Total Medical Equipment at Fair Value	32,075	27,615
Computers and Communication Equipment at Fair Value	61,479	57,217
Less Accumulated Depreciation	(55,533)	(53,330)
Total Computers and Communications Equipment at Fair Value	5,946	3,887
Motor Vehicles		
Motor Vehicles at Fair Value	2,176	2,176
Less Accumulated Depreciation	(2,176)	(2,176)
Total Motor Vehicles at Fair Value	-	-
Furniture and Fittings		
Furniture and Fittings at Fair Value	19,560	17,484
Less Accumulated Depreciation	(13,355)	(12,454)
Total Furniture and Fittings at Fair Value	6,205	5,030
Assets Under Construction at Cost	504	1,073
TOTAL PLANT, EQUIPMENT, FURNITURE, FITTINGS AND VEHICLES AT FAIR VALUE	44,730	37,605
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,311,072	1,218,294



Note 4.1: Property, plant and equipment (continued)

Note 4.1 (b): Reconciliation of the carrying amount by class of asset

	LAND \$'000	BUILDINGS AND LEASEHOLD IMPROVEMENTS \$'000	BUILDING CAPITAL WORK IN PROGRESS \$'000	MEDICAL EQUIPMENT \$'000	COMPUTER AND COMMUNICATIONS EQUIPMENT \$'000	MOTOR VEHICLES \$'000	FURNITURE AND FITTINGS \$'000	EQUIPMENT WORK IN PROGRESS \$'000	TOTAL \$'000
Balance as at 1 July 2021	212,407	919,259	23,530	28,398	3,809	30	5,243	1,829	1,194,505
Additions	-	315	62,877	2,567	722	-	847	-	67,328
Net Transfers Between Classes	-	1,387	(8,911)	5,160	2,077	-	47	(756)	(996)
Disposals	-	-	-	(43)	(3)	-	(10)	-	(56)
Depreciation (Note 4.5)	-	(49,535)	-	(8,467)	(2,718)	(30)	(1,097)	-	(61,847)
Revaluation Increments/ (Decrements)	19,360	-	-	-	-	-	-	-	19,360
Balance as at 30 June 2022	231,767	871,426	77,496	27,615	3,887	-	5,030	1,073	1,218,294
Additions	-	572	49,900	2,561	681	-	600	-	54,314
Net Transfers Between Classes	13,450	69,706	(100,003)	9,721	5,122	-	1,924	(569)	(649)
Disposals	-	(8)	(3,198)	(197)	(35)	-	(65)	-	(3,503)
Depreciation (Note 4.5)	-	(51,109)	-	(7,625)	(3,709)	-	(1,284)	-	(63,727)
Revaluation Increments/ (Decrements)	-	106,343	-	-	-	-	-	-	106,343
Balance as at 30 June 2023	245,217	996,930	24,195	32,075	5,946	-	6,205	504	1,311,072

Land and Buildings measured at fair value

In compliance with FRD 103, in the year ended 30 June 2023, Eastern Health's management conducted an annual assessment of the fair value of land and buildings and leased buildings.

To facilitate this, management obtained from the Department of Treasury and Finance, the Valuer-General Victoria indices for the financial year ended 30 June 2023.

These indices indicated that Buildings held by Eastern Health had increased during the financial year by an average of 13% and Land decreased by 3%. These indices triggered a managerial revaluation of buildings.

The last independent assessment of land occurred on 30 June 2022, which was organised by the Valuer-General Victoria.

Note 4.1: Property, plant and equipment (continued)**How we recognise property, plant and equipment**

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

Initial recognition

Items of property, plant and equipment are initially measured at cost. Where an asset is acquired for no or nominal cost, being far below the fair value of the asset, the deemed cost is its fair value at the date of acquisition.

Assets transferred as part of an amalgamation/machinery of government change are transferred at their carrying amounts.

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

Subsequent measurement

Items of property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

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

Further information regarding fair value measurement is disclosed in Note 7.4.

Revaluation

Fair value is based on periodic valuations by independent valuers, which normally occur once every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate a material change in fair value has occurred.

Where an independent valuation has not been undertaken at balance date, Eastern Health performs a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation).

Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded.

Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40%, Eastern Health obtains an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of Eastern Health's property, plant and equipment was performed by the VGV on 30 June 2023. 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 2023 indicated a cumulative movement of more than 10% for buildings since the last revaluation as at 30 June 2019 (12.8%).

As such, a managerial revaluation adjustment was required for buildings as at 30 June 2023. As such, a managerial revaluation was required as at 30 June 2023 and an adjustment was recorded (\$106.343m).

The managerial assessment performed at 30 June 2023 indicated a cumulative movement less than 10% for land since the last independent revaluation at 30 June 2022 (-4%).

Revaluation increases (increments) arise when an asset's fair value exceeds its carrying amount. In comparison, revaluation decreases (decrements) arise when an asset's fair value is less than its carrying amount.

Revaluation increments and revaluation decrements relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation increments are recognised in 'Other Comprehensive Income' and are credited directly to the property, plant and equipment revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, in which case the increment is recognised as income in the net result.

Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the property, plant and equipment revaluation surplus in respect of the same class of property, plant and equipment. Otherwise, the decrement is recognised as an expense in the net result.

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



Note 4.2: Right-of-use assets

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

	2023 \$'000	2022 \$'000
Right-of-Use Land at Fair Value	29,293	29,293
Less Accumulated Depreciation	(5,555)	(4,137)
Total Right-of-Use Land at Fair Value	23,738	25,156
Right-of-Use Buildings at Fair Value	20,297	16,805
Less Accumulated Depreciation	(9,982)	(6,603)
Total Right-of-Use Buildings at Fair Value	10,315	10,202
TOTAL RIGHT-OF-USE LAND AND BUILDINGS	34,053	35,358
Right-of-Use Plant, Equipment and Vehicles at Fair Value	22,566	14,447
Less Accumulated Depreciation	(10,582)	(7,727)
Total Right-of-Use Plant, Equipment and Vehicles at Fair Value	11,984	6,720
TOTAL RIGHT-OF-USE PLANT, EQUIPMENT AND VEHICLES AT FAIR VALUE	11,984	6,720
TOTAL RIGHT-OF-USE ASSETS	46,037	42,078

Note 4.2 (b): Reconciliation of the carrying amount by class of asset

	RIGHT OF USE - LAND	RIGHT OF USE - BUILDINGS \$'000	RIGHT OF USE - PLANT AND EQUIPMENT \$'000	TOTAL \$'000
Balance as at 30 June 2021	26,573	11,336	7,973	45,882
Additions	-	1,421	1,567	2,988
Net Transfers Between Classes	1	-	-	1
Disposals	-	-	-	-
Depreciation (Note 4.5)	(1,418)	(2,555)	(2,820)	(6,793)
Revaluation Increments/(Decrements)	-	-	-	-
Balance as at 30 June 2022	25,156	10,202	6,720	42,078
Additions	-	3,523	8,198	11,721
Net Transfers Between Classes	-	-	-	-
Disposals	-	-	(29)	(29)
Depreciation (Note 4.5)	(1,418)	(3,410)	(2,905)	(7,733)
Revaluation Increments/(Decrements)	-	-	-	-
Balance as at 30 June 2023	23,738	10,315	11,984	46,037



Note 4.2: Right-of-use assets (continued)

How we recognise right-of-use assets

Where Eastern 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.

