2019-20

Annual Report

Monash Health

Acknowledgement of Country

Monash Health acknowledges the Traditional Custodians of the land, the Wurundjeri and Boonwurrung peoples, and we pay our respects to them, their culture and their Elders past, present and future. In this document, 'Aboriginal' refers to both Aboriginal and Torres Strait Islander people. 'Indigenous' or 'Koori/Koorie' is retained when part of the title of a report, program or quotation.

Contents

Acknowledgement of Country	2
Report of Chair of Board and Chief Executive	5
The year in review	6
Care and fortitude in a time of COVID	7
Aged Care	36
Monash Health Foundation	38
Jessie McPherson Private Hospital	40
Report of Operations	42
Who we are	45
Our tertiary health services	46
Our campuses	47
Our Board of Directors	52
Our executive team	60
Our workforce	64
Occupational health and safety	66
Clinical Governance Report	67
Environmental Sustainability Report	67
Financial information	69
Consultancies information	70
Disclosures required under legislation	71
Attestations	74
Statement of Priorities 2019-20	76
Disclosures Index	87
Our supporters	89
Financial Statements	90

Disclaimer
Some images featured in this report were taken before COVID-19 infection prevention precautions - such as physical distancing and the increased use of PPE - were put in place.

Cover image
Medical Director of Infection Prevention, Professor Rhonda Stuart, meeting the challenge of COVID-19 with her team.

Our strategic intent

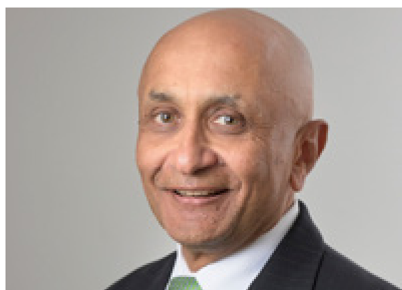
We are relentless in our pursuit of excellence

"Exceptional care comes down to exceptional people coming together across our organisation, and uniting for a common cause - the pursuit of excellence in healthcare."

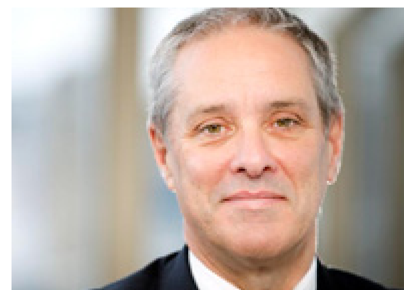
Andrew Stripp,
Chief Executive

Report of Chair of Board and Chief Executive

Welcome to the Monash Health Annual Report 2019-20



Dipak Sanghvi
Chair of Board



Andrew Stripp
Chief Executive

This year has been one of the most challenging in our 170-year history as we prepared for and responded to the COVID-19 pandemic.

Our people's dedication to caring for our community and each other led to an exceptional response.

As a leading teaching and research health service of international standing, much is expected of Monash Health, and much is asked of our people, and they delivered.

They adapted, remained agile, and always put the care and safety of our consumers, patients, families, and their colleagues at the core of each action.

In the following pages, you will find highlights and case studies illustrating our strategic guiding principles.

The substantive achievements are due to the collective actions of our teams, culminating in organisational success.

While some accomplishments can be quantified, it's the many daily acts of compassion and kindness that contributed to immeasurable positive outcomes for our community. The stand-outs include:

- our response to COVID-19, protecting and supporting our employees while enabling Monash Health to respond to the need of our patients and the wider community
- opening the $135 million Casey Hospital expansion with new theatre operating suites, intensive care unit, high dependency unit, pharmacy, and increased pandemic response capacity
- the new Distribution Service Centre which has increased supply chain capacity and streamlined our procurement service, while assisting a statewide program to ensure essential pandemic supplies
- our world-class clinical and translational research, with over 280 new and 1,500 patient-focused research projects underway
- the largest Go-Live of an Electronic Medical Record in Australia for our inpatient services, with eight sites moving to the new way of working
- the launch of the Monash Health Aboriginal Reconciliation Action Plan in partnership with the Aboriginal community supported 'Closing the Gap'
- Family Violence Unit continued to address the Royal Commission into Family Violence recommendations.

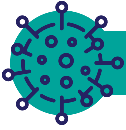
Acknowledgements
Our thanks go to our Board members and executive team for their guidance, support, and stewardship of the Monash Health vision.

Thank you to all Monash Health employees for delivering on that vision with every consumer interaction. To our community, we thank you for entrusting us with the privilege of caring for you and for sharing your feedback, enabling continuous improvement.

We recognise considerable input from partners, including 400 Monash Health volunteers, and around 350 volunteers from organisations like the Starlight Children's Foundation, Ronald McDonald House Charities, The Humour Foundation, and Radio Lollipop. Generous donations from the broader community helped ensure we could deliver the very best care, and we thank the many individuals, businesses, and organisations for their support.

Acknowledgment and thanks go to the Victorian Government, Department of Health and Human Services, and Federal Government, for their role in partnering with us to deliver positive outcomes for our diverse community.

Screening clinics were at the frontline of our fight against COVID-19.



COVID-19

Care and fortitude in a time of COVID

Over 18,000 Monash Health employees met the challenges of COVID-19 with grit, and a united front, illustrating exemplary teamwork and unwavering commitment to our community.

January to February: the stormfront arrives

On 24 January 2020, Monash Health began caring for Australia's first COVID-19 positive patient. While we were confident we could diagnose, manage and isolate patients with the virus, it was also the beginning of a time that would challenge and transform every aspect of our health service. As our understanding of the virus evolved, its impact on our communities grew, receded, and re-emerged in a series of 'waves' that brought unique and urgent challenges.

Our tight-knit teams collaborated across our health service to problem-solve, design, and implement changes that would typically take months or years, in just days and weeks.

During this time, COVID-19 numbers declined, but the expert advice from our top infection and virology teams was clear: this was only the beginning.

Our commitment to communicating, training, securing supplies, and consolidating changes to our clinical and non-clinical workflows continued, knowing future waves were imminent.

We realised that our decisions, based on the latest credible information, should be shared quickly and accurately with our 18,000 employees. One of our immediate actions was to create reliable online sources of information for our employees and our communities and use regular and frequent online forums to update our teams rapidly. In this new socially-distanced world, the use of technology in communication would prove paramount.

During this initial period, presentations from suspected COVID-19 patients remained low. Despite having only one verified positive patient, new procedures were established to provide guidance when caring for patients suspected of having COVID-19.

As case numbers outside China steadily increased, we continued to prepare, working closely with our in-house experts, the Department of Health and Human Services (DHHS), and other agencies.

March 2020: facing the first wave head-on

Following the incidence of community-acquired disease in other states, we established an Incident Command Team to guide Monash Health through this emerging crisis. Meeting daily, this team oversaw and coordinated our preparation and management of the potential pandemic as a State of Emergency was called in Victoria.

Our experts in infection prevention, operations, logistics, planning, and communication met daily in working groups, covering areas such as critical care, pharmacy, aged care, site, and ward logistics, and pathology to ensure nothing was left to chance.

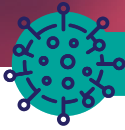
To assist in the critical role of identifying, tracking, and tracing transmission in the community, we established off-site COVID-19 screening clinics adjacent to Monash Medical Centre, Casey Hospital, and Dandenong Hospital. These clinics immediately filled with people seeking tests, illustrating our community's concern.

Determined to protect patients and employees, our teams began planning for a wide range of potential scenarios.

We knew as Victoria's largest health service provider, we would be relied upon to take action to slow the spread of the virus, to respond to outbreaks, and assist our community recover.

Suitable spaces were identified and prepared at Dandenong, Casey, Monash Medical Centre, and Monash Children's Hospital to admit people requiring inpatient care due to infection. Additional capacity was also fast-tracked at Casey Hospital.

Our rapid action saw outpatient clinics streamlined, reducing the number of people attending, and limiting visitors to our sites. Understanding that the supply chain for Personal Protective



COVID-19

Equipment and essential supplies would be critical, our team worked to secure delivery.

Employees worked from home where possible and elective surgery was reduced to increase capacity and reduce risk. We established a Workforce Mobilisation Team to help meet the demands of the COVID-19 response, and we built an expanded team of nurses, midwives, allied health, and other health professionals. Two hundred employees who were clinically trained but not currently working in a clinical role registered their interest to support workforce planning.

As the number of people in the community infected with COVID-19 increased, screening was introduced for visitors at major sites, visitor limits imposed, and visiting hours further reduced.

On 22 March, the Victorian Government announced a shutdown of all non-essential services within 48 hours. While the spread of the virus slowed, our teams continued to remain vigilant and prepared for what might come.

April 2020: remaining vigilant in the eye of the storm

In April, our first employee tested positive for COVID-19. This was a stark reminder of the need for ongoing vigilance and keeping employees safe with evidence-based practice and meticulous attention to infection prevention.

Recognising that a second wave was possible, a COVID-19 admissions team was assembled and deployed.

The number of COVID-19 positive patients being treated at Monash Health remained low as our community followed the State Government's 'stay at home' directions.

During this time, Monash Health sadly recorded its first patient death resulting from COVID-19.

Our readiness continued, with the installation of 10 thermal scanners across Monash Health, checking all people entering our sites for elevated temperature. With the support of DHHS funding, we further strengthened Monash Medical Centre's resuscitation unit capacity with six patient bays installed in specially-designed 'cubes' located adjacent to the Emergency Department. All employees were asked to complete a profile to identify those with additional skills, qualifications, and specialties that could be used to support our response to COVID-19.

While infection rates across Victoria were low at that stage, Premier Daniel Andrews extended the State of Emergency for another four weeks until 11 May, highlighting the pandemic was far from over.

During this period, as COVID-19 cases continued to decline, we began to plan for a potential reintroduction of elective procedures and were able to ease some visiting restrictions. Given the risks of escalation, we also

24 January

Monash Health begins treating the first COVID-19 positive patient in Australia

1 March

Australia records first fatality, a 78-year-old Perth man

16 March

State of Emergency in Victoria first declared

converted the Acute Assessment Unit at Dandenong Hospital into a COVID-19 intensive care unit, while planning for the potential to add 200 Intensive Care Unit beds across Monash Health.

By late April, the State Government announced a COVID-19 screening blitz to build an accurate picture of how and where the infection had spread.

Monash Health was at the forefront of this effort to test 100,000 people through its COVID-19 screening clinics. At the same time, voluntary employee screening commenced across our sites.

The success of our Distribution Service Centre operations led to it becoming a Victorian hub for the distribution of medical supplies to healthcare workers on the front-line of the coronavirus pandemic. This proved to be a vital part of receiving the 'life-blood' of critical supplies for many healthcare providers across the State.

May to June 2020: preparing for a possible second wave

The screening blitz continued with Monash Health rapidly establishing new screening clinics at Kingston, Springvale, and Pakenham, adding to those already operating at Clayton, Dandenong, Berwick, and Cranbourne.

Within two days, we had further bolstered screening activity within Monash Health, opening the new locations, filling rosters, training employees, establishing administrative and communication protocols, and supporting the pathology team to scale up their response.

Above: Medical Director of Infection Prevention, Professor Rhonda Stuart.

By mid-May, our Nurse Educators had trained more than 7,000 employees in the correct use of Personal Protective Equipment.

At this time, we had not had a COVID-19 positive patient admitted for some weeks but remained acutely aware that if viral transmissions rose within the community, we had to be ready to act.

Following the screening blitz, the Premier again announced a gradual easing of restrictions, including for visitors, which was crucial given the vital role loved ones play in consumer welfare and recovery.

Our Incident Command Team, with support from DHHS, commissioned the opening of the new clinical areas at Casey Hospital, enabling a rapid response for any increase in demand for intensive care.

Within a matter of days, Level 3 at Jessie McPherson Private Hospital was converted to a COVID-19 Admission Ward for suspected positive patients awaiting test results.

Meanwhile, the State Government testing blitz continued, with a new goal of 150,000 additional tests by the end of May announced by the Premier. Monash Health continued to support this important public health activity.

Supporting our employees was crucial, and the Workforce Mobilisation Team found new temporary roles for team members whose work areas slowed or were placed on hold because of the pandemic.

By the end of May, the Premier had announced a further easing of restrictions throughout the State, which, coupled with a return to school for some students, saw us enter a new phase in our response to the COVID-19 pandemic.

As people mobilised and interacted, we saw the possibility of a rise in cases and recognised we needed to use this time to continue to prepare effectively.

Given greater community movement and interaction, the possibility of a second wave remained, and Monash Health continued to prepare and evolve its response to the pandemic.

The Nursing and Midwifery Education and Strategy team worked with our Critical Care team to ensure our Intensive Care Units were ready to meet an increase in nursing demand, engaging with more than 300 employees to return or upskill.

22 March

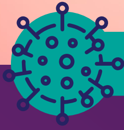
Stage 2 restrictions introduced, non-essential services closing, social distancing rules and transition to remote learning and work

26 April

Screening blitz announced, targeting 100,000 tests in two weeks

11 May

Restrictions begin easing on social interactions



COVID-19

The Facts

174,334
Total number of screening tests.

12,329
Total employees PPE trained.

6
Number of screening clinics established.

75
Employees deployed daily at screening clinics.

25
Total number of COVID-19 patients admitted.

22
Total number of patients recovered from COVID-19.

With the State of Emergency continuing and the COVID-19 pandemic evolving, safety in workplaces, our community, and for employees remained at the forefront.

Safety is both physical and psychological, and Monash Health provided expert advice, training, and resources to support overall health and wellbeing of employees and the broader community.

Monash Health worked with DHHS to build a COVID-19 resilient service into the future, with local solutions to enable early detection and swift public health response, to reduce community transmission.

Part of this involved testing in areas where cases were most likely, where testing had been low, or equity of access is an issue for vulnerable groups.

To provide greater flexibility and increase testing rates in the City of Greater Dandenong, we opened a drive-through clinic in Dandenong to complement existing clinics.

We had our first COVID-19 admission for over a month and an increase in people infected through untraceable community transmission.

While early June saw new cases across the State hovering in single figures, the number began to grow, and by the last day of the month, the State had reported 76 new cases – its highest increase since 30 March.

Victorians became increasingly aware of the trajectory of COVID-19 in the State and we understood our community would need us more than ever.

The increase in numbers saw a return to 'Stage 3 stay-at-home restrictions'. As cases increased locally, all Monash Health employees involved in outreach work in affected 'hot spot' suburbs were required to wear Personal Protective Equipment.

This affected Hospital in the Home employees, Rehabilitation in the Home, and community and mental health programs.

A new drive-through screening clinic opened at Casey Fields, replacing the Cranbourne clinic and increasing capacity.

We established Outbreak Management Teams to respond to potential exposures, to understand the risks and oversee the contact tracing and quarantining of employees and patients.

The rapid onset and unknowns of COVID-19 have meant we have relied on the resilience and agility of our workforce more than ever before in our history, trusting them to continue putting their safety and the wellbeing of our community first.

At every phase of this pandemic, the scale and impact to our health service has been rapidly-evolving.

Nonetheless, our highly skilled workforce has united to overcome the challenges of COVID-19 while delivering outstanding levels of care to our community and each other, every day.

Without this commitment to community and each other, the outcomes for the areas we serve may have been so very different.

While this COVID-19 journey continues, to every employee, we say thank you.

26 May

Night Duty Manager, the first from a Victorian quarantine hotel, diagnosed with COVID-19

1 June

Hospitality restrictions begin easing

30 June

10 metropolitan-Melbourne postcodes re-enter Stage 3 stay-at-home restrictions

01

We consistently provide safe, high quality and timely care

“The Electronic Medical Record means our people are supported to take full advantage of the power of data to innovate and pursue excellence in a safe, timely and high quality manner.”

Jane Ross,
EMR Director, Advancing Care

Martin Keogh, Chief Operating Officer, watches on as Sue Kerwin and Ignatious Abraham 'Go-Live' with the Electronic Medical Record at Cranbourne Integrated Care Centre in August.

The Electronic Medical Record: a foundation improvement for Monash Health

Delivering the single largest Go-Live of an Electronic Medical Record in Australia required meticulous planning, teamwork, and overcoming many challenges to transform our care into the future.

Laying the groundwork: the case for change

Introducing the Electronic Medical Record (EMR) for our inpatient services went beyond transferring paper records onto a digital platform. It offered far-reaching benefits to our consumers, our organisation and the advancement of community health.

Through reliable integration of information across systems and clinical areas, the EMR ensures our interdisciplinary healthcare teams can securely access accurate, up-to-date, and legible information about patients at the point of care. This includes history, clinical notes, diagnoses, test results, and allergies, all accessible in one location. Real-time information means easier collaboration and a seamless continuum of care between our departments and sites and other care partners.

The technology supports improvements to patient care through decision support capabilities, enhanced medication management, and alerts quickly flagging patient deterioration, leading to fewer errors. Standardised workflows, processes, and terminologies result in less variation in the manner in which we deliver care.

Emilio Pozo, Executive Director Digital Health spearheaded the EMR program.

With data entered at the point of care, collation, processing, and analysis of trends simplified our ability to satisfy governance, reporting, and accreditation, and advance research and teaching.

Translational clinical and outcomes-based research and education could also be disseminated via the EMR to inform improvements and innovations in clinical practice rapidly.

The build-up: setting the scene for success

To be successful, it was imperative to bring together the right team and resources at the right time. The EMR Program Team combined talent from across Monash Health along with valued vendor partners.

With a strong belief in the power of the EMR to transform care, the team focused on a multi-year, multi-phased plan. It required meticulous adherence to a complex critical pathway involving input from every discipline and level, including consumers and vendors. The choice of solution partner, Cerner, was just the beginning. Many moving parts came together so that nothing was left to chance before Go-Live.

An EMR Implementation Committee worked alongside sub-committees to ensure governance, risk, issues, operational and project timelines were supported.

Consultation with clinicians, subject matter experts, and consumers informed the system design and build. Continuous refinement through user feedback, testing, and issue resolution ensured a robust and reliable system, with safety, patient, and employee experience at its core.

The many thousands of

devices to access the EMR were sourced, configured, tested, and delivered efficiently. This occurred concurrently with system and electrical upgrades to accommodate the new platform and devices.

Comprehensive training and engagement programs for our employees were crucial to a successful rollout.

Patients, consumers, visitors and employees were kept informed via an extensive communications and support program.

The Go-Live success was a result of teamwork, collaboration, consultation, and the pursuit of excellence in patient care.

Take off: all systems Go-Live

Staggered over three events in August, October, and November of 2019 across eight sites, one ward or clinical area transitioned at a time. Daily operational and governance meetings coordinated the schedule to ensure a smooth and safe transition to troubleshoot arising issues.

Clinical Transition Teams comprising a pharmacist, doctor, and nurse, carefully transcribed existing inpatient information from paper to the EMR.

Significant support was available on-site for every ward, including a Command Centre providing 24-hour support, supernumerary EMR Super Users, Champions, and Cerner partner coaches providing immediate assistance on the floor.

Embedding the new: gaining altitude in the face of a pandemic

The successful launch of the EMR at such a scale was a significant milestone for Monash Health, our consumers, and the Victorian community.

A testament to the strength of our employees was their willingness to educate themselves on how to use the EMR, embrace it, and integrate it into their daily work.

Their application during the pressures of the COVID-19 pandemic to support clinical care and our operational needs was outstanding.

They continue to impress with their responsiveness and continuous improvements to the system to ensure the EMR fulfils the intended benefits for safe and timely care to our patients.

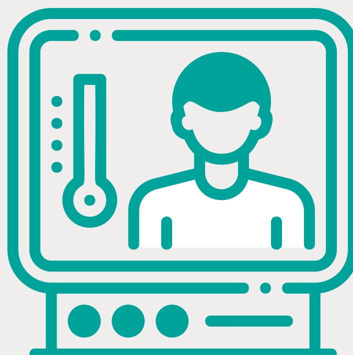
> **"We are an integral part of our community and aspire for our actions to support the delivery of safe, high quality, and timely care. The EMR will assist our world-leading teams in their clinical decision making every day."**
>
> **Emilio Pozo,**
> **Executive Director Digital Health**

EMR Go-Live snapshot

8

hospitals went live across three EMR Go-Live events

in a planned and controlled transition.



6,255

EMR devices including WOWs* and tablets deployed during Go-Live.

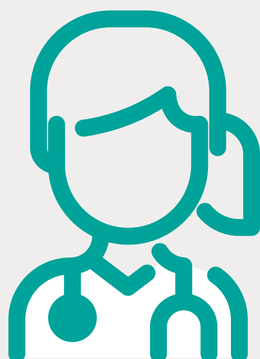
* Work station on wheels.

13,500

employees trained in using the EMR

within a tailored face-to-face and online familiarisation and learning package.

918



Super Users supported a safe and timely Go-Live

by providing 'at the elbow' support to their peers.

1,195

inpatient records securely transitioned onto the EMR.

02

We provide experiences that exceed expectations

“I just feel so overwhelmed that the employees at Monash Children’s Hospital were able to take this tiny, fragile, 600 gram baby and get her to where she is now. I couldn’t possibly express how much I appreciate what they’ve done.”

Brendan O’Brien, father of premature baby Willow, who spent 140 days in our care

In April, John was one of the first patients admitted to the new tower facilities at Casey Hospital.

A new era for care in the southeast

Construction of the $135 million Casey Hospital expansion is complete and delivering above and beyond our community's expectations.

The construction phase of the Casey Hospital expansion is now complete, signifying a step-change in care for patients and the community. Casey Hospital opens many possibilities across the Monash Health network and beyond and will provide a significant boost for healthcare in the wider South Eastern region, relieving pressure on several nearby hospitals.

Far-reaching benefits

The new and expanded facilities mean less need to transfer patients, as there is ready access to the services they need closer to home.

Commencing in September 2017, the phased construction and opening of facilities underlined the additional challenges of hospital construction.

A broad range of critical infrastructure and performance requirements were successfully balanced with uninterrupted provision of care.

Casey Hospital can now attract and retain the best medical and administrative employees and enhance our teaching capabilities to improve the patient experience further.

The first ICU for Casey

Martin Keogh, Monash Health's Chief Operating Officer, said that the Intensive Care Unit (ICU), which opened on 18 May 2020, was a first for Casey and an important milestone for the rapidly expanding Casey catchment.

In particular, the ICU increases Casey's ability to care for critically ill patients without the need to transfer them to alternate facilities. Casey now joins Monash Medical Centre, Dandenong Hospital, and Monash Children's Hospital, with their provision of care featuring a fully-equipped ICU.

"Opening our new ICU is such an important milestone for Monash Health in terms of serving the local Casey community and our ability to provide timely care for critically ill patients," Mr Keogh said.

Improving access to specialty care

The expansion has also broadened the range of specialist care in the region and included the opening of new theatre operating suites and pandemic response capacity within the Casey Hospital.

Andrew Perta, General Manager Casey Hospital, explained, "We've added several new sub-specialties to the Casey site, including on-site gastroenterology, renal, respiratory, and infectious disease, and expanded our pathology department. A new pharmacy space features more advanced refrigeration, security features, additional storage, work stations, and collaborative meeting spaces for employees and students. So now, we can provide a more wide-ranging clinical service to our general patients and keep critically ill patients here. It's not just about the ICU; it's all the clinical services that we provide at Casey that will bring benefits."

Acknowledging every part of the experience

While the new clinical areas contain the state-of-the-art technology expected at a new facility, the design and construction team has also paid significant attention to aesthetics. Calm, clean spaces abound that will help to ease the minds of anxious patients and families.

The expansion included a spacious and welcoming revamped main entranceway, new Terrace Café, and Education Hub. "It's got a light, airy feel, so it doesn't look too clinical when you first walk in.

"There's visibility to the outside that will benefit employees, patients, and families. It's a beautiful facility," Mr Keogh said.

A lot of work went into changing the perception of hospital food, too, with the introduction of the SmartPak foodservice model recognised during Monash Health's Innovation Awards in 2017, delivering more menu choices for patients.

The SmartPak technology allows meals to be specially prepared to retain freshness and colour, allow for easier and faster delivery to the wards and give as many as 19 different options for each meal, including more options for those with dietary restrictions.

With all this attention to detail and care that has gone into function, aesthetics, and focus on consumers' needs, Casey Hospital will now undoubtedly ring in a new era for Monash Health to deliver experiences that exceed our community's expectations.

One of the new procedure rooms at Casey Hospital.

"The redevelopment includes unexpected touches, big and small, to help us continue to give 100% to our community and make people feel special and cared for."

Andrew Perta, General Manager, Casey Hospital

Snapshot of expanded capacity to care

6 fully-equipped temporary resuscitation bays constructed on demountable units adjacent to Monash Medical Centre Emergency Department, built in just six weeks

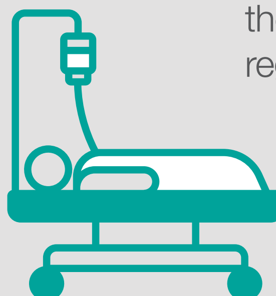
to support our ongoing response to COVID-19.

20 treatment bays opened in the new Medical Infusion Unit at Monash Medical Centre.

40 brand new beds opened in the new Casey Hospital tower facility.

$22m spent to upgrade Monash Medical Centre's electrical infrastructure.

5 bed Intensive Care Unit opened at Casey Hospital, the first for the region.



03

We work with humility, respect, kindness, and compassion in high-performing teams

"Working through challenges with empathy, the team came together, not just as a team, but as somewhat of a family."

Fairley Wijesinghe,
Food Services Manager, Casey Hospital

Working together in high-performing teams is a key to our success. (Images were taken pre COVID-19.)

The A-team brings its A-game for COVID

The Support Services team is a diverse and dedicated force.

As COVID-19 increased demand for their services, our 'no-fuss' heroes delivered excellence through teamwork.

Our Support Services team partnered across Monash Health departments to augment our clinical services with the very best supportive care. Director of Support Services, Sharon McNulty, recognised the skill of her team and the teamwork required by every member of the program.

"We believe we can go further when we combine our talents toward a shared goal, which was highlighted in our pandemic response.