Eastern Health presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health service.

Right-of-use assets and their respective lease terms include:

CLASS OF RIGHT-OF-USE ASSET	LEASE TERM
Leased land	3 to 39 years
Leased buildings	2 to 8 years
Leased plant, equipment, furniture, fittings and vehicles	3 to 7 years

Initial recognition

When a contract is entered into, Eastern 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 amount of the 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.

Some of Eastern Health's medical equipment lease agreements contain purchase options which the health service is not reasonably certain to exercise at the completion of the lease.

Subsequent measurement

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

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

Further information regarding fair value measurement is disclosed in Note 7.4.

Note 4.3: Revaluation surplus

	2023 \$'000	2022 \$'000
Balance at the beginning of the reporting period	746,476	727,116
Revaluation Increment		
• Land (refer Note 4.1(b))	-	19,360
• Right of Use Land (refer Note 4.2(b))	-	-
• Buildings (refer Note 4.1(b))	106,343	-
Closing Balance	852,819	746,476
Represented by:		
• Land	224,861	224,861
• Right-of-Use Land	(3,204)	(3,204)
• Buildings	631,162	524,819
Total	852,819	746,476

Note 4.4: Intangible assets

Note 4.4 (a): Gross carrying amount and accumulated amortisation

	2023 \$'000	2022 \$'000
Software	84,215	73,492
Less Accumulated Amortisation	(66,134)	(62,576)
	18,081	10,916
Intangible Assets - Work in Progress	1,764	36,713
TOTAL INTANGIBLE ASSETS	19,845	47,629



Note 4.4: Intangible assets (continued)**Note 4.4 (b): Reconciliation of the carrying amount by class of asset**

	SOFTWARE \$'000	INTANGIBLE WIP \$'000	TOTAL \$'000
Balance as at 01 July 2021	13,245	32,347	45,592
Additions	-	4,869	4,869
Net Transfers Between Classes	406	(503)	(97)
Disposals	-	-	-
Write off to Profit and Loss	-	-	-
Amortisation (Note 4.5)	(2,735)	-	(2,735)
Balance as at 30 June 2022	10,916	36,713	47,629
Additions	765	2,419	3,184
Net Transfers Between Classes	11,538	(11,541)	(3)
Disposals	-	-	-
Write off to Profit and Loss ⁽ⁱ⁾	-	(25,827)	(25,827)
Amortisation (Note 4.5)	(5,138)	-	(5,138)
Balance as at 30 June 2023	18,081	1,764	19,845

(i) The write off to the Profit and Loss Statement relates to Software as A Service (SaaS) costs that had previously been included in the Intangible Work in Progress for relevant ICT Projects.

How we recognise intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software.

Initial recognition

Purchased intangible assets are initially recognised at cost.

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

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

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

Subsequent measurement

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

Note 4.5: Depreciation and amortisation

	2023 \$'000	2022 \$'000
Depreciation		
Property, Plant and Equipment		
Buildings	50,840	49,036
Leasehold Improvements	269	499
Medical Equipment	7,625	8,467
Computers and Communications	3,709	2,718
Furniture and Fittings	1,284	1,097
Motor Vehicles	-	30
Total Depreciation - Property, Plant and Equipment	63,727	61,847
Right-of-Use Assets		
Right-of-Use Assets - Land	1,418	1,418
Right-of-Use Buildings	3,410	2,555
Right-of-Use Plant and Equipment	2,905	2,820
Total Depreciation - Right-of-Use Assets	7,733	6,793
TOTAL DEPRECIATION	71,460	68,640
Amortisation		
Software	5,138	2,735
Total Amortisation	5,138	2,735
TOTAL DEPRECIATION AND AMORTISATION	76,598	71,375

How we recognise depreciation

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

Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that Eastern Health anticipates to exercise a purchase option, the specific right-of-use asset is depreciated over the useful life of the underlying asset.



Note 4.5: Depreciation and amortisation (continued)**How we recognise amortisation**

Amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

The following table indicates the range of expected useful lives of non-current assets on which the depreciation and amortisation charges are based:

	2023	2022
Buildings		
Structure Shell Building Fabric	11 - 50 years	11 - 50 years
Site Engineering Services and Central Plant	11 - 46 years	11 - 46 years
Central Plant		
Fit Out	3 - 21 years	3 - 21 years
Trunk Reticulated Building Systems	3 - 21 years	3 - 21 years
Plant and Equipment	10 - 20 years	10 - 20 years
Medical Equipment	8 - 15 years	8 - 15 years
Computers and Communications	3 - 10 years	3 - 10 years
Furniture and Fittings	10 years	10 years
Motor Vehicles	5 years	5 years
Intangible Assets	1-10 years	1-10 years
Leasehold Improvements	5 years	5 years

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

Note 4.6: Inventories

	2023 \$'000	2022 \$'000
Pharmaceuticals - At Cost	2,907	2,356
Medical and Surgical Lines - At Cost	5,919	6,807
Allied Health and Diagnostics - At Cost	1,346	1,106
TOTAL INVENTORIES	10,172	10,269

How we recognise inventories

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

Note 4.7: Impairment of assets

How we recognise impairment

At the end of each reporting period, Eastern Health reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired.

The assessment will include consideration of external sources of information and internal sources of information.

External sources of information include but are not limited to observable indications that an asset's value has declined during the period by significantly more than would be expected as a result of the passage of time or normal use.

Internal sources of information include but are not limited to evidence of obsolescence or physical damage of an asset and significant changes with an adverse effect on Eastern Health which changes the way in which an asset is used or expected to be used.

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

When performing an impairment test, Eastern Health compares the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in net result, unless the asset is carried at a revalued amount.

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

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

Eastern Health did not record any impairment losses for the year ended 30 June 2023.



NOTE 5: OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from Eastern Health's operations.

Structure

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

COVID-19

The measurement of other assets and liabilities were not materially impacted by the COVID-19 Coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

KEY JUDGEMENTS AND ESTIMATES	DESCRIPTION
Estimating the provision for expected credit losses	Eastern 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 Eastern 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.
Measuring contract liabilities	Eastern Health applies significant judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year. Eastern 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 rec-ords this as a contract liability until the promised good or service is transferred to the customer.
Recognition of other provisions	Other provisions include Eastern Health's obligation to restore leased assets to their original condition at the end of a lease term. The health service applies significant judgement and estimate to determine the present value of such restoration costs.

Note 5.1: Receivables

	2023 \$'000	2022 \$'000
Current Receivables		
Contractual		
Inter-Hospital Debtors	719	856
Trade Debtors	10,080	9,922
Patient Fees	9,360	8,857
Amounts Receivable from Governments and Agencies	28,697	86
Allowance for Impairment Losses	(2,783)	(2,007)
Total Contractual Receivables	46,073	17,714
Statutory		
GST Receivable	3,031	3,317
Total Statutory Receivables	3,031	3,317
TOTAL CURRENT RECEIVABLES	49,104	21,031
Non-Current Receivables		
Contractual		
Long Service Leave – Department of Health	77,895	83,754
Total Contractual Receivables	77,895	83,754
TOTAL NON-CURRENT RECEIVABLES	77,895	83,754
TOTAL RECEIVABLES	126,999	104,785

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

	2023 \$'000	2022 \$'000
Total Receivables	126,999	104,785
GST Receivable	(3,031)	(3,317)
TOTAL FINANCIAL ASSETS	123,968	101,468



Note 5.1: Receivables (continued)**Note 5.1 (a): Movement in the allowance for impairment losses of contractual receivables**

	2023 \$'000	2022 \$'000
Balance at the beginning of the year	2,007	2,620
Amounts written off during the year	(867)	(732)
Amounts recovered during the year	-	-
Increase/(Decrease) in allowance	1,643	119
BALANCE AT THE END OF THE YEAR	2,783	2,007

How we recognise receivables

Receivables consist of:

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

- **Statutory receivables**, includes Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. Eastern 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.