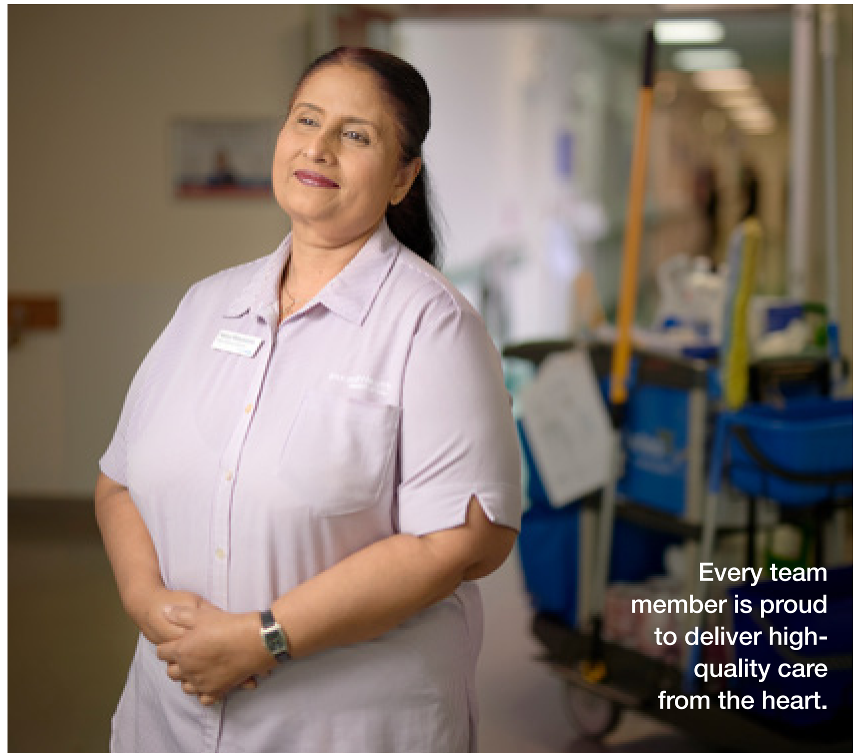
"The team worked as one and had each other's backs during a challenging time. This ensured they could work rapidly and flexibly to maintain exceptional care every step of the way.

"Our dedicated and passionate leaders are all about delivering services whilst ensuring safety measures, systems, processes, and the work environment are all improved. They consistently support their team members as individuals on both a professional and personal level. They lead from the front, and with sleeves decidedly rolled up. It's why their teams give their best, always," said Ms McNulty.

Illustrating the capabilities of this high-performing unit are their considerable effort and empathetic approach to our consumers and their colleagues during the pandemic. There was considerable care put into protecting all employees with personal protective equipment (PPE) training and safety measures put in place.

Workforce and business contingency planning ensured the services so critical to the function of our health service would not be interrupted.

The team understood that patient safety and care, and quality of service should not be compromised.



Every team member is proud to deliver high-quality care from the heart.

Securing meals, winning awards, all in a day's work

Securing patient meal supply and ensuring the safe delivery of meals that met nutritional standards and non-negotiable dietary provision was vital. Monash Health has Victoria's largest public health food production kitchen, servicing both internal and external clients. Ordinarily, the team produces over 8,500 meals per day, including specialised and multiculturally sensitive meals. Their reserves were drawn upon to answer the state's call for help to ensure the provision of meals during the pandemic.

Not only did the Food Services Team maintain a reliable food supply for all Monash Health patients and external customers, but they partnered with the Department of Health and Human Services and Health Purchasing Victoria as part of the statewide COVID-19 food services plan. The team provisioned an additional 50,000 frozen meals able to be heated via microwave or oven at any hospital, aged care, meals on wheels, or home care facility in the state in the event of major preparation kitchens becoming unavailable.

Amid the pandemic, the Central Production Kitchen team won the 2020 Australian Institute of Food Science and Technology Allergen Bureau 'Julie Newlands' Award, acknowledging the team's science-based approach to food allergen risk assessment, management, and communication.

"The mark of an exceptional team lies in their ability to empathise deeply with those in their care and each other. That's the Support Services team to a tee."

David Ballantyne,
Executive Director, Capital Infrastructure

The 24/7 heroes: cleaning, waste, environmental and linen services

When it came to fighting Coronavirus, our cleaning, waste, environmental and linen service teams proved themselves to be our humble heroes.

They continued to ensure the day-to-day operational services were maintained during this time and adapted quickly to implement additional services and solutions specific to the issues raised by COVID-19.

The cleaning team rolled out an entire interim system for clinical cleaning during the pandemic to ensure compliance with COVID-19 cleaning requirements until a longer-term solution was implemented.

Additional workforce and resources delivered in excess of 3,500 hours of additional cleaning into the existing weekly schedule. This included developing new and tailored cleaning solutions for over 12 newly created areas.

With additional PPE requirements comes additional waste and linen requirements.

The waste and environmental services teams kept up with the substantial demand for clinical waste services across all our sites, including the new screening clinics. Our linen services went into overdrive and maintained excellent service.

The remarkable drive for customer service and exemplary teamwork meant our Support Services team not only kept up with the challenges of COVID-19 but excelled in every aspect of compassionate, kind, high-quality care, delivered from the heart.

Recognising excellence

of our team and community members were recognised in the 2020 Australia Day Honours.

Congratulations to:

- Prof Diana Egerton-Warburton OAM
- Dr Michael Leung AM
- Mr Naim Melhem OAM
- Prof Pauline Nugent AM
- Dr Sabar Rustomjee AM
- Mr Patrick Tessier OAM
- Dr Desiree Yap AM

Tania Green

Nurse of the Year
HESTA Nursing and Midwifery Awards 2020

Tania Green is an exceptional nurse, devoted to improving the lives of cleft-affected babies. The HESTA Nurse of the Year is clinic nurse coordinator of our Cleft and Craniofacial Unit, and was recognised for her career-long commitment to outstanding patient care, and delivering fantastic outcomes.

Dr Jane Tracy

Lifetime Achievement Honour Roll, Victorian Disability Awards 2019

Dr Jane Tracy has committed her career to caring for people with disability.
As Director of our Centre for Disability Health Victoria she has been instrumental in ensuring mainstream health services better understand, care for and support people with intellectual disability and complex needs.
Her pioneering work has now been recognised with her elevation to the Lifetime Achievement Honour Roll.

Dr Hashrul Rashid

Trainee of the Year Award, Royal Australasian College of Physicians 2020

Dr Hashrul Rashid was awarded the prestigious award upon completion of his advanced training in cardiology.
This award, bestowed by the RAC Fellowship Committee, recognises the highest achieving trainee who has shown significant leadership, and contributions to education and training. Dr Rashid's thesis investigated the diagnosis, impact and predictors of leaflet thrombosis following transcatheter aortic valve replacement.

04

We integrate teaching, research and innovation to continuously learn and improve

"The radical changes necessitated by COVID-19 were possible through iconoclastic innovation with support from the executive team, and the team's 'can-do' attitude."

Scott Donnellan, Director, Urology

Jomole John, enjoying quality time with her newborn daughter, Jianna, thanks to the NEOS calculator.

Keeping mothers and babies together

In recognition of the importance of continuous learning and improvement, Monash Health was the first Victorian service to implement the Neonatal Early Onset Sepsis calculator.

Conducted on a smartphone, the Neonatal Early Onset Sepsis (NEOS) calculator allows us to keep more well babies with their mothers rather than exposing them to unnecessary blood tests, antibiotic therapy, and admission to the neonatal unit.

Challenging the norm

Early Onset Sepsis (EOS) is an uncommon but severe bacterial bloodstream infection in newborn babies that can cause critical illness or death if not detected and treated early.

Risk-factor algorithms have been used for many years to assist clinicians caring for babies to determine a baby's risk of developing sepsis.

Those babies judged to be at high risk are then assessed through blood tests, with intravenous antibiotics given for suspected infection.

This means babies are admitted to the nursery and separated from their mothers.

However, traditional risk assessment algorithms resulted in high rates of antibiotic exposure for well babies, and the number of newborn infants treated with antibiotics was up to 200 times higher than the actual incidence of EOS.

Pathway to improved outcomes

When combined with universal screening for Group B Streptococcus (GBS) in pregnant women, the calculator provided a more individualised and specific risk assessment that reduced antibiotic treatment and separation rates in well newborn babies, without increased risk of missing genuine cases of sepsis.

Since we began using the calculator, Monash Health

> “We are curious and drawn to learning and researching new things, and harness this curiosity to drive innovation and improvement in all that we do.”
>
> **Associate Professor Ryan Hodges, Program Director, Monash Women’s and Newborn**

Award winners Charles Barfield, Alice Stewart, and Ryan Hodges with Chief Executive, Andrew Stripp and Board Chair, Dipak Sanghvi.

neonatal sites have shown clear improvement in the ways they identify EOS, with no cases of missed or delayed treatment for EOS.

This positive impact on the quality of care was only achieved with effective program leadership, collaboration, and engagement with all key stakeholders.

The ‘keeping mothers and babies together’ initiative represents the integration of best evidence, innovation, and team engagement to improve the quality and safety of care that Monash Health provides to babies and their mothers.

The newborn sepsis calculator has been applauded in the healthcare industry, winning the award for Excellence in Women’s Health at the 2019 Victorian Public Health Care Awards.

Associate Professor Ryan Hodges, Dr Alice Stewart, and Associate Professor Charles Barfield received the award from the Victorian Minister for Health, Jenny Mikakos, who recognised their pivotal role in the health outcomes for mothers and their babies.

Associate Professor Ryan Hodges, Program Director of Monash Women’s and Newborn, said, “The NEOS was a culmination of our team asking the question ‘what if?’ to develop alternative approaches and drive positive outcomes.

“It’s how we endeavour to solve problems for the benefit of our mothers and babies and the broader community. The results have been striking – fewer babies had antibiotics, and fewer babies were separated from their mothers.”

Maintaining the precious bond

The initiative means more mums like Jomole John (pictured on previous page) who gave birth to her second daughter Jianna at Monash Health, are enjoying additional quality time with their newborns during those critical first few days.

“I know if she’s taken to the nursery, she’s in good hands, but as her mother, there is always a bit of anxiety if you are separated. Now I can feed her whenever she needs and have that special bonding time,” Jomole said.

Mothers and babies united

Director of Monash Newborn, Dr Alice Stewart, was delighted with the results and proud of the team’s achievements.

“The message of ‘keeping mothers and babies together’ united our clinicians from across disciplines and had a significant impact on mothers’ experiences and outcomes for them and their babies,” she said. “More well babies were spared unnecessary medical interventions and stayed with their mothers after birth, which, in turn, enabled stronger bonding and breastfeeding establishment.”

The thoughtful care that went into implementing the NEOS means an excellent outcome that will benefit our community into the future.

It’s just one example of many of our teams at Monash Health leading healthcare outcomes with evidence-based research and learning to drive innovation and improvements in care.

Research at Monash Health

$63m

awarded for commercially sponsored research.

55

currently held clinical research Fellowships at Monash Health.

1530

active research projects, spanning trials for drug and devices, clinical research and quality improvement.

240

Graduate research students in the School of Clinical Sciences at Monash Health.

$23m

awarded for research Fellowships.

05

We orientate care towards our community to optimise access, independence, and wellbeing

“To see a client achieve a goal they previously believed was out of reach, and subsequently see their perception of what they are capable of gradually change, is incredibly rewarding.”

Lauren Alley,
Speech Pathologist, Youth and Family Team

Djirri Djirri dancers performed at our National Reconciliation Week celebrations. (Images were taken pre COVID-19.)

Caring for our diverse communities

Monash Health launched our Innovate Reconciliation Action Plan 2020-2022 in partnership with the Aboriginal community to support ‘Closing the Gap’.

The Innovate Reconciliation Action Plan (RAP) for 2020–2022, launched in February 2020, is an essential step toward ‘Closing the Gap’ between healthcare outcomes for Aboriginal and Torres Strait Islanders and other Australians.

An action plan for change

Monash Health is an integral part of the local communities we care for, and we place a high priority on optimising access, independence, and wellbeing for every member of our diverse communities. There are more than 20,000 Aboriginal and Torres Strait Islander peoples across the local government areas of Glen Eira, Kingston, Monash, Greater Dandenong, Casey, and Cardinia, where many of our patients and healthcare workers live.

Board Chair Dipak Sanghvi said that the RAP outlines the vision for a Monash Health community that welcomes unity between Aboriginal and Torres Strait Islander peoples and other Australians to create an environment of collaboration, respect, and support.

“Monash Health is committed to creating a culturally safe environment and ensuring that everyone has equal healthcare opportunities. This plan presents our reconciliation journey and our relationship with the Aboriginal community,” Mr Sanghvi said.

“I believe this plan clearly sets out our commitment to this journey and establishes a clear

Dr Vinka Barunga

> "Everyone can be an ally for reconciliation and champion change moving forward. It takes simple acts such as coming to Aboriginal events, asking all patients if they identify as Aboriginal or Torres Strait Islander, or ordering catering from an Aboriginal business."
>
> **Daniel Carter,**
> **proud Ngarrindjeri/Wergaia man, Director of Aboriginal Health**

path to achieving greater equality in healthcare for our Aboriginal patients. We want to lead the way in 'Closing the Gap' between health outcomes for Aboriginal people and other Australians," he said.

Proud Worrorra doctor leads the way

Dr Vinka Barunga, proud Worrorra woman and Critical Care doctor, added her perspective when featured as one of the First Nation trailblazers in the SBS Insight NAIDOC Week special 'Deadly Future' while working at Monash Health in July 2019. Dr Barunga is the first Aboriginal doctor in her hometown of Derby, Western Australia, and hopes to give back to her community and inspire the next generation of Aboriginal women.

Dr Barunga said that conversations with teachers and mentors during high school stoked her interest in the link between history and health, including, "What Australian history meant for Aboriginal people and how that impacted on health."

Inspiring future generations

Dr Barunga said her 'end goal' is to return to her community in the Kimberley.

"If I wasn't going to be a doctor, I don't know what I would be. There are so many people in the community that support me and look up to me, and I couldn't let them down.

"Working in a hospital is exciting, it's challenging, it's not really a feeling I get anywhere else in my life," she said.

We are very proud that Vinka is a part of our team and honoured to be a part of her journey to enact positive and lasting change.

A journey of mutual respect and shared goals

Monash Health believes that Aboriginal Health is everyone's business. Reconciliation relies on both Aboriginal and non-Aboriginal people working together to create opportunities, build respect, and nurture relationships. The RAP is part of a pledge to create an inclusive environment and experience for all.

A critical step has been the development of bespoke Monash Health Aboriginal Cultural Awareness modules launched in June 2020 to complement the RAP. Project Lead for Aboriginal Health, Isabelle Howard, and People and Culture's Kitty Chandler, had deep involvement in the development of the online training. Since then, the rapid adoption means Monash Health is on track to have all employees embrace this essential cultural education.

Monash Health will continue its reconciliation journey, built on a strong foundation of mutual respect, cultural learning, and supportive leadership, helping us to orientate care towards our community to optimise access, independence, and wellbeing for everyone.

Care in our community

240

residential aged care facilities, supported residential services, disability group homes and hostels provided with acute medical and nursing assistance via our Residential In-Reach program.

9,631

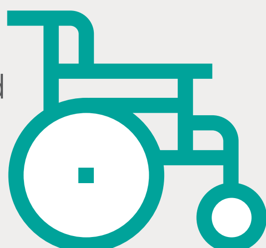
people received care at home via our Hospital in the Home service, the largest in Australia.

386,793

community health appointments provided.

85

clients supported as part of new NDIS support coordination service



67 clients supported with NDIS allied health services.

71,934

appointments held via Telehealth or telephone, increasing access to important support and care.

06

We manage our resources wisely and sustainably to provide value for our community

"The state-of-the-art Distribution Service Centre consolidates our procurement and supply chain operations, increasing the range of options and streamlining the end-to-end process. We can source, track and deliver maximum value for our community."

Neil Sigamoney,
Director, Procurement and Supply Chain

The Distribution Service Centre, a key part of streamlining our processes.

Essential resources for excellence in care

To provide excellent care while maintaining value for our community, Monash Health's extensive network of services and facilities requires a procurement and supply chain like no other.

Our new Distribution Service Centre helps us to procure, manage, and distribute the constant flow of products, services, and equipment required to maintain an excellent provision of care and value for our community.

The 8,000m^2 warehouse space is 25 times larger than the previous capacity at Monash Medical Centre in Clayton. The sheer size of the facility means we can increase the items we hold and handle them more efficiently with improved response times to keep every department and function working smoothly. Neil Sigamoney, Director Procurement and Supply Chain, says this wasn't merely an exercise to increase capacity. Using our resources wisely means a sophisticated and highly complex operation.

Transforming our resource provision

"We reviewed and transformed our clinical and non-clinical products and services, procurement practices, and processes across Monash Health as part of the transition to the new Distribution Service Centre," Mr Sigamoney said.

"In consultation with our clinicians, clinical support employees, consumers, and industry partners, we work to ensure we procure the best value products and services without compromising on the delivery of excellent patient care and experience," he said.

Mr Sigamoney said the new facility capability was felt throughout the supply chain, as well as assisting in the State's response to the COVID-19 pandemic.

"We acknowledge we have finite resources and make every dollar count toward enabling our employees to care for our community to the fullest of their capabilities."

Neil Sigamoney,
Director, Procurement and Supply Chain

"Our new centre consolidated not only our warehousing but also our Procurement and Supply Chain and Finance functions. Bringing everyone together in the one place boosted our tight-knit teams' collaboration and ability to fast-track response times during this challenging period," Mr Sigamoney said.

"There were new processes that enhanced and streamlined the sourcing of the best value, most sustainable products and services, shortened the supply chain, increased the capacity and range and made a big difference to Monash Health and the State's pandemic response," he said.

Stepping up for the State

With the nation mobilising to respond to the challenges posed by the COVID-19 pandemic, Monash Health stepped up to assist with supply chain issues, with the Distribution Service Centre instrumental in the storing and supply of essential supplies for state healthcare providers.

A great deal of media attention was paid to the possibility of a shortage of personal protective equipment in Victoria, as healthcare and other industry organisations instituted higher levels of vigilance for employee safety.

In April 2020, Victorian Minister for Health Jenny Mikakos spoke about the State's centralised approach to the storage and distribution of personal protective equipment and the critical role the Monash Health Distribution Service Centre played securing a vital pandemic response supply chain.

"We thank Monash Health for the critical role that they are playing, making sure that our health services can secure the vital equipment that they need," Minister Mikakos said.

Wise resourcing for better care

Neil Sigamoney said that improvements made to the supply chain and the efficiencies they create would benefit healthcare workers, patients, and their families.

"We need to ensure that every dollar counts toward caring for our patients and our employees. Every time we create efficiency without compromising care, we increase our ability to serve our community with value-adding healthcare activity," Mr Sigamoney said.

"At Monash Health, we are always looking for ways to improve our practices and processes so that we can manage our resources wisely and sustainably to provide value for our community. We are all about managing the multiple moving parts to source and move resources to the people that need them, where they are needed, and avoiding waste," he said.

Within a short timeframe, the new Distribution Service Centre and the team have already delivered value to the broader community and will continue to do so for years to come.

Distribution services

900

tonnes of recyclables diverted from landfill.

58,000

single-use plastics replaced with reusable lids and containers by the Food Services Team at Moorabbin.

78,000

plastic bags replaced with satchels and paper bags for dispensing medications, as part of the Monash Medical Centre Pharmacy Project, reducing landfill and our carbon footprint.

970

different health sites across Victoria that supplies were distributed to in support of the COVID-19 response.

3,364

types of items, including medication, personal protective equipment and medical equipment, stored at our Distribution Centre.

Care delivered from the heart

At Monash Health, excellence in aged care means going the extra mile to ensure every care recipient feels at home.

Whether working in one of Monash Health's residential aged care facilities, in the community or onsite, our employees go above and beyond to deliver excellence in aged care. Our dedicated and diverse teams are always looking for ways to improve the experience of our aged care recipients and their families.

"Aged care is so much more than tending to physical and medical needs. We want our care recipients and their families to feel inclusive of a community. Every one of our actions is about creating a sense of belonging to home, a loving community, and a neighbourhood."

Juliet Adams,
Deputy Director of Nursing/Operations Manager, Residential Services

We are a family

There's a special bond that develops between our teams and their residential aged care community, where we interact with our care recipients and their family and friends daily and over several years.

Work goes into ensuring a homely, nurturing experience including everyone as an individual and finding out about their life and what is meaningful to them.

We are a neighbourhood

Exceptional medical and personal caregiving is second nature to our team of aged care employees, but they delight in teaming with care recipients to build a community experience. A fitting example is the 'MACEY Games', held for the second time in December 2019. Following the spirit of the Commonwealth Games, the five Monash Health residential aged care homes initiated this wellness program to engender a feeling of belonging.

The name MACEY used the first letter of each home, Mooraleigh, Allambee, Chestnut Gardens, Eastwood, and Yarraman. The MACEY Games 'baton' was decorated and passed through each home, building up excitement before ending at Chestnut Gardens, the location of the games.

The care recipients came

Bringing aged care into the community

The Monash Health Community Support Options (CSO) Team deliver Home Care Packages to older Victorians in the comfort of their own home.

The CSO Team's focus is facilitating empathetic, compassionate, and accountable service delivery every day of the year. Our services gained essential status during the very isolating lockdowns for aged and vulnerable Victorians.

The team takes pride on 'returning thanks' to the wonderful Victorians whose immeasurable contributions have built our great state.

Monash Health Community Support Options:

- encompassed 371 Home Care Packages and support
- programs have continued to be delivered at 100% throughout the COVID-19 lockdowns in Victoria
- ensured zero COVID-19 community transmissions, due to the focus on safety precautions and high standards of care delivery
- acquired six new clients for their packages due to the reputation for safe delivery of care throughout the pandemic.

What clients had to say about our Support Options Team:

"Commendation to all for doing the job with such love and affection."

"Excellent service!"

"Lovely people."

"From Kingston Centre to the Community Support Options, he has such a lot of caring people doing everything to make things easier for him."

Award-winning care

Ruth Peters, EEN, made a heartfelt submission to the Victorian Healthcare Association's 'Celebrating aged care – why I love my job' campaign. Ruth's submission won a workplace morning tea for her and her workmates.

Ruby Pipson, ANUM, won the Monash Health 2020 Emerging Researcher Fellowship Grant and will conduct a duplicate 'Nurse Empowerment and Engagement in residential aged mental health and dementia care' project.

Her abstract was accepted for oral presentation at the 2020 Taiwan International Nursing Conference and Australian Association of Gerontology Conference.

Fiona McAlinden, Jacinta Re, Justine Little and **Jaye Toulson** won the Excellence in Public Sector Aged Care Award for their Guardianship in Hospitals: A Health Services/ OPA Pilot Program.

Since its introduction, the time vulnerable Victorians spent waiting in hospital for guardianship allocation decreased from 46.5 to 16.2 days.

together as one neighbourhood, with games modified to allow all members to compete. Events included target shooting, quoits, and a hand-held bean bag toss, with Mooraleigh the 2019 victors!

The vibrancy, competitiveness, and sense of achievement were terrific. With the medal ceremony concluding the games, the 'neighbours' went back to their homes with stories to tell, pride, and a sense of belonging.

We are a community

When the COVID-19 threat meant visitation restrictions, the team discussed how to maintain connections and quickly mobilised technology to facilitate virtual visitation. They wanted to help lift everyone's spirits further and put out a call via Facebook for drawings and messages of support to 'inundate our care recipients with kindness and hope' during the challenging time.

The idea snowballed with drawings, paintings, videos, collages, and entertaining stories pouring in.

Receiving the messages of support from the community provided an additional boost to morale.

Dr Jakqui Barnfield, Operations Director, Residential Services, emphasised the pride within the team. "Our team is all about celebrating and highlighting the many positive aspects there are to working in aged care. I'm so grateful for the supportive people we have who focus on our care recipients' health and wellbeing, every day."

Monash Health Foundation: advancing world class care

The Monash Health Foundation exists to generate philanthropic support for the important work of Monash Health.

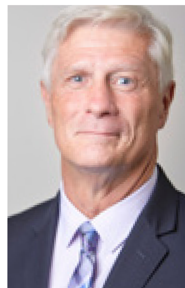
In 2019-20 the Foundation worked with individuals, companies and communities to raise funds towards:

- new and additional equipment
- medical research, including translational research
- initiatives focused on patients and their families
- additional specialised employee positions
- scholarships and professional development training opportunities for employees
- capital projects such as new facilities.

The Foundation responded to the urgent need around COVID-19 with a community appeal, raising funds for research into treatments for people with Coronavirus. The appeal was strongly supported by the community, including a very generous contribution by the Freemasons Foundation Victoria. The appeal broke Foundation records for community appeals, raising more than $470,000.

July 2019 saw the launch of an exciting new national initiative - Curing Homesickness. The joint fundraising initiative brings children's hospitals and paediatric services from across Australia together.

This financial year the initiative's major partnership with Coles contributed more than $150,000 towards the new Children's Emergency Department at the Clayton site.



"On behalf of all who benefit from your generous donations, I would like to thank you for helping make a difference in so many lives."

Ron Fairchild,
Director, Monash Health Foundation

Major contributions

The Foundation has received wonderful support from a number of major donors including Max and Judith Bennetts, who made a generous donation in recognition of the care received by their late daughter, to support the Oncology Department.

Patrick Tessier continued his support with a major contribution to the Monash Children's Hospital (MCH) Cancer Centre, through Bailey's Day.

The event has made a significant difference to patient care over the past 17 years, raising more than $3.3 million.

In-kind support

Special thanks to the following for their generous in-kind donations to support Monash Health's patients and front line healthcare workers.

$150,000

worth of products by L'Oréal.

$20,000

worth of products by Winc office supplies.

$19,000

worth of products by Novartis Pharmaceuticals.

$15,000

worth of PJ bears for MCH and Emergency Department patients from Lorraine Lea Linen

$5,000

worth of homeware gifts from Koh Living.

For a list of supporters in 2019-20 see page 86.

Community fundraising events

The COVID-19 response in 2020 affected the community's ability to hold face-to-face fundraising events for Monash Health, including the postponement of the Dandelion Wishes Gala. The earlier part of the financial year included many terrific events.

- The My Room Telethon, hosted by Channel Nine, contributed more than $1.25 million in support of the MCH Cancer Centre
- The inaugural Monash Health Pyjama Fun Run raised more than $70,000 towards specialised equipment and sleep health research in Monash Health's Lung and Sleep Department
- In November 2019, the Rotary Club of Emerald hosted their annual 'Kids Fun Run with Thomas' and donated $50,000 towards the MCH Cancer Centre
- The Teo Chew Chinese Association hosted a New Year celebration, raising $75,000 for the new Children's Emergency Department
- In early March 2020, more than 2000 people attended the 2020 Walk for MCH, raising $175,000 for the new Children's Emergency Department
- The annual 65km for Cystic Fibrosis (CF) event raises funds to support CF research and clinical improvements. The March 2020 event was cancelled due to COVID-19, however, registrants walked in their own communities, raising $78,000

Special thanks to Richard Lim for his support throughout 2019-20. Richard hosted various events and activities that brought together the Cambodian, Vietnamese and Chinese communities to raise funds for Monash Health.

Employee giving (iGive)

Many Monash Health employees generously choose to make a fortnightly donation through their salary. As at 30 June 2020 there were 824 employees participating in the iGive program, who collectively donated more than $93,000.

Gifts in-kind

Businesses and individuals often give in-kind donations of products for patients and employees. During COVID-19 the Foundation has experienced a significant increase of in-kind gifts supporting frontline workers. More than $210,000 in products was donated to help those fighting the virus.

Thank you

Thank you to those who have raised funds in celebration of a special occasion or have given a gift in memory of a loved one. Special thanks also to auxiliary members for their commitment and contribution.

To contact the Monash Health Foundation:

T: (03) 9594 2700
E: foundation@monashhealth.org

Jessie McPherson Private Hospital

Jessie McPherson Private Hospital is a private tertiary hospital co-located at Monash Medical Centre in Clayton.

We are proud of our tight-knit team of highly skilled and dedicated employees, equipped with some of the best medical facilities in Victoria.

Our 103-bed hospital offers specialist services, including cardiology, cardiothoracic surgery, neurosciences, vascular, gastrosciences, general medicine and respiratory, maternity, and neonatal services.

The co-location of the hospital with Monash Medical Centre provides consumers with confidence they have access to a wide range of services and facilities, including pharmacy, pathology, and diagnostic imaging.

This affiliation also provides consumers with the benefit of specialist services and state-of-the-art teaching and research that Monash Health has to offer.

The tertiary level status, with 24/7 support from Monash Health, provides consumers with the assurance that Jessie McPherson Private Hospital is one of the safest, highest-quality private hospitals in which to receive care.

Our 'Point of Care Goals', developed following input from employees and consumers, reflect consumers' values and how they relate to healthcare access and delivery, which in turn, translate into exceptional care for every patient, every time.

Our dedication to our consumers and each other is illustrated in Bonnie's story – the perfect example of continued highly-specialised obstetric and neonatal services during the pandemic.

"Our employees' commitment to excellent outcomes remained steadfast, even during the most challenging times of the COVID-19 pandemic."

Thinesh Chandraratne, Chief Executive Officer, Jessie McPherson Private Hospital

Thank you, Anne Howe

We would like to extend our sincere thanks to Anne Howe, Chief Executive Officer, Jessie McPherson Private Hospital (2015 to 2020) for her tireless efforts in guiding the organisation and ensuring the best possible outcomes for all our consumers and employees. Following a long career of service to the health industry, Anne resigned in March 2020 and we wish her the very best as she embarks on the next chapter of her life.

Bonnie's Story: Giving birth during the COVID-19 pandemic

Bonnie, a Monash Health Theatre Nurse, shares her experience of staying at Jessie McPherson Private Hospital and giving birth during the extraordinary time of the COVID-19 pandemic.

Pregnancy

After the excellent care they received in 2018 for the birth of their first child Jed, Bonnie and Tom had no doubts about booking into Jessie McPherson for a second time, under the care of Dr Shavi Fernando.

During her first pregnancy in 2018, Bonnie experienced complications, including high blood pressure and preeclampsia.

After experiencing high blood pressure during her second pregnancy, Bonnie was closely monitored, and the pregnancy went smoothly with all complications rapidly and expertly managed.

Bonnie was induced at 38 weeks, and baby Beau was welcomed into a somewhat altered world on ANZAC Day, Saturday 25 April 2020, weighing 3.4kgs.

COVID-19

By March 2020, the COVID-19 pandemic was having an impact on the lives of Australians, with restrictions and social distancing rules imposed nationally.

Like many pregnant women, Bonnie experienced some variations to the usual pregnancy care. "My antenatal appointments were impacted, as I had to go on my own to scans, and call from the carpark to announce my arrival."

As a healthcare professional, Bonnie had insight into the pandemic, "I worked up until 36 weeks in early April. Working in a hospital during this time meant I knew what was going on behind the scenes with pandemic planning. So, although the changes to appointments and precautions around social distancing felt very strange, I completely understood it was for our safety."

Choosing Jessie McPherson Private Hospital

When discussing booking in at Jessie McPherson for her births, Bonnie explained it came down to the high level of care.

"As a nurse, I understand the importance of access to neonatal intensive care services, theatre, and anaesthetics 24/7. Jessie McPherson offers all this with the benefits of a private stay. I could have chosen a private hospital closer to home, but the level of care and peace of mind made Jessie McPherson an obvious choice."

Birth experience and postnatal care

COVID-19 meant Bonnie was able to make some interesting comparisons to her first stay.

"While the personal protective equipment and precautions may be confronting for some, it meant less traffic in and out of the room, which resulted in the birth suite being quiet, peaceful, and calm. I still had a beautiful birth, with no impact from COVID-19. It's clear that to all the employees, you are their priority, not the pandemic."

On her postnatal stay, Bonnie said, "I felt extremely well cared for and enjoyed the uninterrupted attention of the midwives due to visitor restrictions. While my care was excellent the first time, I found that this time as the employees didn't have to work around visitors, I spent more time asking questions and talking to the midwives. For me, this added to the level of care I received. While disappointed about Jed not being able to meet his brother, I loved the quality one-on-one time I had with Beau. We completely understand why the restrictions are in place and found that it did make us feel safer, like being in a protected bubble from the outside world."

"While the world felt like a crazy place, I felt very safe in the hands of the team at Jessie McPherson. Thank you to Dr Fernando and the wonderful midwives for their amazing care of all of us."

Report of Operations

Responsible bodies declaration

In accordance with the Financial Management Act 1994, I am pleased to present the report of operations for Monash Health for the year ending 30 June 2020.

Dipak Sanghvi
Chair, Board of Directors
Melbourne

6 October 2020

About Monash Health

For almost 170 years, Monash Health and its predecessors have provided safe, high-quality healthcare for people at every life stage. We work to support healthy communities, partnering with all levels of Government, with not-for-profit and local organisations to help individuals achieve their health goals.

At every step we place our patients and clients at the centre of what we do, striving to make our services responsive to the changing needs of our communities.

Today, we are proud to be recognised as a leading teaching and research health service of international standing. We will continue to embrace our role at the forefront of the Victorian health system, addressing community needs, advances in health science and technology, and supporting employee aspirations.

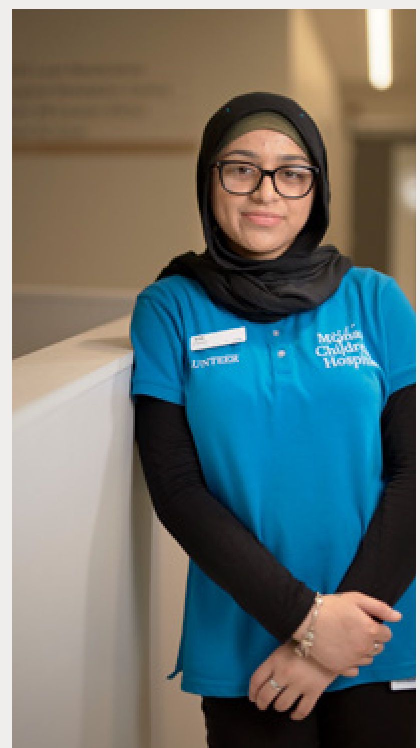
While maintaining the core of who we are, we continue to raise our expectations, pursuing excellence in care for those in need, excellence in teaching and research, and providing a place of opportunity and inclusion for those with whom we work. Our commitment to our community and each other is distilled into our strategic intent, purpose, and guiding principles.

Strategic intent

We are relentless in our pursuit of excellence.

Purpose

To deliver quality, patient-centred healthcare and services that meet the needs of our diverse community.



Our guiding principles

- We consistently provide safe, high quality and timely care
- We provide experiences that exceed expectations
- We work with humility, respect, kindness, and compassion in high performing teams
- We integrate teaching, research and innovation to continuously learn and improve
- We orientate care towards our community to optimise access, independence, and wellbeing
- We manage our resources wisely and sustainably to provide value for our community

Our care at a glance

3.2m

total episodes of care.*

(2018-19: 4.1m)

48,023

procedures performed.

(2018-19: 46,812)

64,546

emergency department ambulance arrivals.

(2018-19: 63,133)

258,592

total hospital admissions.

(2018-19: 265,027)

36,184

paediatric admissions.

(2018-19: 41,203)

1.63m

outpatient services.

(2018-19: 1.55m)

366,540

mental health client consumer contacts.

(2018-19: 335,428)

216,871

emergency department attendances across our three campuses.

(2018-19: 231,856)

10,097

births.

(2018-19: 10,357)

36.8m

pathology tests.

(2018-19: 34.3m)

* *Excludes surgical operations, total hospital admissions, births, ambulance arrivals and paediatric admissions.*

Who we are

Monash Health is Victoria's largest and most comprehensive health service. Our size, scope and quality are comparable with any healthcare service in the world.

With more than 18,000 employees, we provide care to south eastern metropolitan Melbourne and rural Victoria from over 40 locations, via telehealth, and in people's communities and homes.

Monash Health cares for people across the full lifespan, from pre-birth to end-of-life, providing integrated, comprehensive, and often highly complex care.

We improve people's health and experiences through:

- prevention and early intervention programs
- community and home-based treatment and rehabilitation
- specialised surgical, medical diagnosis, treatment and monitoring services, at primary, secondary, tertiary, and some quaternary level care
- a specialist referral role for many specialties serving greater Melbourne, Victoria and interstate
- hospital and community-based mental health services
- comprehensive sub-acute and aged care programs
- palliative care
- research
- teaching the next generation of healthcare professionals through undergraduate, postgraduate, vocational, and specialist programs, simulation, and telehealth.

Our tertiary health services

Monash Health provides medical and surgical tertiary health services for children, adolescents and adults Australia wide.

This includes the provision of neurosurgery, cardiac care and paediatric sleep medicine for regional and rural communities, and partnering with health services in regional and rural locations in the provision of care for their communities, including via the use of telehealth technology.

We are one of only two services in Australia that provides combined kidney and pancreas transplants, and one of only two centres in Victoria with an acute stroke unit that provides an endovascular clot retrieval service. We are the dedicated statewide provider of thalassaemia care, and in partnership with other tertiary health services, we provide statewide paediatric services in intensive care, cancer services, cardiac care, surgery, rehabilitation, sleep disorders, forensic medicine and palliative care.

The breadth of Monash Health's tertiary services makes us the employer of choice for highly talented healthcare professionals, enabling us to provide the best possible care and experience for the community.

Our campuses

The services we provide at each of our sites are constantly evolving to ensure we continue to meet the changing needs and expectations of our community, adopt the latest advances in health science and technology, and provide consistently safe and high-quality care across each of our sites.

Monash Medical Centre

Monash Medical Centre is a major tertiary, teaching and research hospital providing a comprehensive range of specialist surgical, medical, allied health, mental health and palliative care services.

Monash Medical Centre has one of the state's busiest emergency departments, is the primary site for our world-renowned cardiovascular care, provides one of Victoria's largest women's health services - uniquely offering maternity and newborn services including a Neonatal Intensive Care Unit and Special Care Unit on the one site, is a statewide provider of thalassemia treatment and is a designated national provider of renal and pancreatic transplants.

Monash Children's Hospital

Monash Health provides the third busiest paediatric service in the country, caring for more than 100,000 children every year. Monash Children's Hospital (MCH) is a network of paediatric healthcare services across three sites in Clayton, Dandenong and Casey.

MCH is a comprehensive tertiary, teaching and research healthcare service providing more than 30 specialist services and programs, including Early in Life Mental Health Service (ELMHS) co-located with the statewide Child Inpatient Unit, Victoria's largest Neonatal ICU, leading Paediatric services in rehabilitation, Oncology, Paediatric Intensive Care, and Palliative Care.

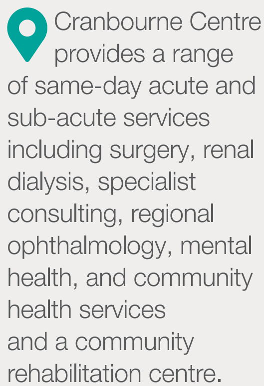
MCH is also a statewide provider of children's cancer services and the Victorian Referral Centre for many low-volume and highly complex cases. We uniquely link paediatric and adult services to create positive, safe, and high-quality transitions of care.

Casey Hospital

Casey Hospital serves one of the fastest growing areas in Melbourne's south east and provides emergency, general medical, mental health, rehabilitation, surgical and ambulatory, maternity and special care nursery services. The hospital is a provider of paediatric services for Monash Children's Hospital and leading cardiovascular services.

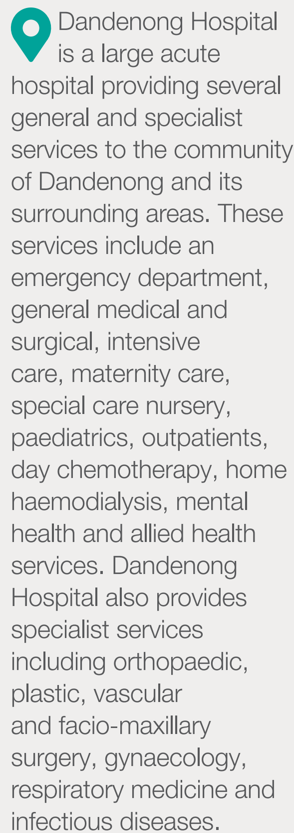
Casey Hospital expansion includes an intensive care unit and more operating theatres, which will provide the rapidly growing local community with easier access to higher acuity care.

Cranbourne Integrated Care Centre

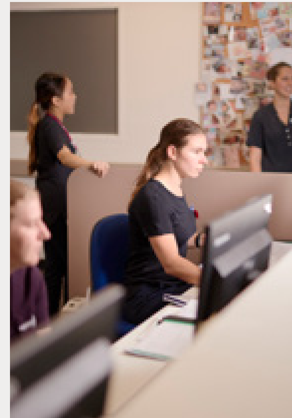


Cranbourne Centre provides a range of same-day acute and sub-acute services including surgery, renal dialysis, specialist consulting, regional ophthalmology, mental health, and community health services and a community rehabilitation centre.

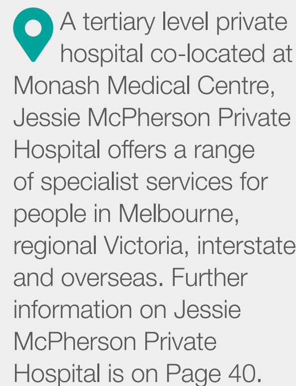
Dandenong Hospital



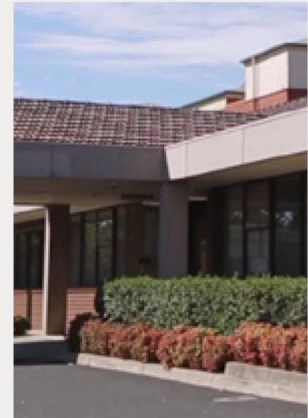
Dandenong Hospital is a large acute hospital providing several general and specialist services to the community of Dandenong and its surrounding areas. These services include an emergency department, general medical and surgical, intensive care, maternity care, special care nursery, paediatrics, outpatients, day chemotherapy, home haemodialysis, mental health and allied health services. Dandenong Hospital also provides specialist services including orthopaedic, plastic, vascular and facio-maxillary surgery, gynaecology, respiratory medicine and infectious diseases.



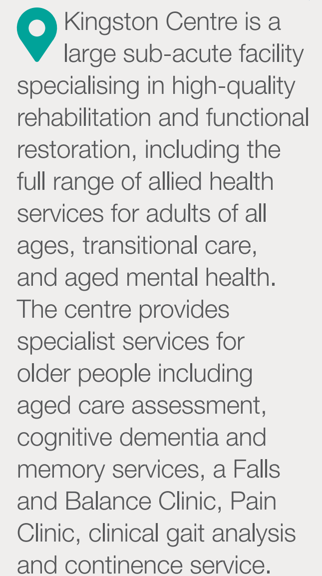
Jessie McPherson Private Hospital



A tertiary level private hospital co-located at Monash Medical Centre, Jessie McPherson Private Hospital offers a range of specialist services for people in Melbourne, regional Victoria, interstate and overseas. Further information on Jessie McPherson Private Hospital is on Page 40.



Kingston Centre



Kingston Centre is a large sub-acute facility specialising in high-quality rehabilitation and functional restoration, including the full range of allied health services for adults of all ages, transitional care, and aged mental health. The centre provides specialist services for older people including aged care assessment, cognitive dementia and memory services, a Falls and Balance Clinic, Pain Clinic, clinical gait analysis and continence service.

Kingston Centre is at the forefront of research into movement and gait disorders, aged mental health and geriatric medicine.

Moorabbin Hospital

Moorabbin Hospital incorporates Monash Cancer Centre, one of Victoria's leading cancer treatment centres, hosts the Southern Melbourne Integrated Cancer Service, and provides elective surgery and dialysis. Home to Victoria's first Patient Simulation Centre, the hospital plays a major role in the education and training of undergraduate and postgraduate medical students, nurses and allied health professionals. The hospital is a centre for research, and in particular, a major contributor to cancer-related research.

Community Health Facilities

Monash Health's community program operates across 21 sites and supports our local community to improve, maintain and manage health, independence and wellbeing by providing or connecting with integrated, multidisciplinary care. The aim is to support and prepare consumers to self-manage their health and health care. Monash Health Community delivers services to people of all ages, supporting them through all stages of their care and delivering an integrated pathway from acute and subacute care to the community.

Mental Health Facilities

Monash Health operates eight mental health facilities including inpatient, residential, community care and drug and alcohol facilities. The comprehensive range of mental health services provided to adults and children include alcohol and drug care; telephone psychiatric triage; crisis assessment and treatment; consultation liaison psychiatry; mobile support and treatment; acute inpatient care; extended inpatient care; perinatal and infant care; eating disorders care; gender dysphoria; prevention and recovery care; community residential and rehabilitation services; agile psychological medicine outpatient assessments; and Police, Ambulance and Clinical Early Response (PACER) response.

Aged Care Facilities

Monash Health provides a range of aged care services across Melbourne's south east, including low-level care in hostels, high-level care in nursing homes, respite care, dementia-specific care and specialised aged mental health care. A story on our aged care services appears on pages 36 and 37 of this report.

Our community

Monash Health is privileged to be an integral part of the local communities we care for across our primary catchment area.

Our people are from local government areas including Glen Eira, Kingston, Monash, Greater Dandenong, Casey and Cardinia.

The demographic characteristics of these rapidly evolving communities include:

Rapid growth

The south east growth corridor of Casey and Cardinia is one of the fastest growing regions in the state.

High birth rates

The south east of our primary catchment area has a younger population and higher birth rates than the state average.

Ageing populations

The north west of our primary catchment area has significantly higher rates of older persons than the state average.

Multicultural diversity

Approximately 20,000 residents are Aboriginal and/or Torres Strait Islander peoples, over a third of residents were born overseas, and we have the largest refugee and migrant community in Victoria.

Inequity

Many of our local communities experience socioeconomic disadvantage and high rates of unemployment.

More illness

There is a higher prevalence of cancer and neurological conditions, chronic diseases, including diabetes, heart disease and asthma, and risk factors such as obesity and high blood pressure. Monash Health's reach also extends across Victoria and Australia, for some of our specialist services.

The local government areas that comprise our secondary catchments are Bayside, Frankston, Knox and the Mornington Peninsula.

Our tertiary catchment area includes Bass Coast, Baw Baw, East Gippsland, Latrobe, South Gippsland and Wellington.

Our Board of Directors

Manner of Establishment

Monash Health is a public health service; a body corporate established under Section 65P of the Health Services Act 1988, as amended in 2005 and listed in Schedule 5 of that Act.

The Board of Directors of Monash Health is appointed by the Governor in Council on the recommendation of the Minister for Health in accordance with the Health Services Act 1988.

The Ministers for Health and Mental Health during 2019–20 were:

The Honourable Jenny Mikakos
Minister for Health
Minister for Ambulance Services

The Honourable Martin Foley
Minister for Mental Health

The function of the Board is to:

- monitor the performance of Monash Health
- appoint and determine the terms and conditions (including remuneration) of the Chief Executive
- monitor the management of Monash Health and performance of the Chief Executive of Monash Health
- develop statements of priorities and strategic plans for the operation of Monash Health and to monitor compliance
- develop financial and business plans, strategies and budgets to ensure the accountable and efficient provision of health services by Monash Health
- ensure that Monash Health operates within its budget and that its systems accurately reflect its financial position and long-term viability
- ensure effective and accountable systems are in place to monitor and improve the quality and effectiveness of health services provided by Monash Health
- ensure any problems identified with the quality or effectiveness of the health services provided are addressed in a timely manner and that Monash Health continuously strives to improve the quality of the health services it provides and to foster innovation
- develop arrangements with other agencies and health service providers to enable effective and efficient service delivery and continuity of care
- establish the organisational structure, including the management structure, of Monash Health
- ensure that the Minister and the Secretary are advised about significant board decisions and are informed in a timely manner of any issues of public concern or risks that affect or may affect Monash Health
- establish a Finance Committee, an Audit Committee and a Quality and Safety Committee.

Board Chair Dipak Sanghvi leads a committed and talented group of Directors.

Our people's dedication to caring for our community and each other shone through."

Dipak Sanghvi,
Chair of Board,
Monash Health

Mr Dipak Sanghvi
BSc Pharm (UK), FAICD, FAIPM

- Chair of the Monash Health Board
- Chair of the Remuneration Committee
- Member of the Finance Committee
- Aboriginal Health Strategic Partnership: Monash Health and Dandenong and District Aborigines Co-operative Ltd

Term of appointment:
December 2015 – current

Mr Sanghvi is a pharmacist who owns five pharmacies in Victoria. He is currently Chair of Member Benefits Australia Pty Ltd.

Previous positions held include President of the Pharmacy Guild Victoria Branch from 2006 to 2011, Chair of Gold Cross Products and Services Pty Ltd, Chair of Return of Unwanted Medicines, Board member of Guild Insurance and Superannuation and of Meridian Lawyers, as well as several other board positions in the community and pharmaceutical industry.

He is also currently Chair of Musculoskeletal Australia.

Ms Aurélia Balpe
MBA, GAICD, GradDip Demog, BEc

- Chair of the Primary Care and Population Health Advisory Committee
- Chair of the Community Advisory Committee
- Member of the Quality Committee

Term of appointment:
July 2018 – current

Ms Balpe is an international humanitarian leader with experience in the non-profit and for-profit sectors in Asia, the Pacific, the Americas, Africa and Europe.

Ms Balpe has worked with boards and senior executive teams on the development of strategy and policy, legal compliance, risk management, organisational performance and the resolution of integrity issues. Ms Balpe has had oversight of multinational programs in organisational development, disaster response and law, water and sanitation and health. Ms Balpe has been a strategic advisor to governments, United Nations agencies, regional organisations and corporations on humanitarian action and coordination. Ms Balpe currently serves as a member of the Australian Red Cross Divisional Advisory Board. In 2015 she was awarded the Vanuatu Red Cross medal for her contribution to the Tropical Cyclone Pam Relief Operation. In 2017 she was the recipient of the Monash University Top Achievement and Dean's Awards for her MBA. Ms Balpe is currently undertaking a Graduate Diploma in Psychology.

Mrs Jane Bell
BEc, LLB, LLM (Lond), FAICD

- Chair of the Audit Committee
- Director of Kitaya Holdings Pty Ltd*
- Member of the Audit Committee Kitaya Holdings Pty Ltd*

Term of appointment:
July 2018 – current

Mrs Bell is a banking and finance lawyer and non-executive director with more than 30 years' experience in leading law firms, financial services, corporate treasury operations and governance gained living in Melbourne, London, Toronto, San Francisco and Brisbane.

Mrs Bell has been a non-executive director since 2002, serving on 11 boards including eight health sector and medical research institute boards. Mrs Bell currently serves as Deputy Chair of Biomedical Research Victoria, Director of UCA Funds Management Limited and as Chair of the Community Advisory Group of the Melbourne Genomics Health Alliance. Mrs Bell is a Member of the Administrative Appeals Tribunal. She is a former Board member of Melbourne Health (Royal Melbourne Hospital), WorkSafe Victoria, Hudson Institute of Medical Research-Monash Institute of Medical Research-Prince Henry's Institute of Medical Research, Queensland Institute of Medical Research Trust, Victorian Women's Housing Association, Australian Red Cross (Qld) and Deputy Chair of Westernport Water Corporation.

*Kitaya Holdings Pty Ltd operates Jessie McPherson Private Hospital

Mr Tony Brain
BCom, CA, FAIST, GAICD

- Member of the Finance Committee
- Member of the Audit Committee

Term of appointment:
July 2019 – current

Mr Brain is a Chartered Accountant with over 30 years' experience in governance, assurance, finance and regulatory oversight.

His executive leadership experience includes 12 years as Partner at Deloitte and nearly three years as Head of Risk Management at AustralianSuper.

In addition to Monash Health, his current non-executive director experience includes three years at the Australian Scholarships Group Friendly Society Pty Ltd and nearly one year at AMP Superannuation Limited where he is currently Interim Chair.

Mr Brain also sits on Board Committees for Victoria University, Barwon Health, Magistrates Court Victoria and the Alannah and Madeline Foundation.

He is a current member of the Companies Auditor Disciplinary Board.

Ms Helen Brunt
BA (Hons), GAICD

- Member of the Finance Committee

Term of appointment:
July 2019 – current

Ms Brunt is a senior governance and technology delivery executive who brings extensive experience in digital technology and large-scale transformation in complex business environments including Wesfarmers and Westpac.

She is skilled in developing strategies to leverage technology to support business strategy. Ms Brunt is passionate about diversity and the use of technology to transform customer and employees experience and previously served as an associate board member for the VIC ICT for Women in IT.

She has previously served as an elected Member Director of the Wesfarmers Super Trust Policy Committee.

Mr Charles Gillies
BA, BSc, MBA

- Chair of the Finance Committee
- Member of the Remuneration Committee (as Chair - Finance Committee)

Term of appointment:
July 2011 – June 2020

Mr Gillies is the co-founder of Jolimont Global Mining Systems, which specialises in investing in mining technology companies.

These companies compete in fast-moving, highly competitive global technology markets.

As an active investor himself, his approach has been to work closely with management to develop a plan to create economic value.

He has been Director and Chairman of a number of technology and investment companies and has worked closely with CEOs and management teams in developing strategies and setting objectives and performance targets.

Associate Professor Misty Jenkins
BSc (Hons), PhD, MAICD

- Member of the Quality Committee
- Aboriginal Health Strategic Partnership: Monash Health and Dandenong and District Aborigines Co-operative Ltd

Term of appointment:
November 2016 – current

Ms Jenkins is an NHMRC fellow, biomedical scientist and laboratory head at Walter and Eliza Hall Institute for Medical Research, where she researches cellular immunology and new immunotherapies for cancer.