Eastern 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 considers 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) for Eastern Health's contractual impairment losses.

Note 5.2: Contract assets

	2023 \$'000	2022 \$'000
Balance at the beginning of the year	6,044	7,370
Add: Additional costs incurred that are recoverable from the customer	49,127	40,427
Less: Transfer to trade receivable or cash at bank	(50,170)	(41,753)
Less: impairment allowance	-	-
Total Contract Assets	5,001	6,044
Represented by:		
Current contract assets	5,001	6,044
Non-current contract assets	-	-
	5,001	6,044

How we recognise contract assets

Contract assets relate to the Eastern Health's right to consideration in exchange for goods transferred to customers for works completed, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, at this time an invoice is issued. Contract assets are expected to be recovered early in the 2023/23 financial year.



Note 5.3: Payables

	NOTE	2023 \$'000	2022 \$'000
Current			
Contractual			
Trade Creditors		31,235	33,239
Accrued Salaries and Wages		20,881	35,528
Deferred Capital Grant Income	5.3(a)	58,920	21,325
Accrued Expenses		63,994	63,329
Inter-Hospital Creditors		1,735	488
Salary Packaging		350	2,079
Superannuation		1,626	10,405
Department of Health		25,631	5,318
Amounts Payable to Governments and Agencies		515	258
Total Contractual Payables		204,887	171,969
Statutory			
PAYG Payable		9,647	8,716
Total Statutory Payables		9,647	8,716
TOTAL CURRENT PAYABLES		214,534	180,685

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

		2023 \$'000	2022 \$'000
Total Payables		214,534	180,685
Deferred Capital Grant Income		(58,920)	(21,325)
PAYG Payable		(9,647)	(8,716)
TOTAL FINANCIAL LIABILITIES	7.1(a)	145,967	150,644

How we recognise payables

Payables consist of:

- **Contractual payables**, which mostly includes payables in relation to goods and services, 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 Eastern Health prior to the end of the financial year that are unpaid; and

- **Statutory payables**, which includes Goods and Services Tax (GST) and PAYG tax payable, are recognised and measured similarly to contractual payables but are not classified as financial instruments. They are not classified as financial instruments nor included in the category of financial liabilities at amortised cost because they do not arise from contracts.

The normal credit terms for accounts payable are usually Net 45 days.

Note 5.3: Payables (continued)

Note 5.3 (a): Deferred capital grant income

	2023 \$'000	2022 \$'000
Opening Balance of Deferred Capital Grant Income	21,325	17,585
Grant Consideration for Capital Works received during the Year	77,433	23,762
Deferred Capital Grant income recognised as income due to completion of Capital Works	(39,838)	(20,022)
CLOSING BALANCE OF DEFERRED CAPITAL GRANT INCOME	58,920	21,325

How we recognise deferred capital grant revenue

Grant consideration was received from the Department of Health and the Commonwealth to support the construction of infrastructure assets.

Capital grant revenue is recognised progressively as the asset is constructed, since this is the time when Eastern Health satisfies its obligations.

Income for each project is recognised as expenditure on the project as incurred because this most closely reflects the progress to completion (see note 2.1).

As a result, Eastern Health has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Eastern Health expects to recognise all of the remaining deferred capital grant revenue for capital works by 30 June 2024.

Note 5.4: Contract liabilities

	2023 \$'000	2022 \$'000
Opening Balance of Contract Liabilities	44,609	20,017
Grant Consideration for Sufficiently Specific Performance Obligations Received during the Year	762,833	871,206
Revenue Recognised for the Completion of a Performance Obligation	(799,067)	(846,614)
TOTAL CONTRACT LIABILITIES	8,375	44,609
Represented by:		
CURRENT CONTRACT LIABILITIES	8,375	44,609

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of the provision of acute and subacute health services. The balance of contract liabilities was significantly

higher than the previous reporting period due to Department of Health requiring more unutilised grants to be used in 2022/23.

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

Maturity analysis of payables

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



Note 5.5: Other liabilities

	NOTE	2023 \$'000	2022 \$'000
Current			
Other			
Other Liabilities		10,837	13,232
Total Current Other Liabilities		10,837	13,232
Current Monies Held in Trust			
Refundable Accommodation Deposits		12,080	8,722
Total Current Monies Held in Trust		12,080	8,722
Total Other Liabilities		22,917	21,954
Monies held in Trust represented by:			
Cash and Cash Equivalents	6.2	12,080	8,722
Total Monies Held in Trust		12,080	8,722

How we recognise other liabilities**Refundable Accommodation Deposits ("RAD")**

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to Eastern Health upon admission.

These deposits are liabilities which fall due and payable when the resident leaves the home.

As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

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

NOTE 6: HOW WE FINANCE OUR OPERATIONS

This section provides information on the sources of finance utilised by the Eastern Health during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of Eastern 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
- 6.4: Non-cash financing and investing activities

COVID-19

Our finance and borrowing arrangements were not materially impacted by the COVID-19 Coronavirus pandemic and scaling down of the COVID-19 public health response during the year ended 30 June 2023.

Key judgements and estimates

This section contains the following key judgements and estimates:

KEY JUDGEMENTS AND ESTIMATES	DESCRIPTION
Determining if a contract is or contains a lease	<p>Eastern Health applies significant judgement to determine if a contract is or contains a lease by considering if the health service:</p> <ul style="list-style-type: none"> • 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	<p>Eastern Health applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>Eastern Health estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption.</p> <p>Eastern Health also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.</p>

Continued on page 104

KEY JUDGEMENTS AND ESTIMATES	DESCRIPTION
Discount rate applied to future lease payments	<p>Eastern 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, Eastern Health uses its incremental borrowing rate, which is the amount the Eastern Health would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.</p> <p>For leased land and buildings, Eastern Health estimates the incremental borrowing rate to be between 1.2% and 5.4%.</p> <p>For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 2.1% and 6.3%.</p>
Assessing the lease term	<p>The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Eastern Health is reasonably certain to exercise such options.</p> <p>Eastern Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none"> • If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. • If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. • The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1: Borrowings

	NOTE	2023 \$'000	2022 \$'000
Current Borrowings			
TCV Loans ⁱ		1,245	1,193
DH Loans ⁱⁱ		1,058	1,557
Lease Liability ⁱⁱⁱ	6.1(a)	7,499	6,607
Total Current Borrowings		9,802	9,357
Non-Current Borrowings			
TCV Loans ⁱ		16,720	17,966
DH Loans ⁱⁱ		1,954	2,971
Lease Liability ⁱⁱⁱ	6.1(a)	16,396	11,685
Total Non-Current Borrowings		35,070	32,622
TOTAL BORROWINGS		44,872	41,979

(i) These loans are unsecured with a weighted average interest rate of 3.86% (2022: 3.89%).

(ii) These loans are interest free.