Ms Jenkins has previously held postdoctoral positions at the Universities of Cambridge and Oxford, and The Peter MacCallum Cancer Centre in Melbourne.

Ms Jenkins was awarded the L'Oreal for Women in Science Fellowship (2013), was Tall Poppy of the Year (2015) and won the Westpac/Australian Financial Review 100 Women of Influence award (2016).

In addition to her research career, Ms Jenkins brings experience in governance as a Director and Deputy Chair of The National Centre for Indigenous Genomics at ANU, as a former Director of the Aurora Education Foundation, Ambassador for the Poche Centre for Indigenous Health and Chair of NHMRC Project Grant Review Panels.

Ms Robyn McLeod
BA, BEd, GAICD

- Member of the Audit Committee
- Member of the Community Advisory Committee
- Member of the Primary Care and Population Health Advisory Committee

Term of appointment:
July 2019 – current

Ms McLeod is a governance and public policy expert who currently serves on the Boards of Melbourne Water and VicWater, and previously served as a member of the Governance working group of the Board of Good Shepherd Australia and New Zealand.

Her previous positions include director of the Australian Centre for Social Innovation, Independent Commissioner for Water Security in South Australia, National Director of Water for KPMG, Executive Director of Major Projects Water with the Department of Sustainability and Environment, Victoria and Chief of Staff to the Victorian Energy Resources and Ports Minister.

Emeritus Professor Hatem Salem AM
MB, ChB (Mosul, Iraq), FRACP, FRCPA, MRCP, MD (Monash), LRCP, MRCS

- Chair of the Quality Committee
- Member of the Remuneration Committee (as Chair - Quality Committee)

Term of appointment:
May 2017 – current

Professor Salem is an Emeritus Professor at Monash University. Prior to this, Professor Salem was the Head of the Academic Department of Clinical Haematology at Monash University and the Head of Clinical Haematology at the Alfred Hospital.

He served as President of the Asia Pacific Society of Thrombosis and Haemostasis and past President and Executive Director of the Australasian Society of Thrombosis and Hemostasis. He is a senior Counsellor of the International Society of Thrombosis and Haemostasis. In 2005, his vision and ability to develop leading clinical and research programs was recognised by the Victorian Government's Public Healthcare Award, where he was the recipient of the Health Minister's Award for Outstanding Individual Achievement.

In 2010, Professor Salem was awarded a Member of the Order of Australia (AM) for service to medicine in the field of haematology as a clinician, educator and researcher and also through the establishment of the Australian Centre for Blood Diseases.

Board Committees

These committees support the functions of the Board of Directors

Quality Committee

The purpose of the Quality Committee is to support the Board's function of providing strategic leadership in relation to the clinical governance of quality and safety at Monash Health. It serves to ensure, on behalf of the Board, that the following objectives are fulfilled:

- Effective and accountable systems are in place to monitor and improve the quality and effectiveness of health services provided by Monash Health
- Any problems identified with the quality or effectiveness of the health services provided are addressed in a timely manner
- Monash Health continuously strives to improve the quality of the health services it provides and to foster innovation

Audit Committee

The role of the Audit Committee is to advise the Board of Directors on audit matters relating to financial accounting and legislative compliance and the operational effectiveness and efficiency of Monash Health.

The Committee also advises the Board on the level of business risk or exposure to which Monash Health might be subject and oversight of internal and external audit activities.

Remuneration Committee

The principal role of the Remuneration Committee is to advise the Board of Directors on matters relating to the organisation's remuneration policies and practice

In addition, the Remuneration Committee provides oversight with respect to succession planning for the Chief Executive and senior executive positions.

Finance Committee

The role of the Finance Committee is to advise the Board of Directors on financial matters and to assist in the oversight of financial performance.

The Finance Committee reviews and makes recommendations to the Board regarding financial strategy, financial policies, annual operating and capital budgets, cash flow and business plans to ensure alignment with key strategic priorities and performance objectives.

Community Advisory Committee

The Community Advisory Committee works to increase consumer, carer and community participation in all facets of Monash Health's operations in partnership with the Board of Directors. The roles of the committee are to provide leadership in relation to the integration of consumer, carer and community views into all levels of strategy, operations, planning and policy development, and to provide advice on priority areas and issues from a consumer, carer and community perspective.

Aboriginal Health Strategic Partnership Committee

The purpose of the Aboriginal Health Strategic Partnership Committee is to ensure a collaborative partnership between the Dandenong and District Aborigines Co-operative Limited and Monash Health.

The Committee ensures respectful and collaborative relationships between Monash Health and the Aboriginal and Torres Strait Islander community. The Committee also oversees the implementation of the Monash Health Reconciliation Action Plan and Employment Plan, identifies shared strategic opportunities and projects and also monitors the Monash Health Aboriginal Health Data Report and relevant data from the Dandenong and District Aborigines Co-operative Limited.

Primary Care and Population Health Advisory Committee

The Primary Care and Population Health Advisory Committee provides strategic advice to the Board of Directors on matters specific to the primary care and population health of our local community.

The Committee focuses on improving the health status of our community in areas such as the hospital primary care interface, mental health and wellbeing, health promotion, population health, health independence programs, research, and education. In addition, there is a focus on the health and wellbeing of vulnerable groups such as refugees, Aboriginal and Torres Strait Islander peoples and culturally and linguistically diverse communities.

Organisational Structure

Office of the Chief Executive

Director, Legal Services/ Chief Legal Officer: Peter Ryan

Director, Monash Health Foundation: Ron Fairchild
Head of Organisational Transformation: Barry Bloch
Director, Enterprise Strategy & Development: Angus Henderson

Executive Director, Digital Health

Emilio Pozo

- Information Technology Services
- Electronic Medical Record

Executive Director, People & Culture

Karen Lowe

- Diversity & Inclusion
- Employee Development
- Employee Health & Wellbeing
- Employee Relations
- People & Culture
- Recruitment & Retention
- Occupational Health & Safety
- Pathology

Executive Director, Capital & Infrastructure

David Ballantyne

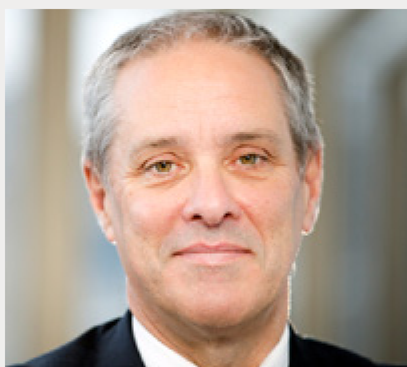
- Biomedical Engineering
- Capital
- Engineering
- Infrastructure
- Property
- Major Projects

Executive Director, Public Affairs & Communication

Louise Kanis

- Public relations
- Media relations
- Internal & corporate communications
- Project communications
- Brand
- Web and digital communications
- Government and community relations

Our executive team



Mr Andrew Stripp
Chief Executive

Andrew Stripp has extensive experience in executive roles in a variety of hospitals and healthcare settings, within the State Government's Department of Health and Human Services as the Director for the State's mental health system, as Regional Director for Health, Housing and Community Services and as Director of Strategy.

Prior to joining Monash Health, he was the Deputy Chief Executive and Chief Operating Officer at Alfred Health.

Mr David Ballantyne
Executive Director, Capital & Infrastructure

David Ballantyne brings to Monash Health 20 years' experience gained in Australia and the United Kingdom in major infrastructure projects, across all phases of the asset life cycle.

He has a development background across health, rail and aviation industries and a strong understanding of both public and private sectors. His qualifications include Bachelor of Engineering (Civil), Masters of Business Administration (Executive) and he is a Member of the Australian Institute of Company Directors.

With a passion for leading teams and ongoing innovation, David is focused on embracing technological change and developing hospitals equipped for the future.

Prior to joining Monash Health he was Executive Director of Development and Innovation and Asset Management at Health Infrastructure in NSW.

During that time he held a number of senior roles and was a significant contributor to the development of over $10 billion in capital projects across NSW.

Dr Anjali Dhulia
Chief Medical Officer, Executive Director, Medical Services

Anjali Dhulia started her medical career in the Indian Army where she served for eight years.

She completed her post-graduate training in paediatrics and practised in paediatric intensive care before migrating to Australia. She worked as a Fellow in Neonatology at the Women's and Children's Hospital in Adelaide, the Royal Women's and Royal Children's Hospital in Melbourne and also with the Neonatal Emergency Transport Service (NETS).

She switched to a career in medical administration in 2008 and completed a Fellowship of the Royal Australasian College of Medical Administrators and has worked in various medical management roles.

Her professional interests and expertise include medical workforce management, healthcare safety, quality and patient experience and engagement and wellbeing of medical employees.

She has completed a Master of Public Health and a Master of Applied Positive Psychology. She has led the development and implementation of Monash Care (Mental Health and Wellbeing Strategy for Monash Doctors) and is co-lead in implementing the Women in Medicine Program at Monash Health.

Mr Stuart Donaldson
Chief Financial Officer, Executive Director, Financial Services

Stuart Donaldson joined Monash Health in January 2017.

Stuart is an experienced senior finance executive with a strong record of achievement and a wealth of experience within several multinational organisations. His track record demonstrates excellent financial acumen and strategic thinking combined with commercial know-how. He recognises the importance of partnering to deliver excellent outcomes aligned to the overall strategy of an organisation.

Stuart's previous role was Chief Financial Officer at RMIT University since 2010. Stuart has also worked in senior finance roles with multinational fast-moving consumable goods, including Cadbury Schweppes, Kraft Foods, Nestle and Pacific Dunlop. As Chief Financial Officer, Stuart has responsibility for Procurement, Logistics, Internal Audit, and Financial Services as well as being a Board member of Kitaya Holdings Pty Ltd.

Ms Louise Kanis
Executive Director, Public Affairs & Communication

Louise Kanis joined Monash Health in February 2018. In a career spanning more than 20 years, Louise has headed corporate affairs for a major Melbourne transport consortium, established the communications and marketing function for a multinational financial services firm, driven the communications for a university undergoing major change and built her own agency servicing marquee external clients across a diverse range of industries.

Louise has served on Australian executive management groups, an international marketing and communications executive team, a crisis management executive, as a director of a charitable foundation and as the co-owner and director of her own company.

Mr Martin Keogh
Chief Operating Officer

Martin Keogh joined Monash Health as Chief Operating Officer after many years of clinical and management experience in a variety of roles within acute healthcare settings.

This has enabled him to develop a broad level of knowledge, skill and understanding of the contemporary drivers for health service performance and the need for continual organisational improvement.

Before joining Monash Health Martin was acting Chief Operating Officer of Alfred Health. Having originally trained as a registered nurse, Martin practised in the areas of emergency and cardiology before finally specialising in intensive care nursing. Subsequently, he embarked on a management career.

Martin has a proven track record in identifying and implementing improvements to enhance patient safety, access and, enhancing the overall experience of patients.

He has a strong interest in patient safety and quality of care initiatives, incorporating evidence-based practice.

Ms Karen Lowe
Executive Director,
People & Culture

Karen Lowe joined Monash Health as Executive Director People and Culture in September 2016 with a broad range of experience across many industries including chartered accounting, utilities, steel, professional services and banking.

She has developed her passion for people through a variety of roles including shared services, finance, human resources and general management roles.

Karen's most recent role was Head of Human Resources – Branch Banking for NatWest, Royal Bank of Scotland and Ulster Bank based in Scotland.

Adjunct Professor Katrina Nankervis
Chief Nursing & Midwifery Officer,
Executive Director, Residential
Care & Support Services (Acting)

With over 20 years' within Victoria's public health system, Katrina Nankervis brings to Monash Health extensive experience in strategic workforce planning, professional and clinical practice and education.

She is a Registered Nurse, holds a Master's of Nursing Science and has a keen interest in healthcare policy, initially developed as an undergraduate student of politics and economics at the University of Melbourne.

Katrina has worked within the public, private, government and higher education sectors.

She is a passionate advocate for the exemplary delivery of fundamental care and is particularly focused on enhancing outcomes and experience for employees and consumers.

Mr Emilio Pozo
Executive Director,
Digital Health

Emilio Pozo has more than 20 years' experience in Information Technology having undertaken appointments in a number of global enterprise organisations across various industries, enabling Emilio to develop the skills necessary to successfully manage complex and major business transformation projects.

Emilio has worked as an Executive Director at a tertiary health service, has led Electronic Medical Record (EMR) related programs and developed solutions in acute, subacute and community health settings.

As Executive Director Digital Health, Emilio has executive accountability for leading a multi-million dollar, multi-year hospital-wide EMR program as well as having operational accountability for Information Technology across the entire health service.

The EMR program is a digital version of the patient record that has transformed the way in which Monash Health delivers high-quality healthcare to its patients.

Professor Carlos Scheinkestel
Executive Director,
Quality & Safety

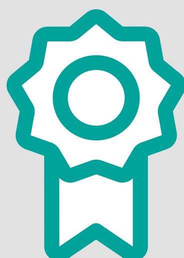
Carlos Scheinkestel's remit is to drive and support the organisation in the delivery of reliably safe, high-quality care that consistently meets or exceeds best practice standards and expectations.

His track record includes leading a large and complex department to achieve international recognition as a centre of excellence in patient outcomes, research and education and winning four Victorian Public Healthcare Awards, the AHRI Wayne Cascio Award for organisational change and development, an Australian Business Award for Service Excellence, an Australian Mobile and App Design Award, The Best of the Best International Nutrition Competition four times and an ELSO Centre of Excellence twice. He has served on government committees, has a number of publications, received an NHMRC research grant, and given many invited presentations, both nationally and internationally.

He is an adjunct clinical professor with Monash University and has completed studies focusing on leadership in disruptive times, obtaining a Specialist Certificate in Executive Leadership at the Melbourne Business School.

2019 Victorian Public Healthcare Awards

Seven of our major initiatives were recognised by the Victorian Public Healthcare Awards in November. Congratulations to the teams involved.



Winners

Monash Health

Excellence in women's health

Keeping mothers and babies together: a better way of assessing sepsis risk.

Monash Health

Improving integration of care for patients with chronic and complex conditions

Early Neurodevelopment Clinic Team.

Finalists

Monash Health
The Royal Melbourne Hospital and The University of Melbourne.

Improving healthcare through clinical research

EXTEND: a game changer for ischemic stroke treatment worldwide.

Monash Health
Austin Health.

Improving healthcare through clinical research

Improving the management of paracetamol overdose.

Monash Health

Safer Care Victoria compassionate care award

Delivering a better quality of life to patients with malignant ascites with in-home paracentesis via an indwelling drain.

Monash Health
Alfred Health, Eastern Health, Northern Health, Western Health, Monash University, Office of the Public Advocate (Victoria).

Minister for Disability, Ageing and Carers Award for excellence in public sector aged care

Guardianship in Hospitals: a health services/OPA pilot program.

Monash Health

Minister for Mental Health's Award for excellence in supporting the mental health and wellbeing of Victorians

Promoting recovery and trauma treatment in public health.

Our workforce

As an equal opportunity employer, Monash Health is committed to a fair and non-discriminatory workplace that maximises talent, potential and contribution of all employees.

We act with fairness, dignity and empathy for each other and for our consumers.

We are committed to the ongoing development of our people and provide a wide range of professional development activities, supported by strong leadership and management capability.

We value honesty, openness and taking responsibility for our performance by recognising innovation, quality and professionalism. This year, we have continued our commitment to our Equity and Inclusion Strategy 2018-2021 covering five priority areas including Gender, Aboriginal and Torres Strait Islander Health and Employment, LGBTI, Disability and Cultural and Linguistic Diversity.

Hospital labour category	June current month FTE*		Average monthly FTE**	
	2019	2020	2019	2020
Nursing	5,301	5,646	5,411	5,494
Administration and Clerical	1,768	1,841	1,807	1,828
Medical Support	1,230	1,322	1,250	1,288
Hotel and Allied Services	1,062	1,165	1,062	1,106
Medical Officers	195	219	208	209
Hospital Medical Officers	1,118	1,206	1,155	1,180
Sessional Clinicians	378	410	397	404
Ancillary Staff (Allied Health)	1,053	1,102	1,078	1,074
Total	**12,105**	**12,911**	**12,368**	**12,583**

*Full time equivalent (FTE) employees at Monash Health and Jessie McPherson Private Hospital as at 30 June 2019.
**Average monthly FTE for financial year.

Occupational health and safety

The physical health, safety and overall wellbeing of our employees is of paramount importance. We are committed to providing a workplace that promotes and facilitates employee wellbeing and safety to ensure they return each day safe and well.

We have been committed to working towards our goals in the Occupational Health and Safety Strategy 2018-2023 and have focused on supporting our people in the workplace by:

- developing safety leadership through development and implementation of eLearning modules, guidance material and tools
- actively engaging people in their health, safety and wellbeing
- having the right processes and systems in place to monitor our performance and enable continuous improvement.

In 2019-20 our lost time injury frequency rate reduced by 4%.

Some 81% of employees completed mandatory Occupational Violence and Aggression and Occupational Health and Safety training.

We continue to work collaboratively to care for the physical and psychological health, safety and overall wellbeing of our people.

Occupational health and safety statistics	2017-18	2018-19	2019-20
The number of reported hazards/incidents for the year per 100 FTE employees	32.44	30.83	29.08
The number of 'lost time' standard claims for the year per 100 FTE employees	1.50	1.63	1.53
The average cost per claim for the year	$61,722	$ 52,495	$53,952

Occupational violence	2019-20
WorkCover accepted claims with an occupational violence cause per 100 FTE	0.25
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	1.72
Number of occupational violence incidents reported	1,330
Number of occupational violence incidents reported per 100 FTE	10.72
Percentage of occupational violence incidents resulting in employee injury, illness or condition	7%

Definitions

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

Incidents
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 2018-19.

Lost time
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.

Clinical Governance Report

Excellence is our standard.

Our Clinical Governance Framework outlines the structures, processes, leadership and culture required to provide safe, efficient patient-centred care. It is aligned to the Victorian Clinical Governance Framework (June 2017) and the National Model Clinical Governance Framework - Australian Commission on Safety and Quality in Healthcare, (December 2017).

Clinical Governance needs to permeate through the entire organisation, to all employees at all levels, to ensure continuous improvement in care, safety and patient experience.

Our key quality indicators are available on dashboards customised for each ward, unit and program so that employees can see how we are performing and play a role in continuous improvement.

Performance against these indicators is tracked and reported monthly to Monash Health's Executive and Board.

New initiatives in 2019-20 include the Quality Newsletter, a monthly update including a summary of an adverse event, which is circulated to facilitate a culture of learning, and employee forums held via web conference, which showcase the work of clinical teams and allow employees to ask questions directly of the Executive.

Environmental Sustainability Report

Monash Health is committed to reducing our ecological footprint with sustainability being one of our strategic principles.

We aim to engage, educate and empower our employees to create an environmentally sustainable workplace and demonstrate this across our six sustainability themes.

Environmental Citizenship

Establish accountabilities and responsibilities for employees across Monash Health to improve our environmental impact and build a culture where we act and participate in society as agents of positive change.

Achievements:

- The new Monash Health Environmental Sustainability Strategy and Action Plan 2020-2024 has been developed following extensive stakeholder engagement across our organisation and will continue to guide Monash Health in improving our environmental performance.
- Climate change has been added to the Monash Health Risk Register, enabling all departments to consider climate mitigation and adaptation in day-to-day processes.
- The ever-expanding Monash Health Eco Champions Committee communicate regularly to explore, discuss, prioritise and implement sustainability efforts organisation wide. In 2019/2020, ten new Green Teams have been formed across all our sites and our Eco Champions group has grown to include over 110 representatives.
- Our membership in the Victorian Green Hospitals Round Table Group enables us to meet with Sustainability Representatives across metropolitan Melbourne to discuss innovative ideas, remain transparent in our activities and ensure our actions are guided by best practice.
- Monash Health was the recipient of two grants from the Victorian Health and Human Services Building Authority which enabled us to improve environmental behaviours of employees in the Clayton Operating Theatres.

Green Procurement

Incorporate sustainable procurement in Monash Health's products and services as part of any tendering processes.

Achievements:

- Compostable paper medicine cups have been introduced site-wide, replacing the plastic cups that were used previously
- Moorabbin Hospital's kitchen services team have replaced their single-use dessert and soup containers with reusable ones
- Monash Health Pharmacy Departments at Clayton have transitioned away from using single-use plastic bags to reusable or paper bags, eliminating close to 5000 plastic bags in one month. Pharmacy departments at Casey, Monash Children's Hospital and the Monash Health Translation Precinct have also begun this transition.

Waste Management

Encourage the avoidance, reduction, re-use and recycling of resources, and increase diversion of resources from landfill. The infection prevention measures required to combat COVID-19 have necessitated an increase in the use of single use items, however, when it is safe to do so, the re-use and recycling of resources is encouraged.

Achievements:

Through various recycling streams we have diverted the following this financial year from landfill:

- Almost 900 tonnes of recyclables
- Almost 1.6 tonnes of Polyvinyl Chloride (PVC) products
- Almost 16 tonnes of electronics
- Over 1.5 tonnes of single-use metal instruments
- 12.8 tonnes of food from our Kingston Centre Food Services, saving 24.3 tonnes of CO2 emissions.
- Monash Health are exploring setting up soft plastics recycling, beginning with a pilot at our procurement warehouse and pharmacy department at Clayton

Sustainable Travel and Active Transport

Reduce greenhouse gas emissions from Monash Health's fleet car service, and encourage the use of car-pooling and active transport

Achievements:

- Monash Health has increased the use of teleconferencing technology across all sites which has drastically reduced the amount of travel to and from work as well as between sites
- We have a Bicycle Users Group, and bike facilities across our sites promoting and enabling the use of active bike transport
- We are a part of Hospital Car Share, an organisation enabling workers to carpool to and from work (temporarily suspended due to COVID-19)
- Our fleet car service operations are purchasing smaller, more fuel-efficient vehicles for Monash Health with these being the default and are exploring the purchasing of hybrid vehicles where possible

Sustainable Buildings

Improve environmental standards for new and retrofit building projects

Achievements:

- Replacement of critical infrastructure assets with energy efficient plant under MEEIRP since 2012 to date. For example – steam boilers, chillers, condensing boilers, cooling towers, medical air compressors, medical vacuum plant, HVAC systems, electrical switchboards, etc.
- Replaced incandescent & halogen lights with LEDs at all sites
- Installed LED technology at strategic locations to obtain maximum energy saving. For example – MMCC loading dock, streetlights, etc.
- Monash Health plans to implement mandatory ecological sustainable design principles and energy efficiency initiatives in new builds and major retrofits/ refurbishments in accordance with the relevant sections of the National Construction Code

Energy Efficiency and Emissions

Support the Victorian Government's climate change framework for emissions reduction (net zero greenhouse gas emissions by 2050 and renewable energy generation targets of 25% by 2020 and 40% by 2025)

Achievements:

- Emissions from the Monash Health Fleet Service have decreased by 74% compared to 2018/19 figures, resulting in a saving of 618 tonnes of CO2
- Overall energy portfolio has recorded a commendable reduction when comparing validated NGER data for 2017/18 to 2018/19 consumptions
- Total energy consumed has reduced by 0.4%
- This has resulted in corresponding reductions in Scope 1 & 2 combined GHG emissions by 2.27%

Note: while the percentage reductions above may appear very small, this represents a substantial reduction when considering Monash Health's overall energy portfolio (466,344 GJ in 2018/19). For detailed information refer to page 73.

Financial information

Summary

Operating result	2020 $'000	2019 $'000	2018 $'000	2017 $'000	2016 $'000
Total revenue	2,295,881	2,066,252	1,882,075	1,850,723	1,751,511
Total expenses	2,258,195	2,046,513	1,877,401	1,754,104	1,647,800
Net result from transactions	**37,687**	**19,740**	**4,674**	**96,619**	**103,711**
Total other economic flows	-11,094	-24,820	-4,659	10,838	184
Net result	**25,782**	**-5,080**	**15**	**107,457**	**103,895**
Total assets	2,754,032	2,252,249	1,818,761	1,715,387	1,591,476
Total liabilities	1,119,049	677,135	589,603	522,107	505,698
Net assets/Total equity	**1,634,980**	**1,575,113**	**1,229,158**	**1,193,280**	**1,085,778**

There are no significant changes or any subsequent events to balance date.

Reconciliation between the Net result from transactions

	2020 $'000	2019 $'000	2018 $'000	2017 $'000	2016 $'000
Net operating result [i]	**442**	**-10,690**	**39**	**1,294**	**2,393**
Capital and specific items					
Capital purpose income	183,255	127,422	101,699	180,160	193,492
Share of net profit of associates in other economic flows	-117	-29	-87	-147	-184
Specific expenses	-1,049	-5,328	-372	-667	-5,741
COVID-19 State supply arrangements - products received free of charge	3,280	-	-	-	-
COVID-19 State supply items consumed up to 30 June 2020	-3,280	-	-	-	-
Assets provided free of charge	-	-	-	-	-
Assets received free of charge	259	-	-	-	-
Expenditure for capital purpose	-14,428	-10,094	-11,349	-10,226	-8,503
Depreciation and amortisation	-118,846	-73,129	-77,310	-67,063	-70,184
Impairment of non-financial assets	-	-	-	-	-
Bad and doubtful debt expense [ii]	-3,845	-3,618	-2,729	-1,259	-1,887
Finance costs - other	-7,984	-4,794	-5,217	-5,473	-5,675
Net assets/Total equity	**37,687**	**19,739**	**4,674**	**96,619**	**103,711**

Net result before capital and specific items, i.e. the result which the health service is monitored against in the Statement of Priorities.
i: Note: Restated Share of Net Profit of Associates is in Other Economic flows as of 2019, prior years restated.
ii: Note: Restated Net Operating Result to exclude Bad and Doubtful Debts Expense in 2016 & 2017.

Consultancies information

Details of Information and Communication Technology

The total ICT expenditure incurred during 2019-20 is $92.4million (excluding GST).

$'000

BAU ICT Expenditure Total (excluding GST)	Non-BAU ICT Expenditure Total = A+B (Excluding GST)	Operational Expenditure A (Excluding GST)	Capital Expenditure B (Excluding GST)
53,725	38,669	638	37,986

2019-20 Disclosure of Consultancy Expenditure

Details of consultancies (under $10,000)

In 2019-20, there were 84 consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2019-20 in relation to these consultancies is $192,257 (excluding GST).

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

In 2019-20, there were 18 consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2018-19 in relation to these consultancies is $8,398,839 (excluding GST). Details of these consultancies are listed below.

Consultants

	2020	2019	2018	2017	2016
Consultants' cost ($)	8,591,096	3,251,980	1,587,973	1,228,225	996,437
Total number of consultants	102	121	51	107	140

Consultancies Details

Consultant	Purpose of Consultancy	Start date	End date	Total approved project fee ($'000)	Expenditure 2019-2020 ($'000)
McKinsey & Company	Improvement in Financial Viability	1/07/19	30/06/20	7,397	7,397
Ernst & Young	Internal Audit and FBT Services	1/07/19	30/06/20	436	436
Madison Cross Australia Pty Ltd	Organisational Growth and Development	1/07/19	30/06/20	180	180
Olive Branch Group Pty Ltd	Information Technology Consulting	1/07/19	30/06/20	83	83
Dnaco Construction Pty Ltd	Asset Management Consulting	1/07/19	30/06/20	35	35
Black Dog Institute	Workplace Health Consulting	1/07/19	30/06/20	33	33
Cogent Advisory Pty Ltd	Organisational Growth and Development	1/07/19	30/06/20	32	32
Open Advisory Pty Ltd	Organisational Growth and Development	1/07/19	30/06/20	31	31
Fundraising Force	Organisational Growth and Development	1/07/19	30/06/20	23	23
Canyon Pty Ltd	Design Consultation	1/07/19	30/06/20	20	20
Paxton Consulting Pty Ltd	Improvement in Financial Viability	1/07/19	30/06/20	20	20
Fortitude Digital	Organisational Growth and Development	1/07/19	30/06/20	36	36

Consultancies Details continued

Consultant	Purpose of Consultancy	Start date	End date	Total approved project fee ($'000)	Expenditure 2017-2018 ($'000)
Safety Australia Group Pty Ltd	Workplace Safety Review	1/07/19	30/06/20	19	19
Alcidion Aus Pty Ltd	Information Technology Consulting	1/07/19	30/06/20	18	18
SenateSHJ	EMR Communications Consultation	1/07/19	30/06/20	15	15
Spratt Phillip Maxwell	Cardiothoracic Consulting	1/07/19	30/06/20	13	13
Miller Network Group	Organisational Growth and Development	1/07/19	30/06/20	12	12
LW Corporate Services	Improvement of Financial Viability	1/07/19	30/06/20	11	11

Disclosures required under legislation

Freedom of Information Act 1982

Rights of the public under the Freedom of Information Act 1982 are published on our website at monashhealth.org. These include contact details for the freedom of information team and guidance on how to make a freedom of information request.

A request for documents must be in writing and include sufficient detail to identify the correct medical record.

Contact details of our FOI team are through to foi@monashhealth.org

Summary of requests received under the Act from 1 July 2019 to 30 June 2020

- Total number of requests received: 1750
- Number of requests transferred to another agency: 0

Outcomes of Requests Received in the Period 1 July 2019 to 30 June 2020:

- Access granted in full: 1551
- Access granted in part: 65
- Access denied in full: 0
- Other (no documents found) 21
- Other (not proceeded with) 38
- Not yet finalised 75
- Exemptions cited – a total of 105

Clause:

- s.30(1) was used in 11 request(s)
- s.32(1) was used in 2 request(s)
- s.33(1) was used in 35 request(s)
- s.33(4) was used in 2 request(s)
- s.35(1)(b) was used in 36 request(s)
- s.38 was used in 19 request(s)

Outcomes of Requests Outstanding from 2018-19

- Total number of requests outstanding: 110
- Access granted in full: 105
- Access granted in part: 3
- Access denied in full: 1
- Other (no documents): 1

Freedom of Information Fees and charges:

- Application fees collected $40,256.00
- Application fees waived $11,544.00
- Copy charges collected $68,542.00
- Copy charges waived $3,680.00

Initial decision makers:

- Hayley Capiron (Release of Information Manager)
- Frances Rogers (FOI Decision Maker)
- Elaine Elliott (Health Information Manager)
- Maija Dimits (Health Information Manager)
- Carrie Harris (FOI Officer)

Building Act 1993

Monash Health sites and facilities are managed through site inspections, risk assessments and audits. We have contracts in place to maintain Essential Safety Measures and annual compliance audits by independent Registered Building Surveyors.

Building standards and condition assessments

The condition of our buildings are assessed through site inspections and condition audits by architects and consultant engineers on an as-needed basis. Fire audits and risk assessments are undertaken by consultant fire engineers to comply with the Department of Health and Human Services Fire Risk Management Guidelines Series 7.

Recommendations from fire audits are actioned through a series of projects developed in consultation with the Victorian Health & Human Services Building Authority (VHHSBA) Fire Risk Management Branch to maintain a high degree of fire safety. All bed-based facilities are audited on a five-yearly cycle.

Fire safety audits

The last five yearly fire safety audit of Monash Health's 12 bed based facilities was completed in 2018. The next audit will be undertaken and completed in 2023.

Essential safety measures maintenance

Contracts are in place to maintain all Essential Safety Measures (ESM) at sites owned by Monash Health. Audits are performed at these sites by Building Surveyors to ensure compliance with ESM Maintenance regulations. Action plans to rectify defects identified during the audits are currently in place. In accordance with regulatory requirements, service and maintenance, records are kept to enable the completion of an annual ESM Report for all properties owned by Monash Health. This provides confirmation that all ESM are operational at the required level of performance for the safety of these facilities.

Risk assessment

Victorian Managed Insurance Authority (VMIA) conducts Site Risk Surveys (SRS) at Monash Medical Centre, Moorabbin Hospital, Kingston Centre and Dandenong Hospital.

Risk treatment options generated from the SRS are monitored through action plans until they are completed.

Protected Disclosure Act 2012

Monash Health has a procedure for protected disclosures and matters of this nature are referred to the Independent Broad-based Anti-Corruption Commission. Information is included in the 'Patient & Visitors/ Concerns and Compliments' section of the Monash Health Internet site for external parties and on our intranet for internal employees to view policies and procedures.

National Competition Policy

Monash Health continued to comply with the Victorian Government's Competitive Neutrality Policy.

In addition, the Victorian Government's Neutrality Pricing Principles for all relevant business activities have been applied by Monash Health since 1 July 1988.

Carers Recognition Act 2012

Monash Health is committed to partnering with and empowering our consumers. We understand that our consumers, their families and carers need to play an active role in their own healthcare and in helping us improve the quality and safety of our services. We take all practicable measures to ensure our employees and agents reflect the care relationship principles in developing, providing or evaluating support and assistance for persons in care relationships.

The Monash Health Consumer, Carer and Community Partnerships Framework provides an organisation-wide structure describing our approach to embedding relationship centred care and partnerships in our culture, recognising that everyone in the organisation has an impact on patient, family, carer and consumer experience. Patient Experience education is mandatory for all new Monash Health employees, both clinical and non-clinical and Partnering with Consumers education is provided for managers and leaders. Our learning tools draw particular attention to the needs of carers and families.

Monash Health reports on how we engage with our consumers, their families and carers in the annual Quality of Care Report. That report is available on our website: https://monashhealth.org/about/publications/quality-account/

There are no disclosures required to be made under the Carers Recognition Act 2012.

DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, Monash Health data sets are available on the DataVic website in 2019-20. The information included in this Annual Report will also be available at www.data.vic.gov.au in an electronic readable format.

Local Jobs First-Victorian Industry Participation Policy

Projects Type	Number of Projects	Estimated Value	VIPP/LIDP Plan Required	Completed	In Progress
Standard >$3M	3	$16,300,000	3	2	1
Strategic >$50M	N/A	N/A	N/A	N/A	N/A

Local Jobs First Act 2003

Monash Health complies with the intent of the Local Jobs First Act 2003 which requires, wherever possible, local industry participation in supplies; taking into consideration the principle of value for money and transparent tendering processes.

Safe Patient Act 2015

Monash Health have no matters to report in relation to its obligations under Section 40 of the Safe Patient Care Act 2015.

Car Parking Fees

Monash Health complies with the Department of Health and Human Services hospital circular on car parking fees and details of car parking fees and concession benefits can be viewed at https://www2.health.vic.gov.au/about/news-and-events/hospitalcirculars/circ0515

Monash Health's car parking fees and concession benefits can be found at www.monashhealth.org

Environmental performance

Monash Health remains committed to environmental sustainability by continuing to develop initiatives that improve efficiencies and reduce its environmental footprint.
The environmental data management system (EDMS) records our environmental performance data. The EDMS generates reports related to our greenhouse gas emissions, waste generation, and energy and water consumption. Further details and initiatives about Monash Health's Environmental Sustainability 2019-20 can be found on pages 67 and 68.

Greenhouse gas emissions (CO2-e)

- Scope 1: 11,895
- Scope 2: 65,381
- Total (tonnes CO2-e): 77,276

Water consumption

- Class A recycled water: 0
- Potable water: 485,685
- Reclaimed water: 0
- Total (kL): 485,685

Energy consumption

- Total (GJ): 519,617

Waste generated

- Total (kg): 5,094,578

Additional information available on request

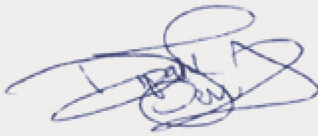
Details in respect of the items listed below have been retained by the health service and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the Freedom of Information requirements, if applicable):

- 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 are 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.

Attestations

Financial Management Compliance attestation

I, Dipak Sanghvi, on behalf of the Monash Health Board, certify that Monash Health has complied with the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and Instructions.



Dipak Sanghvi
Chair, Board of Directors
Melbourne

6 October 2020

Data Integrity

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

Andrew Stripp
Chief Executive
Melbourne

6 October 2020

Conflict of Interest

I, Andrew Stripp, certify that Monash 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 employees within Monash Health and members of the Board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.

Andrew Stripp
Chief Executive
Melbourne

6 October 2020

Integrity, Fraud and Corruption

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

Andrew Stripp
Chief Executive
Melbourne

6 October 2020

Reporting of outcomes from Statement of Priorities 2019-20

Part A

Goals	Strategies	Health Service Deliverables	Outcome
Better Health • A system geared to prevention as much as treatment. • Everyone understands their own health and risks. • Illness is detected and managed early. • Healthy neighbourhoods and communities encourage healthy lifestyles.	**Better Health** • Reduce Statewide Risks. • Build Healthy Neighbourhoods. • Help people to stay healthy. • Target health gaps.	Develop a model of care and implementation plan to strengthen the role of community services in supporting patient's transition out of hospital, reducing avoidable emergency department presentations and hospital admissions, and preventing acute and chronic conditions from worsening in the community.	**In Progress** • The Community Assessment and Response Team (CART) model of care was developed and deployed. • This initiative will be further developed in 20-21.
		Continue working with the regional chronic disease coalition to deliver the Chronic Disease Strategy Action Plan for 2019-20 with priority work streams in Oral Health, Diabetes and Palliative Care.	**In Progress** • Delayed due to COVID-19 preparations. Has been carried forward until 20-21.
		Continue delivery of an improved maternity model of care, including implementation of a Fetal Surveillance Unit at Casey Hospital.	**In Progress** • A Telehealth model of pregnancy care was introduced in March 2020 was shown to deliver high quality care, improved access and overall increased patient satisfaction. • The implementation of the Fetal Surveillance Unit at Casey Hospital has been delayed due to COVID-19 preparations. This initiative has been carried forward until 20-21.
Better Access • Care is always there when people need it. • More access to care in the home and community.	**Better Access** • Plan and invest. • Unlock innovation. • Provide easier access. • Ensure fair access to full range of care and support they need. • There is equal access to care.	Together with Monash University and the Department of Health and Human Services, progress the planning for the Victorian Heart Hospital according to the project plan.	**In Progress** • Victorian Heart Hospital build on track. • Governance framework delayed due to COVID-19 preparations. Has been carried forward to 20-21.

Goals	Strategies	Health Service Deliverables	Outcome
• People are connected to the full range of care and support they need. • There is equal access to care.		Work towards improved access for our community and consumers by commencing construction of our Emergency Department at Monash Medical Centre, Clayton.	**In Progress** • Construction has commenced but has been delayed due to COVID-19. Has been carried forward until 20-21.
		Commence the service and facility master plan for Monash Medical Centre, Clayton.	**In Progress** • Delayed due to COVID-19 preparations. Has been carried forward until 20-21.
		Complete the full business case for services and facilities at Pakenham Health Centre and Kingston Centre for consideration by the Victorian Government.	**In Progress** • The business case for the Pakenham Health Centre has been completed. • Overarching feasibility analysis and planning for the Kingston Centre has been completed. Business case development will continue subject to Department of Health and Human Services' directions.
		Complete the overarching Monash Health Strategic Service Plan to allow improved access to the range of healthcare services provided by Monash Health.	**In Progress** • Overarching feasibility plans have been completed. Master planning efforts continue to be informed by Department of Health and Human Services' directions.
		Finalise the work plans for implementation of site service plans at Dandenong Hospital, Casey Hospital Emergency Department, Cranbourne and Pakenham Community Hospitals, and implement the Casey Hospital Expansion Year One Operational and Workforce Plan.	**In Progress** • The Dandenong Hospital and Casey Hospital Emergency Department service plans have been drafted. • Development of the Casey Hospital Emergency Department Expansion Service Plan is at functional brief stage. • Cranbourne and Pakenham Community Hospitals have been delayed due to COVID-19 preparations. This initiative has been carried forward until 20-21. • The Casey Hospital Expansion Year One Operational and Workforce Plan achieved through commissioning and progressive operationalisation of the Casey Hospital Expansion in May 2020. Workforce recruitment continues into FY20-21 aligned with service growth and clinical demand requirements.

Goals	Strategies	Health Service Deliverables	Outcome
		Ensure fair access for people who require community services by redesigning the access to service approach to efficiently and effectively support the needs of our community.	**In Progress** • Delayed due to COVID-19 preparations. Has been carried forward until 20-21.
Better Care • Target zero avoidable harm. • Healthcare that focusses on outcomes. • Patients and carers are active partners in care. • Care fits together around people's needs.	**Better Care** • Put quality first. • Join up care. • Partner with patients. • Strengthen the workforce. • Embed evidence. • Ensure equal care.	Improve digital to clinical workflows, efficiency and patient safety by implementing an Electronic Medical Record across all Monash Health campuses.	**Achieved** • Implementation of the first phase of the Monash Health Electronic Medical Record system was completed in December 2019. This achieved a safe and controlled introduction of standardised digital clinical workflows across all campuses providing inpatient care.
		Develop a real time patient experience survey to improve the way consumer feedback is collected and new opportunities for improvement are identified.	**Achieved** • A real-time Patient Experience Survey based on questions from VHES survey is available to all clinical areas using Power BI.
		Improve consumer experience of discharge management through implementation of initiatives for access, discharge criteria and ward governance procedures.	**In Progress** • Initial reforms did not achieve performance targets. A revised access and flow model was implemented because of COVID-19. • Optimisation of same-day and multi-day planned medical admissions across the health service remains on track.
		Implementation of the Clean Slate initiative to improve hygiene and cleanliness across the organisation.	**Achieved** • Monash Health transitioned towards a new contracted cleaning agent across all inpatient and residential sites between July to December 2019. • The cleaning agent is fully compliant with the DHHS and Worksafe cleaning requirements.
		Implement revised food services delivery model across the organisation.	**In Progress** • A revised food service delivery model was implemented at Monash Medical Centre, Kingston Centre and Moorabbin Hospital. The new model involves the delivery of food directly to the bedside by our Food Services Assistants.

Goals	Strategies	Health Service Deliverables	Outcome
			• This change has enabled our Patient Services Assistants to spend more time undertaking environmental cleaning on the wards. • The implementation of the Dandenong Hospital revised food delivery model was delayed due to COVID-19 preparations. This model has been carried forward until 20-21.
		Increasing organisational capability to ensure sustainable improvement at Monash Health through development of workforce strategies for pharmacy, pathology, diagnostic imaging and nursing and midwifery.	**In Progress** • Delayed due to COVID-19 preparations. Has been carried forward until 20-21.
		Work with Safer Care Victoria and the Institute for Healthcare Improvement to engage and build consumer capability for improvement.	**Achieved** • Worked with Safer Care Victoria to provide training for Program Directors, Deputy Program Directors and Quality and Safety Unit employees in RCA methodology.
Specific 2019-20 Priorities	**Supporting the Mental Health System**	Improve access to mental health services through optimising the access to acute and community treatment pathways for our communities.	**Achieved** • The Emergency Department Mental Health & Alcohol and Other Drug (AOD) Response Model went live. • The model is supported by a multi-disciplinary team involving mental health and AOD nurses, consumer and carer peer workers and a social worker who support patients presenting to the Emergency Department. • The team also provides community outreach for up to 28 days post presentation for people who have not been linked in to specialist mental health services.
	Addressing Occupational Violence Foster an organisational wide occupational health and safety risk management approach, including identifying security risks and implementing controls, with a focus on prevention and improved reporting and consultation. Implement the department's security training principles to address identified security risks.	Implement initiatives to improve the workplace environment and minimise occupational violence and aggression in line with the department's security training principles.	**In Progress** • Delivery of the OVA Strategy was impacted by COVID-19. Of 69 actions, 44 are complete, 25 are underway. Delayed actions have been carried forward until 20-21.

Goals	Strategies	Health Service Deliverables	Outcome
	Addressing Bullying and Harassment Actively promote positive workplace behaviours, encourage reporting and action on all reports. Implement the department's *Framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination and Workplace culture and bullying, harassment and discrimination training: guiding principles for Victorian health services.*	Implement initiatives to promote equity and inclusion in the workplace.	**In Progress** • The framework has been largely implemented with minor delays due to COVID-19 preparations. • Ongoing training is in place for all employees, including mandatory annual refresher training. • All claims of bullying and harassment were investigated and de-identified outcomes communicated to all employees.
		Implement a series of tools to assist employees and management with greater psychological safety in the workplace.	**Achieved** • Implemented new resources to support employee mental wellbeing, including ongoing wellbeing presentations at all employee forums, peer support networks, a Call a Psychologist service, and resource hubs.
	Supporting Vulnerable Patients Partner with patients to develop strategies that build capability within the organisation to address the health needs of communities and consumers at risk of poor access to healthcare.	Optimise access to community services and deliver initiatives to improve acute and subacute services to vulnerable people in our community.	**Achieved** • The Monash Health Aboriginal Health team delivered the Healthy Koori Kids (HKK) program. The program offers a multidisciplinary clinic for Aboriginal and Torres Strait Islander children in or at risk of out of home care. • During COVID-19 the service transitioned to a Telehealth model of care to ensure high-risk clients can still access health services.
	Supporting Aboriginal Cultural Safety Improve the health outcomes of Aboriginal and Torres Strait Islander people by establishing culturally safe practices across the entire organisation to recognise and respect Aboriginal culture and deliver services that meet the needs, expectations and rights of Aboriginal patients, their families, and Aboriginal staff.	Implement 2019-20 work program for the Innovate Reconciliation Action Plan (Innovate 2019-2023).	**In Progress** • The Monash Health Innovate Reconciliation Action Plan (RAP) was launched in February 2020. • The RAP was developed in consultation with our Aboriginal and Torres Strait Islander community, Monash Health employees, and Aboriginal and Torres Strait Islander community organisations across the region. • Since its launch, over 11,000 Monash Health staff have completed online Aboriginal and Torres Strait Islander Cultural Awareness training. • Celebrations and activities have been held to acknowledge National

Goals	Strategies	Health Service Deliverables	Outcome
			Reconciliation Week and this year's postponed NAIDOC Week. • Some actions in the RAP have been delayed due to COVID-19 preparations. These have been carried forward until 20-21.
		Continue to implement and strengthen outcomes achieved through the Monash Health's Aboriginal Employment Plan.	**In Progress** • Delayed due to COVID-19 preparations. Has been carried forward until 20-21.
	Addressing Family Violence Strengthen responses to family violence in line with the Multiagency Risk Assessment and Risk Management Framework (MARAM) and assist the government in understanding workforce capabilities by championing participation in the census of workforces that intersect with family violence.	Develop a plan for implementation of the Multi-Agency Risk Assessment and Management Framework in the context of Monash Health and its community.	**In Progress** • Delayed due to COVID-19 preparations. Has been carried forward until 20-21.
		Continue to develop the Monash Health workforce with appropriate skills to ensure that the risk of family violence is effectively identified, assessed and managed, and participate in the census of workforces.	**In Progress** • Delayed due to COVID-19 preparations. Has been carried forward until 20-21
	Implementing Disability Action Plan Continue to build upon last year's action by ensuring implementation and embedding of a Disability Action Plan which seeks to reduce barriers, promote inclusion and change attitudes and practices to improve the quality of care and employment opportunities for people with disability.	Implement the 2019-20 work program for the Monash Health Disability Action Plan, including workforce resourcing to ensure delivery.	**In Progress** • Delayed due to COVID-19 preparations. Has been carried forward until 20-21.
	Supporting Environmental Sustainability Contribute to improving the environmental sustainability of the health system by identifying and implementing projects and/or processes to reduce carbon emissions.	Develop and approve an Environmental Sustainability Strategy for Monash Health that aligns with the DHHS Building Authority's Environmental Sustainability Strategy 2018-2023. The Strategy will be developed through consultation with Monash Health engineering, staff and relevant community groups, and will be aimed at addressing key performance indicators to measure our carbon footprint including core emissions, water, waste, paper usage and procurement.	**Achieved** • Our Monash Health Sustainability Strategy for 2020-2024 has been developed and approved by Monash Health Board of Directors. • An action plan has now been developed to support the strategy. This plan includes key performance indicators for a number of areas including core emissions and landfill reduction.

Part B: Performance Priorities

High quality and safe care

	Target	Result
Accreditation		
Compliance with the Commonwealth's Aged Care Accreditation Standards	Accredited	Accredited
Infection prevention and control		
Compliance with Hand Hygiene Australia program	83%	81.9%
Healthcare worker immunisation	84%	84%
Patient experience		
Victorian Healthcare Experience Survey – data submission	Full Compliance	Full Compliance
Victorian Healthcare Experience Survey - Percentage of positive patient experience responses Quarter 1	>=95%	86%
Victorian Healthcare Experience Survey - Percentage of positive patient experience responses Quarter 2	>=95%	85%
Victorian Healthcare Experience Survey - Percentage of positive patient experience responses Quarter 3	>=95%	87%
Victorian Healthcare Experience Survey - Percentage of positive responses to questions on discharge care Quarter 1	>= 75%	69%
Victorian Healthcare Experience Survey - Percentage of positive responses to questions on discharge care Quarter 2	>= 75%	70%
Victorian Healthcare Experience Survey - Percentage of positive responses to questions on discharge care Quarter 3	>= 75%	71%
Victorian Healthcare Experience Survey – Patients' perception of cleanliness Quarter 1	>= 70%	56%
Victorian Healthcare Experience Survey – Patients' perception of cleanliness Quarter 2	>= 70%	58%
Victorian Healthcare Experience Survey – Patients' perception of cleanliness Quarter 3	>= 70%	62%
Healthcare associated infections (HAI's)		
Number of patients with surgical site infection	No outliers	Not met
Number of patients with ICU central-line-associated bloodstream infection (CLABSI)	Nil	1.3
Rate of patients with SAB1 per occupied bed day	≤ 1	0.7
Adverse events		
Unplanned readmission hip replacement	Annual rate ≤ 2.5%	3.2%
Sentinel events – root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days	100% of RCA reports submitted within 30 business days
Mental Health		
Percentage of adult acute mental health inpatients who are readmitted within 28 days of discharge	<=14%	17%
Rate of seclusion events relating to a child and adolescent acute mental health admission	<=15/1000	15
Rate of seclusion events relating to an adult acute mental health admission	<=15/1000	5
Rate of seclusion events relating to an aged acute mental health admission	<=15/1000	0
"Percentage of child and adolescent acute mental health inpatients who have a post-discharge follow-up within seven days"	>=80%	96%

	Target	Result
"Percentage of adult acute mental health inpatients who have a post-discharge follow-up within seven days"	>=80%	97%
"Percentage of aged acute mental health inpatients who have a post-discharge follow-up within seven days"	>=80%	91%
Continuing care		
"Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay"	≥ 0.645	0.82
Maternity and newborn **Baby's wellbeing at birth (Apgar score)**		
Casey Hospital	<= 1.4%	1.58%
Dandenong Hospital	<= 1.4%	1.36%
Monash Medical Centre	<= 1.4%	1.70%
Severe fetal growth restriction born at 40 or more weeks gestation (FGR rate)		
Casey Hospital	<=28.6%	24.1%
Dandenong Hospital	<=28.6%	16.7%
Monash Medical Centre	<=28.6%	16.5%
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		
Casey Hospital	100%	100%
Dandenong Hospital	100%	100%
Monash Medical Centre	100%	97.1%

Strong governance, leadership and culture	Target	Result*
Organisational Culture		(*2018-19 results - People Matter survey was not held in 2020 due to COVID-19)
People matter survey - Employees with an overall positive response to safety culture question	>=80%	91%
People matter survey - I am encouraged by my colleagues to report any patient safety concerns I may have	>=80%	96%
People matter survey - Patient care errors are handled appropriately in my work area	>=80%	95%
People matter survey - My suggestions about patient safety would be acted upon if I expressed them to my manager	>=80%	93%
People matter survey - The culture in my work area makes it easy to learn from the errors of others	>=80%	90%
People matter survey - Management is driving us to be a safety-centred organisation	>=80%	93%
People matter survey - This health service does a good job of training new and existing employees	>=80%	83%
People matter survey - Trainees in my discipline are adequately supervised"	>=80%	87%
People matter survey - I would recommend a friend or relative to be treated as a patient here	>=80%	92%

Timely access to care	Target	Result
Emergency Care		
Emergency - Casey Hospital		
Percentage of ambulance patients transferred within 40 minutes	>=90%	67.7%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Categories 1-5 emergency patients seen within clinical recommended times	>=80%	48.1%

Percentage of emergency patients with length of stay less than 4 hours	>=81%	61.6%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	109
Emergency - Dandenong Hospital		
Percentage of ambulance patients transferred within 40 minutes	>=90%	69.0%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100.0%
Percentage of Triage Categories 1-5 emergency patients seen within clinical recommended times	>=80%	54.5%
Percentage of emergency patients with length of stay less than 4 hours	>=81%	50.0%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	66
Emergency - Monash Medical Centre		
Percentage of ambulance patients transferred within 40 minutes	>=90%	63.7%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Categories 1-5 emergency patients seen within clinical recommended times	>=80%	49.8%
Percentage of emergency patients with length of stay less than 4 hours	>=81%	55.2%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	87
Elective Surgery		
Percentage of Urgency Category 1 elective patients removed within 30 days	100%	100%
Percentage of Urgency Category 1, 2 and 3 elective patients admitted within clinically recommended timeframes	>=94%	82.4%
Reduce long waiting elective surgery patients	<=5%	21.2%
Number of patients on the elective surgery waiting list (end of June 2020)	7,545	9,150
Number of Hospital Initiated postponements per 100 scheduled admissions	<=7%	8.8%
Number of patients admitted from the elective surgery waiting list – annual total	29,275	25,359
Specialist clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	59%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	92%

Effective financial management	**Target**	**Result**
Finance		
Operating Result ($m)	$0.00	$0.44
Average number of days to paying trade creditors	<60 days	64 days
Average number of days to receiving patient fee debtors	<60 days	40 days
Public and Private WIES2 activity performance to target	100%	94%
Adjusted Current Asset Ratio	0.7 or 3% improvement from health service base target	1.0
Actual number of days available cash, measured on the last day of each month.	14 days	Not met
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance >= $250,000	$37.5 (M)
Forecast number of days available cash (based on end of year forecast)	14 days	73 days

Part C: Activity and Funding

Acute Admitted	2019-20 Activity Achievement
WIES Public	158,513
WIES Private	16,239
WIES Public and Private	**174,753**
WIES DVA	513
WIES TAC	459
WIES TOTAL	**175,723**

Acute Non-Admitted	2019-20 Activity Achievement
Home Enteral Nutrition	4,734
Home Renal Dialysis - Home ABF	180
Specialist Clinics	322,337
Home Perinatal Nutrition	151

Sub-acute and Non-Acute Admitted	2019-20 Activity Achievement
Subacute WIES - Rehabilitation Public	2,137
Subacute WIES - Rehabilitation Private/TAC/WorkCover	420
Subacute WIES - GEM Public	2,252
Subacute WIES - GEM Private/TAC/WorkCover	304
Subacute WIES - Palliative Care Public	419
Subacute WIES - Palliative Care Private	44
Subacute WIES - DVA	51
Transition Care - Occupied Bed days	16,649
Transition Care - Home day	9,931

Sub-acute Non-Admitted	2019-20 Activity Achievement
Health Independent Program - Public	174,263

Aged Care	2019-20 Activity Achievement
Residential Aged Care	29,474
HACC - Service Time Hours	41,617

Mental Health (Occupied Bed days) and Drug Services	2019-20 Activity Achievement
Mental Health Ambulatory	198,434
Mental Health Inpatient - Available bed days	58,729
Mental Health Inpatient - Secure Unit	16,818
Mental Health Residential	44,026
Mental Health Subacute	12,959
Mental Health Drug services	1,991

Primary Health	2019-20 Activity Achievement
Community Health/Primary Care Program -Service Time Hours	91,852
Community Health Other	2,436

Other	2019-20 Activity Achievement
NFC- Pancreas Transplants	8
Total Funding ($'000)	1,558,868

Disclosures Index

The annual report of Monash 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.