(iii) Secured by the assets leased.

Note 6.1: Borrowings (continued)

How we recognise borrowings

Borrowings refer to interest bearing liabilities raised from advances from the Treasury Corporation of Victoria (TCV) and the Department of Health (DH) and other funds raised through lease liabilities.

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 Eastern 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

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

Defaults and breaches

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

Note 6.1 (a): Lease liabilities

Eastern Health's lease liabilities are summarised below:

	2023 \$'000	2022 \$'000
Total Undiscounted Lease Liabilities	25,550	19,225
Less Unexpired Finance Expenses	(1,655)	(933)
Net Lease Liabilities	23,895	18,292

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

	2023 \$'000	2022 \$'000
Not longer than one year	8,247	6,532
Longer than one year but not longer than five years	17,227	12,301
Longer than five years	76	392
Minimum Future Lease Liability	25,550	19,225
Less unexpired finance expenses	(1,655)	(933)
PRESENT VALUE OF LEASE LIABILITY	23,895	18,292
Represented by:		
Current liability	7,499	6,607
Non-current liability	16,396	11,685
TOTAL LEASE LIABILITY	23,895	18,292



Note 6.1 (a): Lease liabilities (continued)

How we recognise lease liabilities

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

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

Eastern Health's lease arrangements consist of the following:

TYPE OF ASSET LEASED	LEASE TERM
Leased land	10 to 40 years
Leased buildings	2 to 8 years
Leased plant, equipment, furniture, fittings and vehicles	3 to 7 years

All leases are recognised on the balance sheet, and there are no 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 Eastern Health's incremental borrowing rate.

Our lease liability has been discounted by rates of between 1.21% to 6.26%.

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

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

The following types of lease arrangements, contain extension and termination options:

- **building leases:** options to extend can vary from no extensions, month-to-month extensions and up to two fixed-term extensions.
- **equipment leases:** options to extend can vary from no extension, month-to-month extensions. The equipment leases contain termination options, available to the lessor and lessee, for a range of events.

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.

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of nil.

Subsequent measurement

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

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

Leases with significantly below market terms and conditions

Eastern 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 concessionary lease arrangements.



Note 6.1 (a): Lease liabilities (continued)

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

DESCRIPTION OF LEASED ASSET	OUR DEPENDENCE ON THE LEASE	NATURE AND TERMS OF THE LEASE
The leased assets relate to various parcels of land	<p>The various leased parcels of land contains buildings which have the facilities to provide our services to the community.</p> <p>Eastern Health's dependence on these lease are considered high.</p> <p>These assets are of a special nature and there are limited readily available substitutes.</p>	<p>Lease payments on the different parcels of land vary between \$12 and \$104 per annum.</p> <p>The leases have various terms from 10 years to 40 years with only one having an extension option of 10 years.</p> <p>The assets can only be used to meet Eastern Health's business needs.</p>

Note 6.2: Cash and cash equivalents

	NOTE	2023 \$'000	2022 \$'000
Cash on Hand (excluding monies held in trust)		37	30
Cash at Bank - CBS (excluding monies held in trust)		168,866	187,679
Total Cash Held for Operations		168,903	187,709
Cash at Bank - CBS (monies held in trust)		12,080	8,722
Total Cash Held as Monies in Trust		12,080	8,722
TOTAL CASH AND CASH EQUIVALENTS	7.1(a)	180,983	196,431

How we recognise cash and cash equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks and deposits at call, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents include monies held in trust.



Note 6.3: Commitments for expenditure

	2023 \$'000	2022 \$'000
Capital Expenditure Commitments		
Less than 1 year	18,540	18,309
Longer than 1 year but not longer than 5 years	-	-
5 years or more	-	-
Total Capital Expenditure Commitments	18,540	18,309
Operating Expenditure Commitments		
Less than 1 year	139,138	140,464
Longer than 1 year but not longer than 5 years	257,532	55,174
5 years or more	125	414
Total Operating Expenditure Commitments	396,795	196,052
TOTAL COMMITMENTS FOR EXPENDITURE (inclusive of GST)	415,335	214,361
Less GST recoverable from the Australian Tax Office	(37,758)	(19,487)
TOTAL COMMITMENTS FOR EXPENDITURE (exclusive of GST)	377,577	194,874

Future finance lease payments are recognised on the balance sheet, refer to Note 6.1 Borrowings.

How we disclose our commitments

Our commitments relate to capital and operating expenditure.

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.

Note 6.4: Non-cash financing and investing activities

	2023 \$'000	2022 \$'000
Acquisition of Plant and Equipment by means of Leases	11,721	2,988
Acquisition of Assets by means of Indirect Contribution by DH	9,470	44,742
Plant and Equipment Received Free of Charge via the State Supply Arrangement	1,003	1,831
TOTAL NON-CASH FINANCING AND INVESTING ACTIVITIES	22,194	49,561

NOTE 7: RISKS, CONTINGENCIES AND VALUATION UNCERTAINTIES

Introduction

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

Structure

- 7.1: Financial instruments
- 7.2: Financial risk management objectives and policies
- 7.3: Contingent assets and contingent liabilities
- 7.4: Fair value determination



Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 7.1: Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Eastern 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 7.1: Financial instruments (continued)

Note 7.1 (a): Categorisation of financial instruments

2023	NOTE	FINANCIAL ASSETS AT AMORTISED COST \$'000	FINANCIAL LIABILITIES AT AMORTISED COST \$'000	TOTAL \$'000
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	180,983	-	180,983
Receivables	5.1	123,968	-	123,968
Total Financial Assets		304,951	-	304,951
Financial Liabilities				
Payables	5.3	-	145,967	145,967
Borrowings	6.1	-	44,872	44,872
Other Financial Liabilities – Refundable Accommodation Deposits	5.5	-	12,080	12,080
Other Financial Liabilities – Other	5.5	-	10,837	10,837
Total Financial Liabilities		-	213,756	213,756

2022	NOTE	FINANCIAL ASSETS AT AMORTISED COST \$'000	FINANCIAL LIABILITIES AT AMORTISED COST \$'000	TOTAL \$'000
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	196,431	-	196,431
Receivables	5.1	101,468	-	101,468
Total Financial Assets		297,899	-	297,899
Financial Liabilities				
Payables	5.3	-	150,645	150,645
Borrowings	6.1	-	41,979	41,979
Other Financial Liabilities – Refundable Accommodation Deposits	5.5	-	8,722	8,722
Other Financial Liabilities – Other	5.5	-	13,232	13,232
Total Financial Liabilities		-	214,578	214,578

The carrying amounts exclude statutory receivables (i.e. GST receivable) and statutory payables (i.e. PAYG and deferred capital grant income).



Note 7.1: Financial instruments (continued)**Note 7.1 (a): Categorisation of financial instruments (continued)****How we categorise financial instruments****Categories of financial assets**

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through net result, in which case transaction costs are expensed to profit or loss immediately.

Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted.

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

Financial Assets at Amortised Cost

Financial assets are measured at amortised costs 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 Eastern 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 subsequently measured at amortised cost using the effective interest method less any impairment.

Eastern Health recognises the following assets in this category:

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

Categories of financial liabilities

Financial liabilities are recognised when Eastern Health becomes a party to the contractual provisions to the instrument.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

Financial Liabilities at Amortised Cost

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

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period.

The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Eastern Health recognises the following liabilities in this category:

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

Reclassification of financial instruments

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

A financial liability reclassification is not permitted.

Note 7.2: Financial risk management objectives and policies

As a whole, Eastern Health's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, included the criteria for recognition, the basis of measurement, and the basis on which income and expenses

are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed throughout the financial statements.

Eastern Health's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk.

Eastern Health manages these financial risks in accordance with its financial risk management standard.

Eastern 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. Eastern Health's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to Eastern Health.

Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with Eastern 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, Eastern 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, Eastern 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 Eastern Health will not be able to collect a receivable.

Objective evidence includes financial difficulties of the debtor, default

payments, debtors that are more than 90 days overdue and changes in debtor credit ratings.

Contractual financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

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

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

Impairment of financial assets under AASB 9

Eastern 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

Eastern 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.

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

Note 7.2: Financial risk management objectives and policies (continued)**Note 7.2 (a): Credit risk (continued)**

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

30 JUNE 2023	NOTE	CURRENT	LESS THAN 1 MONTH	1 - 3 MONTHS	3 MONTHS - 1 YEAR	1 - 5 YEARS	TOTAL
Expected loss rate		0%	0%	10%	50%	75%	
Gross carrying amount of contractual receivables (\$'000)	5.1	43,286	3,674	2,386	3,420	1,091	53,857
Loss Allowance		-	-	238	1,724	821	2,783

30 JUNE 2022	NOTE	CURRENT	LESS THAN 1 MONTH	1 - 3 MONTHS	3 MONTHS - 1 YEAR	1 - 5 YEARS	TOTAL
Expected loss rate		0%	0%	10%	25%	58%	
Gross carrying amount of contractual receivables (\$'000)	5.1	15,076	5,197	2,045	578	2,869	25,765
Loss Allowance		-	-	204	144	1,659	2,007

Statutory receivables at amortised cost

Eastern 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.

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term.

As a result, no loss allowance has been recognised.

Note 7.2: Financial risk management objectives and policies (continued)

Note 7.2 (c): Liquidity risk

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

Eastern 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.

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

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

				MATURITY DATES				
2023	NOTE	CARRYING AMOUNT \$'000	NOMINAL AMOUNT \$'000	LESS THAN 1 MONTH \$'000	1 - 3 MONTHS \$'000	3 MONTHS - 1 YEAR \$'000	1 - 5 YEARS \$'000	OVER 5 YEARS \$'000
Financial Liabilities at Amortised Cost⁽ⁱ⁾								
Payables	5.3	222,909	222,909	52,089	118,262	52,558	-	-
Borrowings	6.1	44,872	51,517	932	1,861	8,426	26,190	14,108
Refundable Accommodation Deposits	5.5	12,080	12,080	12,080	-	-	-	-
Other Liabilities	5.5	10,837	10,837	338	10,442	57	-	-
Total Financial Liabilities		290,698	297,343	65,439	130,565	61,041	26,190	14,108

				MATURITY DATES				
2022	NOTE	CARRYING AMOUNT \$'000	NOMINAL AMOUNT \$'000	LESS THAN 1 MONTH \$'000	1 - 3 MONTHS \$'000	3 MONTHS - 1 YEAR \$'000	1 - 5 YEARS \$'000	OVER 5 YEARS \$'000
Financial Liabilities at Amortised Cost⁽ⁱ⁾								
Payables	5.3	225,294	225,294	139,809	33,144	52,341	-	-
Borrowings	6.1	41,979	48,664	1,292	1,584	7,128	21,741	16,919
Refundable Accommodation Deposits	5.5	8,722	8,722	8,722	-	-	-	-
Other Liabilities	5.5	13,232	13,232	309	12,188	735	-	-
Total Financial Liabilities		289,227	295,912	150,132	46,916	60,204	21,741	16,919

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



Note 7.2: Financial risk management objectives and policies (continued)

Note 7.2 (c): Market risk

Eastern 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

Eastern Health’s sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period.

The following movements are ‘reasonably possible’ over the next 12 months:

- a change in interest rates of 1.5% 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.

Eastern Health does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Eastern Health has minimal exposure to cash flow interest rate risks through cash and deposits that are at floating rate.

Foreign currency risk

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction.

Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period.

Eastern Health has minimal exposure to foreign currency risk.

Equity risk

Eastern Health has no exposure to equity price risk as it has no investments in listed and unlisted shares and managed investment schemes.

Note 7.3: Contingent assets and contingent liabilities

Eastern Health has no quantifiable or non-quantifiable contingent assets or liabilities to report as at 30 June 2023 (2021/22: Nil).

How we measure and disclose 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 7.4: Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

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

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

Valuation hierarchy

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

The levels are as follows:

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

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

There have been transfers between levels during the period as outlined in reconciliation of level 3 fair value measurement.

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

Identifying unobservable inputs (level 3) fair value measurements

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

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

However, the fair value measurement objective remains the same, i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability.

Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Note 7.4: Fair value determination (continued)**Note 7.4 (a): Fair value determination of non-financial physical assets**

		FAIR VALUE MEASUREMENT AT END OF REPORTING PERIOD USING:			
		CARRYING AMOUNT AS AT 30 JUNE 2023 \$'000	LEVEL 1 ⁽ⁱ⁾ \$'000	LEVEL 2 ⁽ⁱ⁾ \$'000	LEVEL 3 ⁽ⁱ⁾ \$'000
	NOTE				
Land at Fair Value					
Non-Specialised Land		71,090	-	71,090	-
Specialised Land		160,677	-	-	160,677
Total Land at Fair Value	4.1(a)	231,767	-	71,090	160,677
Buildings at Fair Value					
Non-Specialised Buildings		20,894	-	20,894	-
Specialised Buildings		908,840	-	-	908,840
Total Buildings at Fair Value	4.1(a)	929,734	-	20,894	908,840
Plant, Equipment, Furniture, Fittings and Vehicles at Fair Value					
Vehicles		-	-	-	-
Medical Equipment		32,075	-	-	32,075
Computers and Communication Equipment		5,946	-	-	5,946
Furniture and Fittings		6,205	-	-	6,205
Total Plant, Equipment, Furniture, Fittings and Vehicles at Fair Value	4.1(a)	44,226	-	-	44,226
Right-of-Use Assets					
Right-of-Use Non-Specialised Land		808	-	808	-
Right-of-Use Specialised Land		22,930	-	-	22,930
Right-of-Use Buildings		10,315	-	-	10,315
Right-of-Use Plant, Equipment and Vehicles		11,984	-	-	11,984
Total Right-of-Use Assets at Fair Value	4.2(a)	46,037	-	808	45,229
TOTAL NON-FINANCIAL PHYSICAL ASSETS AT FAIR VALUE		1,251,764	-	92,792	1,158,972

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

Note 7.4: Fair value determination (continued)

Note 7.4 (a): Fair value determination of non-financial physical assets (continued)