Charter and Purpose

Legislation	Requirement	Page Reference
FRD 22H	Manner of establishment and the relevant Ministers	52
FRD 22H	Purpose, functions, powers and duties	43
FRD 22H	Nature and range of services provided	47
FRD 22H	Activities, programs and achievements for the reporting period	11
FRD 22H	Significant changes in key initiatives and expectations for the future	4

Management and Structure

Legislation	Requirement	Page Reference
FRD 22H	Organisational structure	58
FRD 22H	Workforce data, employment and conduct principles	65
FRD 22H	Occupational Health and Safety	66

Financial Information

Legislation	Requirement	Page Reference
FRD 22H	Summary of the financial results for the year	69
FRD 11A	Disclosure of ex-gratia expenses	N/A
FRD 22H	Significant changes in financial position during the year	69
FRD 22H	Operational and budgetary objectives and performance against objectives	69
FRD 22H	Subsequent events	69
FRD 22H	Details of consultancies under $10,000	70
FRD 22H	Details of consultancies over $10,000	70
FRD 22H	Disclosure of ICT expenditure	70

Legislation

Legislation	Requirement	Page Reference
FRD 22H	Application and operation of Freedom of Information Act 1982	71
FRD 22H	Compliance with building and maintenance provisions of Building Act 1993	72
FRD 22H	Application and operation of Protected Disclosure 2012	72
FRD 22H	Statement on National Competition Policy	72
FRD 22H	Application and operation of Carers Recognition Act 2012	72
FRD 22H	Summary of the entity's environmental performance	72
FRD 22H	Additional information available on request	73
FRD 25C	Reporting of outcomes from Statement of Priorities 2019–20	76-86
	Occupational Violence reporting	66
	Reporting obligations under the Safe Patient Care Act 2015	73
	Reporting of compliance regarding Car Parking Fees	73
FRD 25D	Local Jobs First Act 2003 disclosures	73
	DataVic Access Policy	72

Attestations

Legislation	Requirement	Page Reference
	Data Integrity	74
	Managing Conflicts of Interest	74
	Integrity, fraud and corruption	74
SD 5.1.4	Financial Management Compliance attestation	74
SD 5.2.3	Declaration in Report of Operations	42

Thank you to our supporters

- 13CABS
- 65k for Cystic Fybrosis
- Andrew and Patsy Pinxt
- Anthea Kane
- Australasian College for Emergency Medicine
- Australian Communities Foundation
- Australian Philanthropic Services Foundation
- Avant Insurance Limited
- Bailey's Day
- BankVic
- Bauer Media Pty Ltd
- B Kunz
- Bentleigh RSL
- Berwick Montuna Ladies Golf Club
- Berwick Opportunity Shop
- Biggest Playdate
- Brainlab Australia Pty Ltd
- Brightest Star
- Bunnings Warehouse Keysborough
- Camp Quality
- Casey Fields Woodworkers Group - Lifestyle Communities
- Cathy Fraser
- Children's Cancer Foundation
- Child's Play Charity
- Collier Charitable Fund
- CPAP Victoria
- Curing Homesickness
- Cystic Fibrosis Community Care
- Dandelion Wishes Gala
- Delight Solar Pty Ltd
- Dr M Murname AM
- Dry July Foundation
- Eliza and James Hoppe
- Estate of the late Abner Del Castillo
- Estate of the late Amelia Batten
- Estate of the late Arthur Lindhurst Blannin
- Estate of the late Charlotte Marshall
- Estate of the late Digby Looker
- Estate of the late EC Blackwood
- Estate of the late Gregory Joseph and Zig Dickson Trust
- Estate of the late Heather Sybil Smith
- Estate of the late James McConnell Kerr
- Estate of the late John Frederick Wright
- Estate of the late John Lambrick
- Estate of the late Lindsay James Baldy
- Estate of the late Lois Srepacholis
- Estate of the late Louise and Lesley Nelken
- Estate of the late Marlee Viero
- Estate of the late Martin and Isabel McLoughlin
- Estate of the late Mary MacGregor
- Estate of the late Michael Barr
- Estate of the late Phyliss Nerelle Turner
- Estate of the late Vasiliki Gidis
- Estate of the late Werge Batters
- Estate of the late William and Mary Ievers & Sons Maintenance Fund
- Estate of the late William Macrow
- Estate of the late William Marshall
- Field & Hall Contractors Pty Ltd
- Fisher & Paykel
- Freemasons Foundation Victoria
- Friends of the Children Foundation
- Healesville Football & Netball Clubs
- Hesta Superfund
- Horne Family
- Hospital Promotions Victoria
- Hudson Institute of Medical Research
- Humpty Dumpty Foundation
- J K Mortgage Consultancy Pty Ltd
- Jack Nguyen MA
- Jeannette Ting
- KARL STORZ Endoscopy Australia Pty Ltd
- Kim Minett
- Lifestyle Communities
- Lim Mey Investments Pty Ltd
- Lim's Pharmacy
- Lions Club of Moorabbin Inc
- L'Oreal Australia
- Lorraine Lea Simply Home
- M and H Packaging Pl
- Macari Consulting Pty Ltd
- Mallinckrodt Pharmaceuticals
- Matthew Sutcliffe
- Max and Judith Bennetts
- Maxxia
- McGrath Foundation Ltd
- Medical Indemnity Protection Society (MIPS)
- Medical.com.au
- Medtronic Australasia Pty Ltd
- Megan Paterson
- Melbourne Gujarati Mahila Satsang Group
- Michael and Nereda Hanion
- Michael Lo
- MIGA
- Monash Cystic Fibrosis Foundation
- Monash Kids Support Group
- Mutual Trust Foundation
- My Room
- Nine News
- Novartis Pharmaceuticals Pty Ltd
- Pfizer Australia Pty Ltd
- Pyjama Fun Run
- Redkite
- Rhinomed
- Richard Lim
- Ricky Taylor Foundation
- Rita Murgana
- Rotary Club of Bentleigh Moorabbin Central
- Rotary Club of Emerald District
- Rotary Club of Mount Waverley
- Schacht Family
- Scleroderma Victoria Inc.
- SomnoMed
- Stephen Nethercote
- Supertee
- Symbion Hospital Services
- Taing Family
- Tan Hung Supermarket
- Te Investment Family Trust
- Team Plastics
- The Biggest Playdate
- The Country Women's Association
- The Garnett Passe and Rodney Williams Memorial Foundation
- The Knit Studio
- The Public Brewery
- The Teo Chew Chinese Association of Vic
- The Walk for Monash Children's Hospital
- The Walt Disney Company
- Tien Le
- Tran Tan Pty Ltd
- Triple A Global Group
- Triston's Headshave
- Turner Institute for Brain and Mental Health
- Van Dan Nguyen (Thi Diep Liem)
- Victoria Police Blue Ribbon Foundation Inc
- Watpac Construction Pty Ltd
- Westall Free Range Charcoal Chicken
- Winc Australia Pty Ltd
- Yan Wo Tong Chinese Medicine Centre
- Zee Cheng Khor

Financial Statements

2019-2020

Contents

Board member's, accountable officer's and chief finance & accounting officer's declaration		92
Independent Auditor's Report		94
Comprehensive Operating Statement		96
Balance Sheet as at 30 June 2020		97
Statement of Changes in Equity		98
Cash Flow Statement		99
Notes to the Financial Statements		100
Basis of preparation		
Note 1	Summary of Significant Accounting Policies	100
Note 2	Funding delivery of our services	101
Note 2.1	Income from transactions	101
Note 3	The cost of delivering our services	103
Note 3.1	Expenses from transactions	104
Note 3.2	Other economic flows	105
Note 3.3	Analysis of expense and revenue by internally managed and restricted specific purpose funds	106
Note 3.4	Specific expenses	107
Note 3.5	Employee benefits in the balance sheet	108
Note 3.6	Superannuation	109
Note 4	Key assets to support service delivery	110
Note 4.1	Property, plant and equipment	110
Note 4.2	Intangible assets	117
Note 4.3	Depreciation and amortisation	118
Note 5	Other assets and liabilities	119
Note 5.1	Receivables	119
Note 5.2	Inventories	121
Note 5.3	Payables	121
Note 5.4	Other liabilities	123
Note 6	How we finance our operations	124
Note 6.1	Borrowings	124
Note 6.2	Cash and cash equivalents	127
Note 6.3	Commitments for expenditure	128
Note 7	Risks, contingencies and valuation uncertainties	131
Note 7.1	Financial instruments	131
Note 8	Other disclosures	135
Note 8.1	Reconciliation of net result for the year to net cash inflow / (outflow) from operating activities	135
Note 8.2	Responsible persons disclosures	136
Note 8.3	Remuneration of executives	137
Note 8.4	Related parties	138
Note 8.5	Remuneration of auditors	139
Note 8.6	Events occurring after the balance sheet date	140
Note 8.7	Controlled entities	140
Note 8.8	Investments accounted for using the equity method	140
Note 8.9	Economic dependency	141
Note 8.10	Changes in accounting policy	142
Note 8.11	AASBs Issued that are not yet Effective	143
Note 8.12	Glossary of terms and style conventions	144

How this report is structured

Monash Health has presented its audited general purpose financial statements for the financial year ended 30 June 2019 in the following structure to provide users with the information about Monash Health's stewardship of resources entrusted to it.

Financial Year ended 30 June 2020

Board Member's, Accountable Officer's and Chief Financial and Accounting Officer's declaration.

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes presents fairly the financial transactions during the year ended 30 June 2020, and the financial position of Monash Health and its consolidated entity at 30 June 2020.

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.

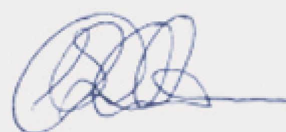
We authorise the attached financial statements for issue on 11 September, 2020.

Dipak Sanghvi
Chair, Board of Directors
Melbourne

11 September 2020

Andrew Stripp
Chief Executive
Melbourne

11 September 2020



Stuart Donaldson
Chief Financial Officer
Melbourne

11 September 2020

Chief Financial Officer's Summary

The 2019-2020 financial year was substantially impacted by the COVID-19 global pandemic from March 2020 onwards, but prior to that saw continued growth in demand for services across Monash Health

The key financial performance measure monitored by Monash Health management and the Department of Health & Human Services is the 'Net Result Before Capital and Specific Items' and in 2019-2020 Monash Health achieved a surplus result of $0.44 million compared with the reported deficit result of $10.69 million in 2018-2019.

In addition to the usual health funding provided by the Department of Health & Human Services, additional funding was provided for the impact of Covid19 on Monash Health for the period March 2020 to June 2020.

Monash Health's 'Comprehensive Result', which includes capital and specific items, was a surplus of $51.4 million in 2019–2020 compared to a surplus of $345.0 million in 2018-2019. Included in the 2019-2020 'Comprehensive Result' was the Revaluation of Land increment of $25.5m compared to a Land & Buildings increment of $349.0 million in 2018-19 from the Valuer General Victoria independent assessment.

Total revenue from operations for the 2019-2020 financial year was $2,113.3 million which is an increase of $177.8 million or 9.1 per cent compared with the previous year.

Despite the overall increase in revenue; our main measure of activity (Weighted Inlier Equivalent Separations) increased by 3.4 percent over the previous year.

Monash Health's operating cash as at 30 June 2020 was $487.9 million compared with $97.6 million as at 30 June 2019.

The reason for the increase in cash holding was mainly attributable to $259.6m provided by the Department of Health and Human Services to purchase and supply COVID-19 products to Victorian Health Services across the state and additional advanced funding for Monash Health to deal with the COVID-19 pandemic into the 2020/21 financial year.

Stuart Donaldson
Chief Financial Officer
Melbourne

11 September 2020

Independent Auditor's Report

VAGO
Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of Monash Health

Opinion	I have audited the consolidated financial report of Monash Health (the health service) and its controlled entities (together the consolidated entity), which comprises the: • consolidated entity balance sheet as at 30 June 2020 • consolidated entity comprehensive operating statement for the year then ended • consolidated entity statement of changes in equity for the year then ended • consolidated entity 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 consolidated entity as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the health service and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Key audit matters	Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I have determined that there are no matters that required my significant auditor attention and accordingly there are no key audit matters that I am required to communicate in my report.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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

Auditor's responsibilities for the audit of the financial report	As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the health service and the consolidated entity's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board • conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the health service and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the health service and the consolidated entity to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation • obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the health service and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the health service and the consolidated entity. I remain solely responsible for my audit opinion. I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE 16 September 2020	Travis Derricott *as delegate for the Auditor-General of Victoria*

2

Comprehensive Operating Statement

For the Financial Year Ended 30 June 2020

Income from Transactions	Note	Consolidated 2020 $'000	Consolidated 2019 $'000
Operating Activities	2.1	2,293,826	2,062,805
Non-operating Activities	2.1	2,055	3,447
Total Income from Transactions		**2,295,881**	**2,066,252**
Expenses from Transactions			
Employee Expenses	3.1	-1,652,844	-1,510,534
Supplies and consumables	3.1	-301,592	-290,975
Finance costs	3.1	-7,984	-4,908
PPE Operating expenses	3.1	-9,315	
Other Operating Expenses	3.1	-157,553	-148,042
Other Non-operating Expenses	3.1	-10,060	-18,926
Depreciation and Amortisation	3.1, 4.3	-118,846	-73,129
Total Expenses from Transactions		**-2,258,195**	**-2,046,514**
Net Result from Transactions - Net Operating Balance		**37,687**	**19,740**
Other Economic Flows included in Net Result			
Losses from Other Economic Flows	3.2	-11,904	-24,820
Total Other Economic Flows included in Net Result		**-11,904**	**-24,820**
Net Result for the year		**25,782**	**-5,080**
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in Property, Plant and Equipment Revaluation Surplus	4.1(b)	25,551	349,623
Total Other Comprehensive Income		**25,551**	**349,623**
Comprehensive result for the year		**51,333**	**344,543**

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

Balance Sheet
As at 30 June 2020

Current Assets	Note	Consolidated 2020 $'000	Consolidated 2019 $'000
Cash and Cash Equivalents	6.2	501,059	111,749
Receivables	5.1	55,082	66,987
Inventories	5.2	24,956	18,528
Other Financial Assets		4,673	4,595
Total Current Assets		**585,770**	**201,859**

Non-Current Assets			
Receivables	5.1	125,978	113,467
Investments using the equity method	8.8	4,246	4,129
Property, Plant and Equipment	4.1(a)	1,954,329	1,868,135
Intangible Assets	4.2	83,709	64,657
Total Non-Current Assets		**2,168,262**	**2,050,388**
Total Assets		**2,754,032**	**2,252,247**

Current Liabilities			
Payables	5.3	248,208	126,946
Borrowings	6.1	64,546	8,602
Provisions	3.5	378,301	335,292
Other Liabilities	5.4	207,909	27,052
Total Current Liabilities		**898,963**	**497,892**

Non-Current Liabilities			
Borrowings	6.1	127,931	98,525
Provisions	3.5	92,155	80,719
Total Non-Current Liabilities		**220,086**	**179,244**
Total liabilities		**1,119,049**	**677,136**
Net assets		**1,634,980**	**1,575,113**

Equity			
Property, Plant and Equipment Revaluation Surplus	4.1(f)	1,051,719	1,026,168
Restricted Specific Purpose Surplus		26,412	23,901
Contributed Capital		413,064	404,530
Accumulated Surpluses		143,786	120,514
Total equity		**1,634,980**	**1,575,113**

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

Statement of Changes in Equity

For the Financial Year Ended 30 June 2020

Consolidated	Note	Property, Plant and Equipment Revaluation Surplus $'000	Restricted Specific Purpose Surplus $'000	Contributed Capital $'000	Accumulated Surpluses $'000	Total $'000
Balance at 30 June 2018		**676,545**	**20,715**	**403,920**	**127,978**	**1,229,158**
Net result for the year		-	-	-	-5,080	-5,080
Other comprehensive income for the year	4.1(f)	349,623	-	-	-	349,623
Opening balance adjustment on adoption of AASB 9		-	-	-	802	802
Transfer (from)/to accumulated surpluses		-	3,186	-	-3,186	-
Contributed capital		-	-	610	-	610
Balance at 30 June 2019		**1,026,168**	**23,901**	**404,530**	**120,514**	**1,575,113**
Effect of adoption of AASB 15, 16 and 1058	8.10	-	-	-	-	-
Net result for the year		-	-	-	25,782	25,782
Other comprehensive income for the year	4.1(f)	25,551	-	-	-	25,551
Transfer (from)/to accumulated surpluses		-	2,511	-	-2,511	-
Contributed capital		-	-	8,533	-	8,533
Balance at 30 June 2020		**1,051,718**	**26,412**	**413,064**	**143,786**	**1,634,980**

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

Cash Flow Statement

For the Financial Year Ended 30 June 2020

Cash Flows from Operating Activities	Note	Consolidated 2020 $'000	Consolidated 2019 $'000
Operating Grants from Government - State		2,647,745	1,515,885
Operating Grants from Government - Commonwealth		126,979	120,885
Capital Grants from Government		52,145	72,210
Commercial Activities, Patient and Hospital Fees Received		170,047	187,823
Donations and Bequests Received		3,466	4,626
GST Received from/(paid to) ATO		67,879	38,392
Interest and Investment Income Received		2,055	3,447
Other Receipts		113,797	92,778
Total Receipts		**3,184,112**	**2,036,046**
Employee Expenses Paid		-1,623,471	-1,484,541
Payments for Supplies and Consumables		-969,353	-315,155
Finance Costs		-2,585	-5,165
Cash outflow for leases		-3,194	-
Other Payment		-163,870	-177,627
Total Payments		**-2,762,473**	**-1,982,487**
Net Cash Flows from Operating Activities	8.1	**421,639**	**53,558**

Cash Flows from Investing Activities			
Purchase of Intangible Assets, Property, Plant and Equipment		-87,563	-96,480
Net Cash Flows used in Investing Activities		**-87,563**	**-96,480**

Cash Flows from Financing Activities			
Contributed Capital		8,533	-
Cash Advance from DHHS		52,240	-
Repayment of Borrowings		-4,418	-5,380
Receipt of Accommodation Deposits		4,322	3,634
Repayment of Accommodation Deposits		-5,442	-4,516
Net Cash Flows used in Financing Activities		**55,235**	**-6,262**
Net Increase / (Deacrease) in Cash and Cash Equivalents Held		**389,314**	**-49,183**
Cash and Cash Equivalents at Beginning of Year		111,749	160,932
Cash and Cash Equivalents at End of Year	6.2	**501,059**	**111,749**

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2020

Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Impact of COVID-19

A state of emergency was declared in Victoria on 16 March 2020 due to the global coronavirus pandemic, known as COVID-19. A state of disaster was subsequently declared on 2 August 2020.

To contain the spread of the virus and to prioritise the health and safety of our communities various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including Monash Health.

In response, Monash Health placed restrictions on non-essential visitors, implemented reduced visitor hours, deferred elective surgery and reduced activity, performed COVID-19 testing and implemented work from home arrangements where appropriate.

In addition, Monash Health has entered an agreement with Department of Health and Human Services (DHHS) to act as an agent for the department in paying, warehousing, and distributing products and equipment for Victorian public health services and other entities during the COVID-19 pandemic.

For further details refer to Note 2.1 Funding delivery of our services and Note 4.1 Property, plant and equipment.

Note 1: Summary of Significant Accounting Policies

These annual financial statements represent the audited general-purpose financial statements for Monash Health and its controlled entities for the year ended 30 June 2020. The report provides users with information about Monash Health's stewardship of resources entrusted to it.

(a) Statement of Compliance

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

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

Monash Health is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to 'not-for-profit' Health Service under the AASBs.

(b) Reporting Entity

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

Its principal address is:
246 Clayton Road
Clayton, Victoria 3168

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

(c) Basis of Accounting Preparation and Measurement

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

The accounting policies have been applied in preparing the financial statements for the year ended 30 June 2020, and the comparative information presented in these financial statements for the year ended 30 June 2019.

The financial statements are prepared on a going concern basis (refer to Note 8.9 Economic Dependency).

These financial statements are presented in Australian dollars, the functional and presentation currency of Monash Health. All amounts shown in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

Monash Health operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. Monash Health's Capital and Specific Purpose Funds include unspent donations and receipts from fundraising activities conducted solely in respect of these funds.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is, they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASBs that have significant effects on the financial statements and estimates relate to:

- The fair value of land, buildings and plant and equipment (refer to Note 4.1 Property, Plant and Equipment);
- Employee benefit provisions are based on likely tenure of existing employees, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.5 Employee Benefits in the Balance Sheet).

Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this

case the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

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

(d) Principles of Consolidation

These statements are presented on a consolidated basis in accordance with AASB 10 *Consolidated Financial Statements*.

The consolidated financial statements of Monash Health includes all reporting entities controlled by Monash Health as at 30 June 2020.

Control exists when Monash Health has the power to govern the financial and operating policies of an organisation so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The consolidated financial statements include the audited financial statements of the controlled entities listed in Note 8.7 Controlled Entities.

The parent entity is not shown separately in the notes.

Where control of an entity is obtained during the financial period, its results are included in the Comprehensive Operating Statement from the date on which control commenced. Where control ceases during a financial period, the entity's results are included for that part of the period in which control existed. Where entities adopt dissimilar accounting policies and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

Intersegment Transactions

Transactions between segments within Monash Health have been eliminated to reflect the extent of Monash Health's operations as a group.

(e) Equity

Contributed Capital

Consistent with the requirements of AASB 1004 Contributions, 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 Monash 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.

Specific Restricted Purpose Surplus

The Specific Restricted Purpose Surplus is established where Monash 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.

(f) Comparatives

Where applicable, the comparative figures have been restated to align with the presentation in the current year. Figures have been restated at Notes 2.1.

Note 2: Funding delivery of our services

Monash Health's overall objective is to deliver programs and services that support and enhance the wellbeing of its patients.

Monash Health is predominantly funded by accrual-based grant funding for the provision of outputs and also receives income from the supply of services.

Structure

- 2.1 Income from Transactions

Note 2.1: Income from Transactions

	Consolidated 2020 $'000	Consolidated 2019 $'000
Government grants (State) - Operating[i]	1,741,108	1,531,397
Government grants (Commonwealth) - Operating	126,979	120,885
Government grants (State) - Capital	139,903	119,021
Other Capital purpose income	38,112	6,243
Capital Donations	5,224	2,079
Patient and Resident Fees	36,597	51,078
Private Practice Fees	10,140	11,085
Commercial Activities[ii]	121,837	131,935
Assets received free of charge	3,539	-
Other Revenue from Operating Activities	70,388	89,082
Total Income from Operating Activities	**2,293,826**	**2,062,805**
Other Interest	2,055	3,447
Total Income from Non-Operating Activities	**2,055**	**3,447**
Total Income from Transactions	**2,295,881**	**2,066,252**

i. Government Grant (State) – Operating includes funding of $116.02m which was spent due to the impacts of COVID-19.
ii. Commercial activities represent business activities which Monash Health enters into to support its operations.

Impact of COVID-19 on revenue and income

As indicated at Note 1, Monash Health response to the pandemic included the deferral of elective surgeries and reduced activity. The Department of Health and Human Services provided funding to compensate for the lost revenue with certain direct and indirect COVID-19 costs also reimbursed. Monash Health also received essential personal protective equipment free of charge under the state supply arrangement.

Government Grants

Income from grants to construct a project is recognised when (or as) Monash Health satisfies its obligations under the transfer. This aligns with Monash Health's obligation to construct the asset. The progressive percentage costs incurred is used to recognise income because this most closely reflects the construction's progress as costs are incurred as the works are done.

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 as revenue from contracts with customers, with revenue recognised as these performance obligations are met. Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when Monash Health has an unconditional right to receive the cash which usually coincides with receipt of cash. On initial recognition of the asset, Monash Health Service recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue in accordance with other Australian Accounting Standards. Related amounts may take the form of:

a) contributions by owners, in accordance with AASB 1004;
b) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
c) a lease liability in accordance with AASB 16;
d) a financial instrument, in accordance with AASB 9; or
e) a provision, in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

As a result of the transitional impacts of adopting AASB 15 and AASB 1058, a portion of the grant revenue has been deferred. If the grant income is accounted for in accordance with AASB 15, the deferred grant revenue has been recognised in contract liabilities whereas grant revenue in relation to the construction of capital assets which the health service controls has been recognised in accordance with AASB 1058 and recognised as deferred grant revenue (refer note 5.3).