		FAIR VALUE MEASUREMENT AT END OF REPORTING PERIOD USING:			
		CARRYING AMOUNT AS AT 30 JUNE 2022 \$'000	LEVEL 1 ⁽ⁱ⁾ \$'000	LEVEL 2 ⁽ⁱ⁾ \$'000	LEVEL 3 ⁽ⁱ⁾ \$'000
	NOTE				
Land at Fair Value					
Non-Specialised Land		71,090	-	71,090	-
Specialised Land		160,677	-	-	160,677
Total Land at Fair Value	4.1(a)	231,767	-	71,090	160,677
Buildings at Fair Value					
Non-Specialised Buildings		19,099	-	19,099	-
Specialised Buildings		825,052	-	-	825,052
Total Buildings at Fair Value	4.1(a)	844,151	-	19,099	825,052
Plant, Equipment, Furniture, Fittings and Vehicles at Fair Value					
Vehicles		-	-	-	-
Medical Equipment		27,615	-	-	27,615
Computers and Communication Equipment		3,887	-	-	3,887
Furniture and Fittings		5,030	-	-	5,030
Total Plant, Equipment, Furniture, Fittings and Vehicles at Fair Value	4.1(a)	36,532	-	-	36,532
Right-of-Use Assets					
Right-of-Use Non-Specialised Land		966	-	966	-
Right-of-Use Specialised Land		24,190	-	-	24,190
Right-of-Use Buildings		10,202	-	-	10,202
Right-of-Use Plant, Equipment and Vehicles		6,720	-	-	6,720
Total Right-of-Use Assets at Fair Value	4.2(a)	42,078	-	966	41,112
TOTAL NON-FINANCIAL PHYSICAL ASSETS AT FAIR VALUE		1,154,528	-	91,155	1,063,373

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

Note 7.4: Fair value determination (continued)**Note 7.4 (a): Fair value determination of non-financial physical assets (continued)****How we measure fair value of non-financial physical assets**

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

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

Eastern Health has assumed the current use of a non-financial physical asset is its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

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

Non-specialised land and non-specialised buildings

Non-specialised land and non-specialised buildings are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach.

Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued.

An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2023.

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, Eastern Health held Crown Land. The nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value.

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

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants.

This approach is in light of the highest and best use consideration required for fair value measurement and takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

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

An independent valuation of Eastern Health's specialised land was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2022.

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

Vehicles

Eastern 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 Eastern Health who set relevant depreciation rates during use to reflect the consumption of the vehicles.

As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

Furniture, fittings, plant and equipment

Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) are held at carrying amount (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value.

Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated replacement cost will be materially different from the existing carrying amount.

There were no changes in valuation techniques throughout the period to 30 June 2023.



Note 7.4: Fair value determination (continued)

Note 7.4 (a): Fair value determination of non-financial physical assets (continued)

Reconciliation of Level 3 fair value measurement

	NOTE	LAND \$'000	BUILDINGS \$'000	PLANT, EQUIPMENT, FURNITURE, FITTINGS AND VEHICLES \$'000	RIGHT- OF-USE LAND \$'000	RIGHT- OF-USE BUILDINGS \$'000	RIGHT- OF-USE PLANT, EQUIPMENT AND VEHICLES \$'000
Balance as at 30 June 2021	7.4(a)	208,779	872,806	37,480	25,854	11,336	7,973
Additions/(Disposals)		-	1,184	4,080	-	1,421	1,567
Net Transfers Between Classes		(57,191)	-	7,284	-	-	-
Gains/(Losses) Recognised in Net Result:							
• Depreciation		-	(48,938)	(12,312)	(1,401)	(2,555)	(2,820)
• Impairment Loss		-	-	-	-	-	-
Items Recognised in Other Comprehensive Income:							
• Revaluation		9,089	-	-	(263)	-	-
Balance as at 30 June 2022	7.4(a)	160,677	825,052	36,532	24,190	10,202	6,720
Additions/(Disposals)		-	564	3,834	-	3,523	8,198
Net Transfers between Classes		-	28,171	16,478	21	-	(28)
Gains/(Losses) Recognised in Net Result:							
• Depreciation		-	(48,898)	(12,618)	(1,281)	(3,410)	(2,906)
Items Recognised in Other Comprehensive Income:							
• Revaluation		-	103,951	-	-	-	-
Balance as at 30 June 2023	7.4(a)	160,677	908,840	44,226	22,930	10,315	11,984

(Classified in accordance with the fair value hierarchy – refer Note 7.4)



Note 7.4: Fair value determination (continued)**Note 7.4 (a): Fair value determination of non-financial physical assets (continued)****Fair value determination of level 3 fair value measurement**

ASSET CLASS	LIKELY VALUATION APPROACH	SIGNIFICANT INPUTS (LEVEL 3 ONLY) ⁽ⁱ⁾
Non-specialised land	Market approach	n.a.
Specialised Land (Crown / Freehold)	Market approach	Community Service Obligations Adjustments (a)
Non-specialised buildings	Market approach	n.a.
Specialised buildings	Depreciated replacement cost approach	<ul style="list-style-type: none"> • Cost per square metre • Useful life
Dwellings	Market approach	n.a.
	Depreciated replacement cost approach	<ul style="list-style-type: none"> • Cost per square metre • Useful life
Vehicles	Market approach	n.a.
	Depreciated replacement cost approach	<ul style="list-style-type: none"> • Cost per unit • Useful life
Plant and equipment	Depreciated replacement cost approach	<ul style="list-style-type: none"> • Cost per unit • Useful life
Infrastructure	Depreciated replacement cost approach	<ul style="list-style-type: none"> • Cost per unit • Useful life

(i) A Community Service Obligation (CSO) of 20% was applied to the health service's specialised land classified in accordance with the fair value hierarchy.

NOTE 8: OTHER DISCLOSURES

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

Structure

- 8.1: Reconciliation of net result for the year to net cash flows from operating activities
- 8.2: Responsible persons' disclosures
- 8.3: Remuneration of executive officers
- 8.4: Related parties
- 8.5: Remuneration of auditors
- 8.6: Events occurring after the balance sheet date
- 8.7: Equity
- 8.8: Economic dependency

COVID-19

Our other disclosures were not materially impacted by the COVID-19 Coronavirus pandemic.



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

	NOTE	2023 \$'000	2022 \$'000
Net Result For the Period		(59,200)	25,255
Non-Cash Movements			
Depreciation of Non-Current Assets	4.5	71,460	68,641
Amortisation of Non-Current Assets	4.5	5,138	2,735
Capital Grant - Indirect Contribution by Department of Health		(9,470)	(44,742)
Services received Free of Charge		1,586	(207)
Assets Received Free of Charge	2.2	(1,003)	(1,831)
Discount Interest Expense / (Revenue) on Financial Instrument		40	(228)
(Gain)/Loss on Revaluation of Long Service Leave Liability	3.2	14,663	(13,189)
Bad and Doubtful Debt expense	3.2	867	731
(Gain)/Loss on Sale or Disposal of Non-Financial Physical Assets	3.2	240	55
Capital Donations Received		-	(2,601)
Movements in Assets and Liabilities			
(Increase) / Decrease in Receivables and Contract Assets		(22,038)	(15,949)
(Increase) / Decrease in Prepayments		(535)	490
(Increase) / Decrease in Inventories		(1,488)	(139)
Increase / (Decrease) in Other Liabilities		(2,395)	5,131
Increase / (Decrease) in Payables and Contract Liabilities		35,985	64,474
Increase / (Decrease) in Employee Benefits		11,837	29,825
NET CASH INFLOW FROM OPERATING ACTIVITIES		45,687	118,451

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
Responsible Ministers	
The Honourable Mary-Anne Thomas MP	
Minister for Health	1/07/2022 - 30/06/2023
Minister for Health Infrastructure	5/12/2022 - 30/06/2023
Minister for Medical Research	5/12/2022 - 30/06/2023
Former Minister for Ambulance Services	1/07/2022 - 5/12/2022
The Honourable Gabrielle William MP	
Minister for Mental Health	1/07/2022 - 30/06/2023
Minister for Ambulance Services	5/12/2022 - 30/06/2023
The Honourable Lizzy Blandthorn MP	
Minister for Disability, Ageing and Carers	5/12/2022 - 30/06/2023
The Honourable Colin Brooks MP	
Former Minister for Disability, Ageing and Carers	1/07/2022 - 5/12/2022
Governing Board	
Mr Tass Mousaferiadis (Chair of the Board)	1/07/2022 - 30/06/2023
Ms Anna Lee Cribb	1/07/2022 - 30/06/2023
Ms Sally Freeman	1/07/2022 - 30/06/2023
Mrs Penny Hutchinson	1/07/2022 - 30/06/2023
Dr Bob Mitchell AM	1/07/2022 - 30/06/2023
Mr Andrew Saunders	1/07/2022 - 30/06/2023
Mr Lance Wallace	1/07/2022 - 30/06/2023
Dr Angela Williams	1/07/2022 - 30/06/2023
Mr Terry Symonds	1/07/2022 - 30/06/2023
Accountable Officer	
Adjunct Professor David Plunkett Chief Executive	1/07/2022 - 30/06/2023



Note 8.2: Responsible persons' disclosures (continued)**Remuneration of responsible persons**

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

Income Bands	NO. OF DIRECTORS AND ACCOUNTABLE OFFICER	
	2023	2022
\$10,001 - \$20,000	-	1
\$40,001 - \$50,000	8	7
\$80,001 - \$90,000	1	1
\$540,000 - \$550,000	1	1
Total Responsible Persons	10	10
	2023	2022
	\$'000	\$'000
TOTAL REMUNERATION RECEIVED OR DUE AND RECEIVABLE BY RESPONSIBLE PERSONS FROM EASTERN HEALTH:	996	936

Amounts relating to Responsible Ministers are reported within the State's Annual Financial Report.

Note 8.3: Remuneration of executives

Executive officers' remuneration

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.

	2023 \$'000	2022 \$'000
Remuneration of Executive Officers (incl. Key Management Personnel disclosed in Note 8.4)		
Short-Term Benefits	\$2,680	\$2,631
Other Long-Term Benefits	\$49	\$67
Post-Employment Benefits	\$234	\$211
TOTAL REMUNERATION	\$2,963	\$2,909
TOTAL NUMBER OF EXECUTIVES⁽ⁱ⁾:	14	10
TOTAL ANNUALISED EMPLOYEE EQUIVALENT⁽ⁱⁱ⁾:	8	8

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

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

Total remuneration payable to executives during the year included additional executive officers.

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

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Other factors

The main factors impacting total remuneration included long-term illness requiring a long-term acting arrangement and annual Enterprise Bargaining Agreement increases.

Note 8.4: Related parties

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

- all key management personnel (KMP) and their close family members and personal business interests;
- cabinet ministers (where applicable) and their close family members; and

- all health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

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

Key management personnel

The Board of Directors, Chief Executive Officer and the Executive Directors of Eastern Health are deemed to be KMPs. This includes the following:

NAME	POSITION	PERIOD
Mr Tass Mousaferiadis	Chair of the Board	Full Year
Ms Anna Lee Cribb	Board member	Full Year
Ms Sally Freeman	Board member	Full Year
Mrs Penny Hutchinson	Board member	Full Year
Mr Terry Symonds	Board member	Full Year
Dr Bob Mitchell AM	Board member	Full Year
Mr Andrew Saunders	Board member	Full Year
Mr Lance Wallace	Board member	Full Year
Dr Angela Williams	Board member	Full Year
Adjunct Professor David Plunkett	Chief Executive	Full Year
Professor Leanne Boyd	Executive Director Learning and Teaching, Chief Nursing and Midwifery Officer	1/7/2023 - 14/5/2023
	Executive Director Eastern Health Institute, Chief Nursing and Midwifery Officer	15/5/2023 - 30/6/2023
Mr Geoff Cutter	Executive Director Finance, Procurement and Corporate Services	1/7/2023 - 12/2/2023
	Executive Director Finance and Procurement	13/2/2023 - 30/6/2023
Associate Professor Alison Dwyer	Executive Director Research, Chief Medical Officer	1/7/2022 - 14/5/2023
	Executive Director Clinical Governance, Chief Medical Officer	15/5/2023 - 30/6/2023
Ms Anita Wilton	Interim Chief Allied Health Officer	26/2/2023 - 30/6/2023

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Note 8.4: Related parties (continued)

Key management personnel (continued)

NAME	POSITION	PERIOD
Ms Shannon Wight	Executive Director Clinical Operations (ASPPPA)	1/7/2022 - 25/6/2023
	Executive Director Clinical Operations	26/6/2023 - 30/6/2023
Mr Paul Leyden	Acting Executive Director Clinical Operations (SWMMS)	1/7/2022 - 3/2/2023
Ms Philippa Blencowe	Acting Executive Director Clinical Operations (SWMMS)	4/2/2023 - 25/6/2023
	Acting Executive Director Mental Health and Clinical Support	26/6/2023 - 30/6/2023
Ms Sally Thomas	Acting Executive Director People and Culture	1/7/2022 - 7/8/2022
Ms Amanda Armstrong	Executive Director People and Culture	8/8/2022 - 22/1/2023
Mr Paul Keane	Acting Executive Director People and Culture	23/1/2023 - 31/1/2023 and 27/2/2023 - 4/6/2023
Ms Rachel Meehan	Acting Executive Director People and Culture	1/2/2023 - 26/2/2023
Mr Adam Williams	Executive Director People and Culture	5/6/2023 - 30/6/2023
Ms Gayle Smith	Executive Director Quality, Planning and Innovation	1/7/2022 - 25/2/2023
Nicole Amsing	Acting Executive Director Quality, Planning and Innovation	26/2/2023 - 14/5/2023
Ms Rachel Meehan	Executive Director Strategy and Improvement	15/5/2023 - 30/6/2023
Mr Paul Adcock	Acting Executive Director Information, Technology and Capital Projects	1/7/2022 - 12/2/2023
	Executive Director Digital Health	13/2/2023 - 30/6/2023
Mr Rohan Lovell	Executive Director Infrastructure and Support Services	13/2/2023 - 30/6/2023



Note 8.4: Related parties (continued)

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 State's Annual Financial Report.

	2023 \$'000	2022 \$'000
Compensation - KMPs		
Short-Term Employee Benefits	3,589	3,487
Post-Employment Benefits	302	274
Other Long-Term Benefits	67	84
TOTAL COMPENSATION⁽ⁱ⁾	3,958	3,845

(i) KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Significant transactions with government related entities

Eastern Health received funding from the Department of Health of \$1,277 million (2021/22 \$1,233 million) and indirect contributions of \$1.9 million (2021/22 \$1.8 million).

The net balance owed by Department of Health at 30 June 2023 is \$2.778 million (2022: net balance owed to Department of Health - \$5.318 million).

At year end, the Long Service Leave funding receivable is \$77.895 million (2022: \$83.754 million).

Expenses incurred by Eastern 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 Eastern Health to hold cash (in excess of working capital) in accordance with the State of Victoria's centralised banking arrangements.