If the grant revenue was accounted for under the previous accounting standard AASB 1004 in 2018-19, the total grant revenue received would have been recognised in full.

Performance obligations

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

- Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation casemix
- National Weighted Activity Unit (NWAU) funding
- other one-off grants if funding conditions contain enforceable and sufficiently specific performance obligations.

The performance obligations for ABF and WIES revenue is recognised as the number and mix of patients admitted to hospital (casemix) in accordance with levels of activity agreed to with the Department of Health and Human Services (DHHS) in the annual Statement of Priorities (SoP). Revenue is recognised in accordance with the WIES activity for each separation. The performance obligations have been selected as they align with funding conditions set out in the Policy and funding guidelines issued by the DHHS.

NWAU revenue is recognised as levels of NWAU are satisfied and completed inaccordance with levels of activity agreed to with the Department of Health and Human Services (DHHS) in the annual Statement of Priorities (SoP). The performance obligations have been selected as they align with funding conditions set out in the Policy and funding guidelines issued by the DHHS.

For other grants with performance obligations Monash Health exercises judgement over whether the performance obligations have been met, on a grant by grant basis.

Previous accounting policy for 30 June 2019

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to Monash Health Service without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

Some grants are reciprocal in nature (i.e. equal value is given back by the recipient of the grant to the provider). Monash Health Service recognises income when it has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, Monash Health Service recognises revenue when the grant is received.

Grants can be received as general purpose grants, which refers to grants which are not subject to conditions regarding their use. Alternatively, they may be received as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

Non-cash contributions from the Department of Health and Human Services

The Department of Health and Human Services makes certain payments on behalf of Monash Health. These amounts have been brought to account as grants in determining the operating result for the year by recording them as revenue. These payments include:

- The Victorian Managed Insurance Authority non-medical indemnity insurance payments are recognised as revenue following advice from the Department of Health and Human Services
- Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health and Human Services Hospital Circular
- Public Private Partnership (PPP) lease and service payments are paid directly to the PPP consortium. Revenue and the matching expense are recognised in accordance with the nature and timing of the monthly or quarterly service payments made by the Department of Health and Human Services.

Performance obligations and revenue recognition policies
Revenue is measured based on the consideration specified in the contract with the customer. Monash Health recognises revenue when it transfers control of a good or service to the customer i.e. revenue is recognised when, or as, the performance obligations for the services to the customer are satisfied.

- Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided.

Patient and Resident Fees
The performance obligations related to Patient fees revenue are the providing of Medical procedures and services. These performance obligations have been selected as they align with the terms and conditions of the providing services. Revenue is recognised as these performance obligations are met which is at the point in time when the services are provided.

Resident fees are recognised as revenue over time as Monash Health provides accommodation.

Private Practice Fees
The performance obligations related to Private Practice Fees are the providing of Medical procedures and services. These performance obligations have been selected as they align with the terms and conditions agreed with the private provider. Revenue is recognised at the time the services are provided and include recoupments from the private practice for the use of hospital facilities.

Commercial Activities
The performance obligations related to commercial activities are the use of property,facilities or services. These performance obligations have been selected as they align with the terms and conditions per the contract with the provider of the commercial activities. Revenue is recognised at the time the usage or service is provided. The types of revenue include car park revenue, property rental income and commercial laboratory medicine revenue.

Other Income
Other income includes recoveries for salaries and wages, non-property rental, external services provided, and donations and bequests. If donations are for a specific purpose, they may be appropriated to a surplus, such as the specific restricted purpose surplus.

Interest Income
Interest revenue is recognised on a time proportionate basis that takes into account the effective yield of the financial asset, which allocates interest over the relevant period.

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

	2020 $'000	2019 $'000
Assets received free of charge under State supply arrangements	3,539	-
Total fair value of assets and services received free of charge or for nominal consideration	3,539	-

In order to meet the State of Victoria's health network supply needs during the COVID-19 pandemic, arrangements were put in place to centralise the purchasing of essential personal protective equipment and essential capital items such as ventilators.

The general principles of the State Supply Arrangement were that Health Purchasing Victoria sourced, secured and agreed terms for the purchase of the products, funded by the department, while Monash Health and the department took delivery, and distributed the products to health services as resources provided free of charge.

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the recipient obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

The exception to this would be when the resource is received from another government department (or agency) as a consequence of a restructuring of administrative arrangements, in which case such a transfer will be recognised at its' carrying value in the transferring department or agency as a capital contribution transfer.

Note 3: The cost of delivering our services

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

Structure

- 3.1 Expenses from Transactions
- 3.2 Other Economic Flows
- 3.3 Analysis of expenses and revenue by internally managed and restricted specific purpose funds
- 3.4 Specific Expenses
- 3.5 Employee benefits in the Balance Sheet
- 3.6 Superannuation

Note 3.1: Expenses from Transactions	Consolidated 2020 $'000	Consolidated 2019 $'000
Salaries and Wages	1,435,148	1,304,126
On-costs	173,396	169,667
WorkCover Premium	22,036	14,767
Agency Expenses	22,264	21,974
Total Employee Expenses	**1,652,844**	**1,510,534**
Drug Supplies	112,444	106,782
Medical and Surgical Supplies (including Prostheses)	132,820	130,106
Diagnostic and Radiology Supplies	22,331	19,204
Other Supplies and Consumables	33,996	34,884
Total Supplies and Consumables	**301,592**	**290,976**
Finance Costs	2,585	1,601
Finance Costs - PPP Arrangements	5,399	3,307
Total Finance Costs	**7,984**	**4,908**
Public private partnership operating expenses	9,315	7,175
Total PPP Operating Expenses	**9,315**	**7,175**
Fuel, Light, Power and Water	20,112	17,681
Repairs and Maintenance	24,459	23,201
Medical Indemnity Insurance	28,470	27,343
Expenses related to short term leases	1,486	-
Expenses related to leases of low value assets	7,330	-
Other Administrative Expenses	75,696	79,817
Total Other Operating Expenses	**157,553**	**148,042**
Total Operating Expense	**2,129,288**	**1,961,633**
Depreciation and Amortisation (refer Note 4.3)	118,846	73,129
Total Depreciation and Amortisation	**118,846**	**73,129**
Expenditure for Capital Purposes	5,166	2,805
Bad and Doubtful Debt Expense	3,845	3,618
Specific Expense	1,049	5,328
Total Other Non-Operating Expenses	**10,060**	**11,750**
Total Non-Operating Expense	**128,907**	**84,879**
Total Expenses from Transactions	**2,258,195**	**2,046,513**

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

Impact of COVID-19 on expenses
As indicated at Note 1, Monash Health daily activities were impacted by the pandemic. This resulted in direct and indirect costs being incurred, such as increased employee expenses, medical consumables and cleaning costs.

Employee Expenses
Employee expenses include:

- Salaries and wages (including fringe benefits tax, leave entitlements, termination payments);
- On-costs;
- Agency expenses;
- Fee for service medical officer expenses;
- WorkCover premium.

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

Finance costs
Finance costs include:

- Interest on long-term borrowings, interest expense is recognised in the period in which it is incurred;
- Amortisation of discounts or premiums relating to borrowings;
- Finance charges in respect of finance leases which are recognised in accordance with AASB 16 Leases.

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

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

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

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

Operating lease payments
Operating lease payments up until 30 June 2019 (including contingent rentals) were recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. From 1 July 2019, the following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than $10,000.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occur.

Note 3.2: Other Economic Flows

	Consolidated 2020 $'000	Consolidated 2019 $'000
Net gain/(loss) on disposal of property plant and equipment	589	-760
Total net gain/(loss) on non-financial assets	**589**	**-760**
Share of net profits of associates	117	29
Total Share of other economic flows from Joint Operations	**117**	**29**
Net loss arising from revaluation of long service liability	-12,611	-24,089
Total other losses from other economic flows	**-12,611**	**-24,089**
Total other losses from economic flows	**-11,904**	**-24,820**

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.

Net gain/ (loss) on non-financial assets
Net gain/ (loss) on non-financial assets and liabilities includes net gain/ (loss) on disposal of non-financial assets. Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

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

- the revaluation of the present value of the long service leave liability due to changes in the bond rate movements, inflation rate movements and the impact of changes in probability factors; and
- transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

Note 3.3: Analysis of expense and revenue by internally managed and restricted specific purpose funds

	Expenses		Revenue	
Commercial Activities	Consolidated 2020 $'000	Consolidated 2019 $'000	Consolidated 2020 $'000	Consolidated 2019 $'000
Private Practice and Other Patient Activities	2,266	14,984	25,432	24,907
Laboratory Medicine	2,118	2,099	1,767	2,089
Diagnostic Imaging	0	8,558	12,992	12,755
Other				
Bequests and donations	3,323	1,611	3,598	2,632
Breast screen service	5,288	5,483	6,011	6,442
Cardiology	8,122	8,888	10,613	10,928
Other special purpose funds	8,915	8,552	13,359	12,160
Property		0	0	122
Total Commercial Activities	**30,032**	**50,175**	**73,772**	**72,035**
Other Activities				
Fundraising and Community Support	-666	43	111	107
Research and Scholarship	12,714	10,158	13,019	10,529
Other	2,744	2,176	2,328	2,173
Total Other Activities	**14,792**	**12,377**	**15,458**	**12,809**
Total	**44,824**	**62,552**	**89,230**	**84,844**

Note 3.4: Specific expenses

	Consolidated 2020 $'000	Consolidated 2019 $'000
Prior year adjustment	-	3,220
Voluntary Departure Packages	953	1,419
Discount interest expense on financial instruments	96	689
Total Specific Expenses	**1,049**	**5,328**

Note 3.5: Employee benefits in the balance sheet

Current provisions

	Consolidated 2020 $'000	Consolidated 2019 $'000
Employee Benefits [i]		
Accrued Days Off		
Unconditional and expected to be settled wholly within 12 months [ii]	5,356	4,732
Annual leave		
Unconditional and expected to be settled wholly within 12 months [ii]	102,314	89,475
Unconditional and expected to be settled wholly after 12 months [iii]	17,503	15,070
Long Service Leave		
Unconditional and expected to be settled wholly within 12 months [ii]	23,822	22,431
Unconditional and expected to be settled wholly after 12 months [iii]	192,467	170,913
	341,462	**302,620**
Provisions related to Employee Benefit On-Costs		
Unconditional and expected to be settled wholly within 12 months [ii]	13,838	12,298
Unconditional and expected to be settled wholly after 12 months [iii]	23,001	20,373
	36,839	**32,671**
Total current provisions	**378,301**	**335,292**
Non-current provisions		
Conditional Long Service Leave [iii]	83,060	72,753
Provisions related to Employee Benefit On-Costs	9,095	7,966
Total non-current provisions	**92,155**	**80,719**
Total provisions	**470,456**	**416,011**

i. Employee benefits consist of amounts for accrued days off, annual leave and long service leave accrued by employees, not including on-costs.
ii. The amounts disclosed are nominal amounts.
iii. The amounts disclosed are discounted to present values.

Note 3.5 (a): Employee Benefits and Related On-Costs

Current Employee Benefits and Related On-Costs	Consolidated 2020 $'000	Consolidated 2019 $'000
Unconditional long service leave entitlements	239,973	214,515
Annual leave entitlements	132,971	116,045
Accrued days off	5,356	4,732
Non-Current Employee Benefits and Related On-Costs		
Conditional long service leave entitlements	92,155	80,719
Total employee benefits and related on-costs	**470,456**	**416,011**

Note 3.5 (b): Movement in On-Costs Provision

	Consolidated 2020 $'000	Consolidated 2019 $'000
Balance at start of year	**32,671**	**27,047**
Additional provisions recognised	6,881	7,423
Unwinding of discount and effect of changes in the discount rate	-253	243
Reduction due to transfer out	-2,460	-2,042
Balance at end of year	**36,839**	**32,671**

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

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

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

Annual Leave and Accrued Days Off
Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because Monash Health does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for annual leave and accrued days off are measured at:

- nominal value – if Monash Health expects to wholly settle within 12 months; or
- present value – if Monash Health does not expect to wholly settle within 12 months.

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where Monash 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 Monash Health expects to wholly settle within 12 months; or
- present value – if Monash Health does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. Any gain or loss following a 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.

On-Costs Related to Employee Benefits
Provision for on-costs such as workers' compensation and superannuation are recognised separately from provisions for employee benefits.

Note 3.6: Superannuation

Defined Benefit Plans [i]	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Consolidated 2020 $'000	Consolidated 2019 $'000	Consolidated 2020 $'000	Consolidated 2019 $'000
State Superannuation Fund	475	469	39	38
First State Super	2,358	2,826	392	223
Unisuper	863	608	188	66
Defined Contribution Plans				
First State Super	47,892	50,921	8,678	4,418
Hesta	45,495	45,906	8,662	4,060
VicSuper and Other	10,654	7,755	2,341	821
Total	**107,737**	**108,485**	**20,300**	**9,626**

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

Employees of Monash Health are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary.

Defined Benefit Superannuation Plans

The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by Monash Health to the superannuation plans in respect of the services of current Monash Health's staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

Monash Health does not recognise any unfunded defined benefit liability in respect of the plans because Monash Health has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered items.

However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of Monash Health.

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

Defined Contribution Superannuation Plans

In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation plans are expensed when incurred.

Note 4: Key Assets to support service delivery

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

Structure

- 4.1 Property, plant & equipment
- 4.2 Intangible assets
- 4.3 Depreciation and amortisation

Note 4.1: Property, plant and equipment

Initial Recognition

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment loss. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a change in government departments are transferred at their carrying amounts.

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

The initial cost for non-financial physical assets under finance lease (refer to Note 6.1) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

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 uses.

Land and buildings are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and accumulated impairment loss.

Right-of-use asset acquired by lessees (Under AASB 16 – Leases from 1 July 2019) – Initial measurement

Monash Health Service recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date; plus
- 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.

Right-of-use asset – Subsequent measurement

Monash Health Service depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment, other than where the lease term is lower than the otherwise assigned useful life. The right-of-use assets are also subject to revaluation as required by FRD 103H, however as at 30 June 2020 right-of-use assets have not been revalued.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

Revaluations of Non-Current Physical Assets

Non-current physical assets are measured at fair value and are revalued in accordance with FRD 103H Non- Current Physical Assets. This revaluation process normally occurs every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

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

Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment.

Revaluation increases and revaluation decreases 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 surplus is not transferred to accumulated funds on de-recognition of the relevant asset, except where an asset is transferred via contributed capital.

In accordance with FRD 103H, Monash Health's non-current physical assets were assessed to determine whether a revaluation of the non-current physical assets was required.

Fair value measurement

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.

For the purpose of fair value disclosures, Monash Health has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy. In addition, Monash 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.

The Valuer-General Victoria (VGV) is Monash Health's independent valuation agency.

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

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

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

Identifying unobservable inputs (Level 3) fair value measurements
Level 3 fair value inputs are unobservable valuation inputs for an asset or liability. These inputs require significant judgement and assumptions in deriving fair value for both financial and nonfinancial 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

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

In accordance with paragraph AASB 13.29, Monash Health has assumed the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

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

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

During the reporting period, Monash 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 and specialised buildings 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 Monash 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 Monash Health's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2019. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

Vehicles
Monash 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 Monash 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).

Plant and Equipment
Plant and equipment (including medical equipment, computers and communication equipment and furniture and fittings) 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 2020

For all assets measured at fair value, the current use is considered the highest and best use.

Cultural Assets
Cultural assets are stated at their fair value.

Note 4.1 (a): Gross carrying amount and accumulated depreciation	Consolidated 2020 $'000	Consolidated 2019 $'000
Land		
Land at Fair Value	264,512	238,961
Total Land	**264,512**	**238,961**
Buildings		
Buildings at Fair Value	1,190,954	1,190,954
Less Accumulated Depreciation	-75,226	-206
Sub-total Buildings at Fair Value	**1,115,728**	**1,190,748**
Buildings at Cost	94,282	5,026
Less Accumulated Depreciation	-1,126	-86
Sub-total Buildings at Cost	**93,156**	**4,940**
Building Work in Progress at Cost	130,303	158,435
Total Buildings	**1,339,187**	**1,354,123**
Plant and Equipment		
Plant and Equipment at Fair Value	66,027	62,920
Less Accumulated Depreciation	-33,852	-28,659
Sub-total Plant and Equipment	**32,176**	**34,261**
Motor Vehicles		
Motor Vehicles at Fair Value	1,588	1,771
Less Accumulated Depreciation	-1,588	-1,771
Sub-total Motor Vehicles	**0**	**0**
Medical Equipment		
Medical Equipment at Fair Value	188,049	166,211
Less Accumulated Depreciation	-113,320	-101,665
Sub-total Medical Equipment	**74,729**	**64,546**
Computers and Communication Equipment		
Computers and Communication Equipment at Fair Value	26,956	20,900
Less Accumulated Depreciation	-20,644	-18,544
Sub-total Computers and Communication Equipment	**6,312**	**2,356**
Furniture and Fittings		
Furniture and Fittings at Fair Value	46,571	12,406
Less Accumulated Depreciation	-5,930	-3,891
Sub-total Furniture and Fittings	**40,641**	**8,515**
Cultural Assets		
Cultural Assets at Fair Value	2,792	2,792
Sub-total Cultural Assets	**2,792**	**2,792**

Note 4.1 (a) continued

Other Assets Under Construction at Cost	Consolidated 2020 $'000	Consolidated 2019 $'000
PPP Right of Use (ROU) Buildings at Fair Value	159,533	159,533
Less Accumulated Depreciation	-7,293	-20
Sub-total PPP - ROU Buildings at Fair Value	**152,240**	**159,513**
PPP ROU Improvements at Valuation	893	893
Less Accumulated Depreciation	-712	-584
Sub-total PPP - ROU Improvements at Valuation	**182**	**309**
Buildings - ROU at Fair Value	38,593	-
Less accumulated depreciation	-3,577	-
Sub-total ROU Buildings at Fair Value	**35,015**	**-**
Leasehold Improvements ROU at Fair value	273	-
Less Accumulated Depreciation	-12	-
Sub-total ROU Leasehold Improvements at Fair Value	**261**	**-**
Plant, Equipment, Motor Vehicles, Medical Equipment ROU at Fair Value	15,487	13,174
Less Accumulated Depreciation	-12,848	-11,777
Sub-total ROU Plant, Equipment, Motor Vehicles, Medical Equipment at Fair Value	**2,640**	**1,397**
Total Right of Use Assets	**190,337**	**161,219**
Total property, plant and equipment	**1,954,329**	**1,868,135**

*Included in Leased Buildings at Fair Value is Casey Hospital. Casey Hospital commenced operation during the year ended 30 June 2005. Construction and fit out of Casey Hospital was funded as a Public Private Partnership under the Project Agreement between the State of Victoria and Plenary Health Pty Ltd (formerly Progress Health Pty Ltd). Monash Health is responsible for operating Casey Hospital and has recognised the leased asset and associated interest bearing liabilities (note 6.1). The State of Victoria is obligated to fund quarterly service payments due to the Project Agreement for the life of that agreement, a period of up to 25 years.

During the year ended 30 June 2020, the Casey Hospital Expansion Project was completed The project is funded as a Public Private Partnership under a Project arrangement between the State of Victoria and Plenary Health Pty Ltd.

Note 4.1 (b): Reconciliations of the carrying amounts of each class of asset

Consolidated	Land $'000	Buildings $'000	Plant & Equipment $'000	Medical Equipment $'000	Computers & Comm Equipment $'000	Furniture Fittings $'000	Cultural Assets $'0000	Right of Use Assets $'000	Assets Under Construction $'000	Motor Vehicles $'000	Total $'000
Balance at 1 July 2018	**222,022**	**1,020,440**	**33,745**	**65,987**	**3,408**	**9,017**	**2,792**	**99,005**	**3,316**	**6**	**1,459,738**
Additions	-	117,912	1,583	9,615	863	251	-	148	1,042	-	131,416
Disposals	-	-79	-33	-562	-	-22	-	-61	-	-	-757
Revaluation increments/ (decrements)	16,939	262,007	-	-	-	-	-	70,678	-	-	349,623
Net Transfers between classes	-	-5,251	4,350	1,984	364	459	-	-	-2,995	-	-1,089
Depreciation (refer Note 4.3)	-	-40,907	-5,384	-12,478	-2,279	-1,189	-	-8,551	-	-6	-70,794
Balance at 1 July 2019	**238,961**	**1,354,122**	**34,261**	**64,547**	**2,356**	**8,516**	**2,792**	**161,219**	**1,363**	**-**	**1,868,137**
Additions	-	112,983	2,935	8,763	-822	496	-	2,293	3,519	-	130,166
Disposals	-	-	-21	-81	0	-7	-	-	-	-	-109
Revaluation increments/ (decrements)	25,551	-	-	-	-	-	-	-	-	-	25,551
Net Transfers between classes	-	-51,859	362	15,579	7,478	33,702	-	165	-1,239	-	4,189
Recognition of right-of-use assets on initial application of AASB16	-	-	-	-	-	-	-	39,160	-	-	39,160
Depreciation (refer Note 4.3)	-	-76,060	-5,362	-14,077	-2,700	-2,065	-	-12,500		-	190,337
Balance at 30 June 2020	**264,512**	**1,339,186**	**32,175**	**74,729**	**6,313**	**40,642**	**2,792**	**190,337**	**3,644**	**0**	**1,954,330**

Land and Buildings and Leased Assets Carried at Valuation

A full revaluation of Monash Health Land and Buildings was performed by the Valuer-General of Victoria (VGV) in accordance with the requirements of Financial Reporting Direction (FRD) 103H Non-Financial Physical Assets. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The effective date of the valuation for both land and buildings was 30 June 2019.

In compliance with FRD 103H, in the year ended 30 June 2020, management conducted an annual assessment of the fair value of land and buildings. To facilitate this, management obtained from the Department of Treasury and Finance the VGV indices for the financial year ended 30 June 2020.

The VGV indices, which are based on data to March 2020, indicate an average increase of 10.69% across all land parcels and a 2.01% increase in buildings.

Management regards the VGV indices to be a reliable and relevant data set to form the basis of their estimates. Whilst these indices are applicable at 30 June 2020, the fair value of land and buildings will continue to be subjected to the impacts of COVID-19 in future accounting periods.

As the accumulative movement for Land was more than 10% a managerial revaluation was performed, however no managerial revaluation was required for Buildings as the accumulated movement was less than 10% for this asset class.

The land and building balances are considered to be sensitive to market conditions. To trigger a further managerial revaluation a decrease in the land indice of 10% and a decrease in the building indice of 12% would be required.

Department of Health and Human Services approved a managerial revaluation of the land asset class of $25.6m. There was no material financial impact on change in fair value of buildings and leased buildings.

Note 4.1 (c) Fair value measurement hierarchy for assets

Balance at 30 June 2020	Consolidated Carrying Amount $'000	Fair value measurement at end of reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Land at Fair Value				
Non-Specialised Land	16,176	0	16,176	0
Specialised Land	248,335	0	0	248,335
Total Land at Fair Value	**264,512**	**0**	**16,176**	**248,335**
Buildings at Fair Value				
Non-Specialised Building	2,685	0	2,685	0
Specialised Buildings	1,113,043	0	0	1,113,043
Total Building at Fair Value	1,115,728	0	2,685	1,113,043
Plant and Equipment at Fair Value	32,175	0	0	32,175
Medical Equipment at Fair Value	74,728	0	0	74,728
Computers and Communication Equipment at Fair Value	6,313	0	0	6,313
Furniture and Fittings at Fair Value	40,640	0	0	40,640
Cultural Assets at Fair Value	2,793	0	2,793	
Motor Vehicles at Fair Value	-	-	-	-
Total Other Property, Plant and Equipment	**1,536,889**	**0**	**21,654**	**1,515,234**

i. Classified in accordance with the fair value hierarchy.
There have been no transfers between levels during the current year. There was transfers between levels during the prior year as per the full Land & Buildings revaluation as at 30 June 2019.

Balance at 30 June 2019	Consolidated Carrying Amount $'000	Fair value measurement at end of reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Land at Fair Value				
Non-Specialised Land	14,084	0	14,084	0
Specialised Land	224,877	0	0	224,877
Total Land at Fair Value	**238,961**	**0**	**14,084**	**224,877**
Buildings at Fair Value				
Non-Specialised Building	3,216	0	3,216	0
Specialised Buildings	1,187,532	0	0	1,187,532
Total Building at Fair Value	1,190,748	0	3,216	1,187,532
Plant and Equipment at Fair Value	34,261	0	0	34,261
Motor vehicles at Fair Value	64,546	0	0	64,546
Computers and Communication Equipment at Fair Value	2,356	0	0	2,356
Furniture and Fittings at Fair Value	8,515	0	0	8,515
Cultural Assets at Fair Value	2,792	0	2,792	0
Total Property, Plant and Equipment	**1,542,179**	**0**	**20,092**	**1,522,087**

i. Classified in accordance with the fair value hierarchy.
There have been no transfers between levels during the current year. There was transfers between levels during the prior year as per the full Land & Buildings revaluation as at 30 June 2019.

Note 4.1 (d): Reconciliation of Level 3 Fair Value Measurement*

	Land	Buildings	Plant & Equipment	Motor Vehicles	Medical Equipment	Computer & Comm Equipment	Furniture & Fittings
Consolidated	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 July 2018	174,937	555,635	33,745	6	65,987	3,408	9,016
Additions/(Disposals)	0	-79	5,900	0	11,037	1,228	688
Net Transfers between classes	0	0	0	0	0	0	0
Gains/(Losses) recognised in Net Result							
- Depreciation and Amortisation	0	-40,678	-5,384	-6	-12,478	-2,279	-1,189
Reclassification on Valuation		414,000					
Reclassification in/(out) level 3	36,101	-2,305					
- Revaluation	13,839	260,960	0	-	-	-	-
Balance at 30 June 2019	**224,877**	**1,187,532**	**34,261**	**0**	**64,546**	**2,357**	**8,515**
Additions/(Disposals)			3,276		24,260	6,656	34,191
Gains/(Losses) recognised in Net Result							
- Depreciation and Amortisation		-74,490	-5,362		-14,077	-2,700	-2,065
Reclassification on Valuation							
Reclassification in/(out) level 3							
- Revaluation	23,458						
Balance at 30 June 2020	**248,335**	**1,113,042**	**32,175**	**0**	**74,728**	**6,313**	**40,641**

Note 4.1 (e): Property, Plant and Equipment (Fair value determination)

Asset Class	Likely valuation approach	Significant inputs (Level 3 only) [i]
Non-specialised land	Market approach	Not applicable
Specialised land	Market approach	Community Service Obligations Adjustments [i]
Non-specialised buildings	Market approach	Not applicable
Specialised buildings	Depreciated replacement cost approach	Cost per square metre Useful life
Vehicles	Depreciated replacement cost approach	Cost per square metre Useful life
Plant and equipment	Depreciated replacement cost approach	Cost per square metre Useful life
Medical equipment	Depreciated replacement cost approach	Cost per square metre Useful life
Computers and Communication Equipment	Depreciated replacement cost approach	Cost per square metre Useful life
Furniture and Fittings	Depreciated replacement cost approach	Cost per square metre Useful life
Cultural assets	Market approach	Not applicable

i. A community Service Obligation (CSO) of 20% was applied to the health services specialised land Classified in accordance with the fair value hierarchy.