All borrowings are required to be sourced from Treasury Corporation Victoria unless an exemption has been approved by the Minister for Health and the Treasurer.

Transactions with KMPs and Other Related Parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges.

Further employment of processes within the Victorian public sector occurs on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission.

Procurement processes occur on terms and conditions consistent with the HealthShare Victoria and Victorian Government Procurement Board requirements.

Outside of normal citizen-type transactions with Eastern Health, there were no related party transactions that involved key management personnel, their close family members or their personal business interests.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2023 (2022: none).

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

Note 8.5: Remuneration of auditors

	2023 \$'000	2022 \$'000
Victorian Auditor-General's Office		
Audit of Eastern Health's Financial Statements	129	126
TOTAL REMUNERATION OF AUDITORS	129	126

Note 8.6: Events occurring after the balance sheet date

Directors

There are no other matters have occurred since the end of the financial year which could significantly affect the operations of Eastern Health, the results of the operations or the state of affairs of Eastern Health in 2022/23.

Note 8.7: Equity

Contributed capital

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

Financial assets at fair value through comprehensive income revaluation reserve

The financial assets at fair value through other comprehensive income revaluation reserve arises on the revaluation of financial assets (such as equity instruments) measured at fair value through other comprehensive income.

Where such a financial asset is sold, that portion of the reserve which relates to that financial asset may be transferred to accumulated surplus/deficit.

Specific restricted purpose reserves

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

Note 8.8: Economic dependency

Eastern Health is wholly dependent on the continued 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 Eastern Health

adequate cash flow to meet current and future obligations as and when they fall due for a period up to 31 October 2024.

On that basis, the financial statements have been prepared on a going concern basis.

Glossary and Index



GLOSSARY

ACHS	Australian Council on Healthcare Standards
Acute episode	A rapid onset and/or short course of illness
Acute hospital	Short-term medical and/or surgical treatment and care facility
Agpar score	A measure of the physical condition of a newborn baby
Allied health	Allied health professionals provide clinical healthcare, such as audiology, psychology, nutrition and dietetics, occupational therapy, orthotics and prosthetics, physical therapies including physiotherapy; speech pathology and social work
Ambulatory care	Care given to a person who is not confined to a hospital/requiring hospital admission but rather is ambulatory and literally able to “ambulate” or walk around
BAU	Business as usual
CCTV	Closed circuit television
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DHHS	Department of Health and Human Services
Discharge	Discharge is the point at which a patient leaves the health service and either returns home or is transferred to another facility, such as a nursing home
DRG	Diagnosis Related Group
DVA	Department of Veterans’ Affairs
Chronic condition	An illness of at least six months’ duration that can have a significant impact on a person’s life and requires ongoing supervision by a healthcare professional
Eastern@Home	Service that provides care in the comfort of a patient’s home or other suitable location. Clients are still regarded as hospital inpatients and remain under the care of a hospital clinician. Care may be provided by nurses, doctors or allied health professionals.
Elective surgery	Hospitals use urgency categories to schedule surgery to ensure patients with the greatest clinical need are treated first. Each patient’s clinical urgency is determined by their treating specialist. Three urgency categories are used throughout Australia: Urgent: Admission within 30 days or condition(s) has the potential to deteriorate quickly to the point it may become an emergency. Semi-urgent: Admission within 90 days. The person’s condition causes some pain, dysfunction or disability. It is unlikely to deteriorate quickly/unlikely to become an emergency. Non-urgent: Admission sometime in the future (within 365 days). The person’s condition causes minimal or no pain, dysfunction or disability. It is unlikely to deteriorate quickly/unlikely to become an emergency.
Emergency triage	There are five defined triage categories, determined by the Australasian College of Emergency Medicine, with the desirable time when treatment should commence for patients in each category who present to an emergency department: Category 1: Resuscitation; seen immediately Category 2: Emergency; seen within 10 minutes Category 3: Urgent; seen within 30 minutes Category 4: Semi-urgent; seen within one hour Category 5: Non-urgent; seen within two hours




Emission	Output or discharge, as in the introduction of chemicals or particles into the atmosphere
EMR	Electronic Medical Record
EQUIP National Standards	Four-year accreditation program for health services that ensures a continuing focus on quality across the whole organisation
Every Minute Matters	This is the name given to a program of improvement initiatives
FOI	Freedom of information
FTE	Full-time equivalent
Gap analysis	Method of assessing the differences in performance to determine whether requirements are being met and if not, what steps should be taken to ensure they are met
GEM	Geriatric evaluation and management
GJ	Gigajoule
GST	Goods and services tax
ICT	Information and communication technology
ICU	Intensive care unit
Inpatient	A patient whose treatment needs at least one night's admission in an acute or subacute hospital setting
KgCO ₂ e	Equivalent kilograms of carbon dioxide
kL	Kilolitre
LGBTIQ	Lesbian, Gay, Bisexual, Trans and gender diverse, Intersex, Queer and questioning
m ²	Square metres
MRI	Magnetic resonance imaging
MWh	Megawatt hour
NDIS	National Disability Insurance Scheme
NAATI	National Accreditation Authority for Translators and Interpreters
NSQHS Standards	National Safety and Quality Health Service Standards
OBD	Occupied bed day
Occasions of service	Hospital contact for an outpatient, either through an on-site clinic or home visit
OHS	Occupational health and safety
Outlier	A hospital that has a statistically significantly higher infection rate for a particular surgical procedure group compared to the VICNISS five-year aggregate for that procedure (includes all contributing hospitals in Victoria). Testing for statistical significance is performed each quarter but is based on data from the most recent two quarters (six months).
Outpatient	A person who is not hospitalised overnight but who may visit a hospital, clinic or associated facility, or may be visited in the home by a clinician for diagnosis, ongoing care or treatment
OVA	Occupational violence and aggression
Residential in-reach	Service that provides an alternative to emergency department presentations for clients in residential aged care facilities. It aims to support clients and staff to manage acute health issues when general practitioners or locums are unavailable.
SAB	Staphylococcus aureus bacteraemia
SAFE	Safe, Aggression Free Environment
Seclusion event	This is the sole confinement of a person to a room or other enclosed space from which it is not within the control of the person confined to leave
Separations	Discharge from an outpatient service
Subacute illness	A condition that rates between an acute and chronic illness
Stakeholder	Any person, group or organisation that can lay claim to an organisation's attention, resources or output, or is affected by that output
TAC	Traffic Accident Commission
Terms of reference	Describes the purpose and structure of a committee, or any similar collection of people, who have agreed to work together to accomplish a shared goal
VAGO	Victorian Auditor-General's Office
VICNISS	Victorian Healthcare Associated Infection Surveillance System. The "N" stands for a word derived from Greek "nosocomial" meaning "originating in a hospital".
WIES	Hospitals are paid based on the numbers and types of patients they treat – the Victorian health system defines a hospital's admitted patient workload in terms of WIES (weighted inlier equivalent separations)
YTD	Year to date

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Publications

All of Eastern Health's publications are available electronically via our website at www.easternhealth.org.au



Feedback

Eastern Health values feedback and uses it to continuously improve the services we provide.

There are a number of ways to provide your feedback:



Fill in our online feedback form at www.easternhealth.org.au



Contact one of our Patient Relations Advisors on **1800 327 837**. Patient Relations Advisors are available Monday to Friday from 9am to 3pm



Send an email to feedback@easternhealth.org.au



Write to us at:
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