Note 4.1 (f): Property, Plant and Equipment Revaluation Surplus

Property, Plant and Equipment Revaluation Surplus	Consolidated 2020 $'000	Consolidated 2019 $'000
Balance at the beginning of the reporting period	**1,026,168**	**676,545**
Revaluation Increment		
Land (refer Note 4.1(b))	25,551	16,939
Buildings	-	262,007
Leased Building	-	70,678
Balance at the end of the reporting period*	1,051,719	1,026,168

***Represented by:**		
Land	201,353	175,802
Buildings	778,924	778,924
Leased Building	70,678	70,678
Cultural Assets	447	447
Motor Vehicles	317	317
	1,051,719	**1,026,168**

Note 4.2 (a) Intangible assets - Gross carrying amount and accumulated amortisation

	Consolidated 2020 $'000	Consolidated 2019 $'000
Intangible Produced Assets - Software	116,359	40,034
Less Accumulated Amortisation	-38,541	-32,458
Intangible Work in Progress at Cost	5,892	57,081
Total intangible assets	**83,709**	**64,657**

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the previous and current financial year:

Consolidated	Total $'000
Balance at 1 July 2018	35,182
Additions	30,721
Net Transfers between classes	-1,089
Amortisation (Note 4.3)	-2,335
Balance at 1 July 2019	**64,657**
Additions	29,324
Net Transfers between classes	-4,189
Amortisation (Note 4.3)	-6,083
Balance at 30 June 2020	**83,709**

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

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to Monash Health.

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

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 Intangible Assets is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Depreciation and amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

Note 4.3: Depreciation and amortisation

Buildings	Consolidated 2020 $'000	Consolidated 2019 $'000
Buildings	76,060	40,907
Plant and Equipment	5,362	5,384
Motor Vehicles	-	6
Medical Equipment	14,077	12,478
Computers and Communication Equipment	2,700	2,279
Furniture and Fittings	2,065	1,189
Cultural Assets	-	-
Leased Assets	8,674	8,551
Right of use assets		
- Right of use buildings	3,577	-
- Right of use plant, equipment and vehicles	248	-
Total depreciation	**112,763**	**70,794**
Amortisation		
Intangible Assets	6,083	2,335
Total Amortisation	**6,083**	**2,335**
Total Depreciation and Amortisation	**118,846**	**73,129**

Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases, 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 shorter of the asset's useful life and the lease term.

Where Monash Health obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset overs its useful life.

Amortisation

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

The following table indicates the expected useful lives of noncurrent assets on which the depreciation and amortisation charges are based.

Note 4.3 (a): useful life of non-current assets

Buildings	2020	2019
- Structure Shell Building Fabric	45 to 70 years	45 to 70 years
- Site Engineering Services and Central Plant	22 to 30 years	22 to 30 years
Central Plant		
- Fit Out	22 to 30 years	22 to 30 years
- Trunk Reticulated Building System	22 to 30 years	22 to 30 years
Plant and equipment	3 to 10 years	3 to 10 years
Medical Equipment	3 to 10 years	3 to 10 years
Computers and Communication	3 years	3 years
Furniture and Fitting	10 years	10 years
Motor Vehicles	4 years	4 years
Leased Buildings	45 Years	45 Years
Intangible Assets	5 years	5 years

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

Note 5: Other assets and liabilities

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

Structure

- 5.1 Receivables and contract assets
- 5.2 Inventories
- 5.3 Payables and contract liabilities
- 5.4 Other liabilities

Note 5.1 (a): Receivables

Current	Consolidated 2020 $'000	Consolidated 2019 $'000
Contractual		
Inter-Hospital Debtors	2,201	1,952
Trade Debtors	11,259	7,282
Patient Fees	14,443	26,461
Contract Assets AABS15	20,110	-
Accrued Revenue	-	13,793
Amounts Receivable from Governments and Agencies	1,778	18,126
Less Allowance for Impairment losses of contractual receivables		
Trade Debtors	-1,131	(234)
Patient Fees	-3,194	(3,638)
	45,468	**63,742**
Statutory		
GST Receivable	9,614	3,246
	9,614	3,246
Total current receivables	**55,082**	**67,610**
Non-current		
Statutory		
Long Service Leave - Department of Health and Human Services	125,978	113,467
	125,978	113,467
Total non-current receivables	**125,978**	**113,467**
Total receivables	**181,060**	**180,455**

As at 30 June 2020, Monash Health Service has contract assets of $20.1m.
There is no expected credit losses from these contract assets.

Note 5.1 (b): Movement in the Allowance for impairment losses of contractual receivables

	Consolidated 2020 $'000	Consolidated 2019 $'000
Balance at beginning of year	3,872	3,289
Opening retained earnings adjustment on adoption of AASB 9	-	-802
Reversal of provision of receivables written off during the year as uncollectable	-3,392	-2,233
Increase in provision recognised in the net result	3,845	3,618
Balance at end of year	**4,326**	**3,872**

Receivables recognition
Receivables consist of:

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

- Statutory receivables, which predominantly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits 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. Monash 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.

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

Impairment losses of contractual receivables
Refer to Note 7.1 (c) Contractual receivables at amortised costs for Monash Health's contractual impairment losses.

Note 5.1 (c): Contract assets

	Consolidated 2020 (a) $'000
Opening balance brought forward from 30 June 2019 adjusted for AASB 15 (a)	19,367
Add: Additional costs incurred that are recoverable from the customer	297,779
Less: Transfer to trade receivable or cash at bank	-297,036
Less: impairment allowance	-
Total contract assets	**20,110**
Represented by	
Current contract assets	20,110
Non-current contract assets	0

(a) As AASB 15 was first applied from 1 July 2019, there is no comparative information to display.

Contract assets relate to Monash Health Service's right to consideration in exchange for goods transferred to customers for works completed, but not yet billed at the reporting date. The balance of the contract assets at 30 June 2020 was impacted by timing of the works completed by contractors and is new compared to last year as it is not billable at this stage. The works are expected to be completed and recovered early next financial year.

Note 5.2: Inventories

	Consolidated 2020 $'000	Consolidated 2019 $'000
Medical and surgical consumables:	8,940	8,163
Pharmacy supplies:	10,779	8,192
Pathology supplies:	1,569	1,569
General Stores:	3,669	605
Total inventories at cost	**24,956**	**18,528**

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 acquired at no cost or for nominal consideration are measured at current replacement cost at the date of acquisition. The bases used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Cost is assigned to high value, low volume inventory items on a specific identification of cost basis.

Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories are measured at the lower of cost and net realisable value.

Inventories acquired for no cost or nominal considerations are measured at current replacement cost at the date of acquisition.

The basis used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence.

Technical obsolescence occurs when an item still functions for some or all the tasks it was originally acquired to do, but no longer matches existing technologies.

Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

Note 5.3: Payables and Contract Liabilities

	Consolidated 2020 $'000	Consolidated 2019 $'000
Current		
Contractual		
Trade Creditors	10,315	30,385
Accrued Salaries and Wages	75,832	51,294
Accrued Expenses	98,909	34,575
Deferred grant revenue. Refer to note 5.3 (a).	7,421	-
Contract Liabilities - income received in advance. Refer to note 5.4 (b).	45,957	-
Other	9,775	10,692
Total payables	**248,208**	**126,946**

Payables Recognition

Payables consist of:

- contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Monash Health prior to the end of the financial year that are unpaid
- statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.
- Payables include $65m for goods received that remain unpaid as at 30 June 2020 relating to the state health product supply (refer Note 6.2).

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

Note 5.3 (a): Deferred grant revenue

	Consolidated 2020 $'000
Grant considerations for capital works recognised that was included in the deferred grant liability balance (adjusted AASB 1058) at the beginning of the year	-
Grant consideration for capital works received during the year	147,324
Grant revenue for capital works recognised consistent with the capital works undertaken during the year	-139,903
Closing balance of deferred grant consideration received for capital works	**7,421**
Revenue recognised from performance obligations satisfied in previous periods	-
Transaction price allocated to the remaining performance obligations from contracts with customers to be recognised in:	-
Not longer than one year	7,421
Longer than one year but not longer than five years	-
Longer than five years	-
Total	**7,421**

Grant revenue is recognised progressively as the asset is constructed, since this is the time when Monash Health satisfies its obligations under the transfer by controlling the asset as and when it is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done. (see note 2.1) As a result, Monash Health has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Note 5.3 (b): Contract liabilities

	Consolidated 2020 $'000
Opening balance brought forward from 30 June 2019 adjusted for AASB 15	11,021
Add: Payments received for performance obligations yet to be completed during the period	214,119
Add: Grant consideration for sufficiently specific performance obligations received during the year	1,474,696
Less: Revenue recognised in the reporting period for the completion of a performance obligation	-214,119
Less: Grant revenue for sufficiently specific performance obligations works recognised consistent with the performance obligations met during the year	-1,439,761
Total contract liabilities	**45,957**
Represented by	
Current contract liabilities	45,957
Non-current contract liabilities	-

Contract liabilities include consideration received in advance from customers. Invoices are raised once the goods and services are delivered/provided. In addition, grant consideration was also received from the State Government in support of Monash Health Services. Grant income is recognised as service obligations are met. Differences in the number of some services provided may be adjusted in the funding provided annually. The remaining grant revenue is recognised when the service obligations are delivered in the following year.

Maturity analysis of payables
Please refer to Note 7.1(b) for the ageing analysis of payables.

Note 5.4: Other Liabilities

	Consolidated 2020 $'000	Consolidated 2019 $'000
Current		
Unearned income	-	12,889
Monies Held in Trust*		
- Patient Monies Held in Trust*	230	219
- Accommodation Deposits (Refundable Entrance Fees)*	12,813	13,945
- Government COVID19 Victorian Health Services Product funds*	194,866	-
Total Current	**207,909**	**27,052**

* Total Monies Held in Trust Represented by the following assets:		
Cash Assets	207,909	14,163
Total Payables	**207,909**	**14,163**

Refundable accommodation deposits (RAD) are paid by residents upon admission to Monash Health's aged care facilities in accordance with the Aged Care Act - 1997.

As at 30 June 2020 Monash Health have recorded a liability of $195m for amounts received from DHHS but unspent in acquiring health services products on their behalf (refer Note 6.2).

Note 6: How we finance our operations

This section provides information on the sources of finance utilised by Monash Health during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of Monash 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

Note 6.1: Borrowings

	Consolidated 2020 $'000	Consolidated 2019 $'000
Current		
– Public Private Partnership (PPP) related Lease Liabilities [i]	3,840	5,700
– Non PPP Related Lease Liabilities (2019: Finance Lease)	4,827	-
– TCV Loan [ii]	1,331	1,254
– Advances from government [iii]	53,240	1,000
– Other Financial Liability [iv]	1,308	648
Total Current Borrowings	**64,546**	**8,602**
Non Current		
– Public Private Partnership (PPP) related Lease Liabilities [i]	42,972	47,375
– Non PPP Related Lease Liabilities (2019: Finance Lease)	35,712	-
– TCV Loan [ii]	23,423	24,754
– Advances from government [iii]	6,630	7,534
– Other Financial Liability [iv]	19,194	18,862
Total Non Current Borrowings	**127,931**	**98,525**
Total Borrowings	**192,477**	**107,127**

i. During the year ended 30 June 2005, Casey Hospital commenced operations. Construction and fit out of Casey Hospital was funded as a public private partnership under a project agreement between the State of Victoria and Plenary Health Pty Ltd (formerly Progress Health Pty Ltd). Monash Health is responsible for operating Casey Hospital and has recognised the leased asset (Note 4.1) and associated interest bearing liabilities. The State of Victoria is obligated to fund quarterly service payments due under the Project Agreement for the life of that agreement, a period of up to 25 years.

ii. During the year ended 30 June 2010 Monash Health entered into a loan agreement with the Treasury Corporation of Victoria to fund $19.6m improvements required to the car park at the Clayton site. The loan is repayable over 22 years with repayments made quarterly. In the 2014 financial year, Monash Health made a further drawdown under the existing loan arrangement with the Treasury Corporation of Victoria to fund $13.5m improvements required to the car park at the Clayton site. The loan is repayable over 22 years with repayments being made quarterly.

iii. During the year ended 30 June 2018, the Department of Health and Human Services granted an interest free loan of $10m to Monash Health. The loan is repayable over 10 years with repayments being made annually. In June 2020, the Department of Health and Human Services granted a cash advance of $52.4m to meet early July Payments. The amount is repayable early in the 20/21 financial year.

iv. During the year ended 30 June 2020, the Casey Hospital Expansion Project was completed. The project was funded as a Public Private Partnership under an agreement between the State of Victoria and Plenary Health Pty Ltd. Monash Health is responsible for operating Casey Hospital and has recognised the asset (Note 4.1) and associated interest bearing liabilities. The State of Victoria is obligated to fund quarterly service payments due under the Project Agreement for the life of that agreement, a period of up to 2030 in line with the original Casey Hospital Liability.

Maturity analysis of borrowings
Please refer to Note 7.1(b) for the ageing analysis of borrowings.

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

Lease Liabilities
Repayments in relation to leases are payable as follows:

Repayments in relation to leases are payable as follows

	Minimum future lease payments (i)		Present value of minimum future lease payments	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**
Casey Hospital and VicFleet				
Casey Hospital Public Private Partnership Lease				
Repayments in relation to finance leases are payable as follows:				
Not later than one year	6,592	6,592	3,840	3,613
Later than. One year but not later than 5 years	26,370	26,370	17,928	16,868
Later than five years	28,567	35,160	25,044	29,944
VicFleet lease liabilities payable [i]				
Not later than one year	1,722	2,119	1,653	2,087
Later than. One year but not later than 5 years	1,940	577	1,864	564
Minimum lease payments [ii]	**65,192**	**70,819**	**50,329**	**53,075**
Less future finance charges	-14,864	-17,744		
Total	**50,329**	**53,075**	**50,329**	**53,075**
Included in the financial statements as:				
Current borrowings lease liabilities			5,493	5,700
Non-current borrowing lease liabilities			44,836	47,375
			50,329	**53,075**

The interest rate implicit in the leases is 4.73% (2019: 6.07%).

Leases
A lease is a right to use an asset for an agreed period of time in exchange for payment. All leases are recognised on the balance sheet, with the exception of low value leases (less than $10,000 AUD) and short term leases of less than 12 months.

Monash Health Service's leasing activities
Monash Health Service has entered into leases related to property, plant and equipment.

For any new contracts entered into on or after 1 July 2019, Monash Health Service considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition Monash Health Service assesses whether the contract meets three key evaluations which are whether:

- 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 Monash Health and for which the supplier does not have substantive substitution rights;
- Monash 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 Monash Health Service has the right to direct the use of the identified asset throughout the period of use; and
- Monash Health has the right to make decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

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.

Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019) Lease Liability – 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 Monash Health incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:

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

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

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

Short-term leases and leases of low value assets
Monash Health has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

Below market/Peppercorn lease
Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable Monash Health Service to further its objectives, are initially and subsequently measured at cost.

These right-of-use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets.

Presentation of right-of-use assets and lease liabilities
Monash Health presents right-of-use assets as 'property plant and equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

Recognition and measurement of leases (under AASB 117 until 30 June 2019)
In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

Monash Health determined whether an arrangement was or contained a lease based on the substance of the arrangement and required an assessment of whether fulfillment of the arrangement is dependent on the use of the specific asset(s); and the arrangement conveyed a right to use the asset(s).

Leases of property, plant and equipment where Monash Health as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. Finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease.

The leased asset was accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the consolidated Comprehensive Operating Statement.

Assets held under other leases were classified as operating leases and were not recognised in Monash Health's balance sheet. Operating lease payments were recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Operating lease payments up until 30 June 2019
These are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

From 1 July 2019, the following lease payments are recognised on a straight-line basis:

- short-term leases – leases with a term less than 12 months; and
- low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than $10,000.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date).

These payments are recognised in the period in which the event or condition that triggers those payments occur.

Commissioned public private partnerships (PPP):
Monash Health Service entered into a Public Private Partnership agreement between the State of Victoria and Plenary Health Pty Ltd. Under the arrangement, the portion of total payments to Plenary Health that relates to Monash Health's right to use the assets is accounted for as a finance lease liability.

Note 6.2: Cash and Cash Equivalents

	Consolidated 2020 $'000	Consolidated 2019 $'000
Cash and Cash Equivalents		
Cash on hand (excluding monies held in trust)	73	64
Cash on Hand (Monies held in trust)	-	10
Cash at Bank (monies held in trust)	-	2,000
Cash at Bank - CBS (excluding monies held in trust)	228,322	97,511
Cash at Bank - CBS (monies held in trust)	272,664	12,163
Total cash and cash equivalents	**501,059**	**111,748**

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

Monash Health entered into an agreement with the DHHS to act as an agent for the department in paying, warehousing, and distributing products and equipment for Victorian public health services and other entities during the COVID-19 pandemic. These items are distributed at cost, and Monash Health receives no commission on the transactions. As Monash Health would only record the amount of any fee or commission to which it expects to be entitled in exchange for arranging these distributions, and this amount is zero, there was no impact on the Comprehensive Operating Statement from this relationship.

As at 30 June 2020 the cash assets balance includes funds held on behalf of DHHS of $260m. Liabilities of $260m have also been recognised comprising payables of $65m for items goods received that remain unpaid (refer Note 5.3) and other liabilities of $195m for amounts received from DHHS but unspent in acquiring goods on their behalf as at year-end (refer Note 5.4).

For the year ended 30 June 2020 Monash Health received funding of $850m and made payments of $590m acting as agent for DHHS.

Note 6.3: Commitments for expenditure

	Consolidated 2020 $'000	Consolidated 2019 $'000
Capital Expenditure Commitments		
Less than 1 year	5,906	28,612
Longer than 1 year but not longer than 5 years	11,825	1,286
5 years or more		-
Total Capital Expenditure Commitments	**17,730**	**29,898**
Operating Expenditure Commitments		
Less than 1 year	59,565	62,872
Longer than 1 year but not longer than 5 years	95,947	104,966
5 years or more	22,708	18,358
Total Operating Expenditure Commitments	**178,221**	**186,195**
Non-cancellable Short Term and Low Value Lease Commitments		
Less than 1 year	2,852	5,821
Longer than 1 year but not longer than 5 years	3,869	15,742
5 years or more	-	18,037
Total Non-cancellable Lease Commitments	**6,721**	**39,599**
Public Private Partnership Commitments (commissioned)		
Less than 1 year	24,385	17,838
Longer than 1 year but not longer than 5 years	123,905	77,201
5 years or more	137,910	114,031
Total Public Private Partnership Commitments	**286,200**	**209,070**
Public Private Partnership Commitments (uncommissioned)		
Less than 1 Year	-	5,069
Longer than 1 year but not longer than 5 years	-	32,340
5 years or more	-	55,245
5 years or more		
Total Public Private Partnership Commitments	**-**	**92,654**
Total Commitments for Expenditure (inclusive of GST)	**488,872**	**574,481**
Less GST recoverable from the Australian Tax Office	**-44,443**	**-50,674**
Total Commitments for Expenditure (exclusive of GST)	**444,429**	**523,807**

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

PPPs commitments [(a) (b) (e)]

	2020			2019		
	Minimum lease payments	Other Commitments	Total Commitments	Minimum lease payments	Other Commitments	Total Commitments
	Present value $'000	Present value $'000	Nominal value $'000	Present value $'000	Present value $'000	Nominal value $'000
Commissioned PPPs						
Casey Hospital Public Private Partnership Lease	69,224	54,007	180,448	73,174	54,853	190,063
Casey Hospital Public Private Partnership Expansion	27,444	36,498	79,734			
Sub-total	**96,668**	**90,505**	**260,182**	**73,174**	**54,853**	**190,063**
Uncommissioned PPPs [(f)(g)(h)]						
Casey Hospital Public Private Partnership Expansion	-	-	-	28,249	37,192	84,231
Sub-total	**-**	**-**	**-**	**28,249**	**37,192**	**84,231**
Total commitments for PPPs [(c)(d)]	**96,668**	**90,505**	**260,182**	**101,423**	**92,045**	**274,294**

a. The present values of the minimum lease payments for commissioned PPPs are recognised on the balance sheet (not disclosed as commitments).

b. The discounted values of the minimum lease payments for uncommissioned PPPs have been discounted to the expected dates of commissioning and the present values of other commitments have been discounted to 30 June of the respective financial years. After adjusting for GST, the discounted values of minimum lease payments reflect the expected impact on the balance sheet when the PPPs are commissioned.

c. The year on year reduction in the nominal amounts of the other commitments reflects the payments made.

d. The year on year reduction in the present values of other commitments reflects payments, offset by the impact of one fewer year used for discounting.

e. The table discloses only other operating and maintenance commitments for the Casey Hospital.

f. The total commitments will not equal the sum of the minimum lease payments and other commitments because they are at present value, whereas total commitments are at nominal value.

g. The minimum lease payments of uncommissioned PPPs include the government capital contributions. If the government capital contributions are made upfront, the amount represents the nominal value of the payments that will be made when the project is commissioned.

h. The nominal amounts are exclusive of GST.

Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed at their nominal value and are inclusive of the GST payable.

In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the Balance Sheet.

Monash Health has entered into commercial leases on certain medical equipment, computer equipment and property where it is not in the interest of Monash Health to purchase these assets.

These leases have an average life of between 1 and 20 years with renewal terms included in the contracts. Renewals are at the option of Monash Health. There are no restrictions placed upon the lessee by entering into these leases.

Lease commitments in 2019 includes future payments for operating leases not included on the balance sheet. With AASB 117 Leases being superseded by AASB 16 Leases from 1 July 2019, these obligations are now recorded on the balance sheet as lease liabilities.

Service concession arrangements (SCA)

Monash Health is party to a Service Concession Arrangement (SCA), which is an arrangement entered into with private sector participants to design and construct or upgrade assets used to provide public services.

These arrangements are typically complex and usually include the provision of operational and maintenance services for a specified period of time. These arrangements are also referred to as public private partnerships (PPP).

With these arrangements, the Department of Health and Human Services pays the operator over the period of the arrangement subject to specified performance criteria being met.

At the date of commitment to the principal provisions of the arrangement, these estimated periodic payments are allocated between a component related to the design and construction or upgrading of the asset and components related to the ongoing operation and maintenance of the asset.

The former component is accounted for as a lease payment in accordance with the lease policy. The remaining components are accounted for as commitments for operating costs which are expensed in the comprehensive operating statement as they are incurred.

Pursuant to the requirements of the Operating Deed between the State and Monash Health, the Department of Health and Human Services agrees to meet all payments (including leasing and operating) for which the State is liable and which are associated with the project.

Monash Health has agreed to record and report all of the obligations of the state reflecting Monash Health's position as the government agency that controls the assets.

Pursuant to the agreement for the project, the state contributed to the constructions costs of the project during the construction phase. The Department of Health and Human Services made capital contributions to Monash Health to fund these payments.

Monash Health recognises a leased asset and corresponding lease liability in respect of the arrangement in accordance with the State's stated accounting policy for such arrangements.

Quarterly service payments will be made to Monash Health.

Each payment includes an allowance for the remaining capital cost of the facility, the facilities maintenance and ancillary services to be delivered by Monash Health over the 25 year operating phase, interest rate service payments and equity return.

Pass through payments in relation to Monash Health utilities, medical and laboratory gases and waste disposal services are not included in PPP commitments as they are contingent on future amounts utilised in operating the hospital.

Monash Health is not a grantor in a service concession arrangement and therefore has no arrangements that are within the scope of AASB 1059 Service Concession Arrangements.

Note 7: Risks, contingencies and valuation uncertainties

Monash 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 Monash Health, is related mainly to fair value determination.

Structure

- 7.1 Financial Instruments

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 Monash Health's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

Note 7.1 (a): Categorisation of financial instruments

Consolidated		Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total
2020		**$'000**	**$'000**	**$'000**
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	501,059	-	501,059
Receivables				
- Trade Debtors	5.1	10,129	-	10,129
- Other Receivables	5.1	15,551	-	15,551
Total Financial Assets [i]		**526,738**	**-**	**526,738**
Financial Liabilities				
Payables	5.3	-	194,830	194,830
Borrowings	6.1	-	192,477	192,477
Other Financial Liabilities	5.4		-	
- Accommodation bonds		-	12,813	12,813
- Government COVID-19 Victorian Health Services Product funds			194,866	194,866
- Other		-	230	230
Total Financial Liabilities [i]		**-**	**595,216**	**595,216**

As at 30 June 2020 Monash Health have recorded an other liability of $195m for amounts received from DHHS but unspent in acquiring health services products on their behalf (refer Note 6.2).

Consolidated		Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total
2019		**$'000**	**$'000**	**$'000**
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	111,749	-	111,749
Receivables				
- Trade Debtors	5.1	7,048	-	7,048
- Other Receivables	5.1	56,694	-	56,694
Total Financial Assets [i]		**175,491**	**-**	**175,491**
Financial Liabilities				
Payables		-	126,946	126,946
Borrowings	6.1	-	107,126	107,126
Other Financial Liabilities	5.4			
- Accommodation bonds		-	13,945	13,945
- Other		-	219	219
Total Financial Liabilities [i]		**-**	**248,236**	**248,236**

i. The carrying amount excludes statutory receivables (i.e. GST receivable and DHHS receivable and statutory payables (i.e. Revenue in Advance and DHHS payable).

Monash Health applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

Categories of financial assets

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 Monash Health to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

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.

Monash Health recognises the following assets in this category:

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

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs.

Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment).

Categories of financial liabilities
Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. Monash Health recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

Derecognition of financial assets:
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired.
Derecognition of financial liabilities:
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Note 7.1 (b): Maturity analysis of Financial Liabilities as at 30 June 2020

The following table discloses the contractual maturity analysis for Monash Health's financial liabilities.
For interest rates applicable to each class of liability refer to individual notes to the financial statements.

	Note	Carrying Amount	Nominal Amount	Maturity Dates				
				Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	Over 5 Years
2020		**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial Liabilities								
At amortised cost								
Payables	5.3	194,830	194,830	180,988	4,589	4,365	4,888	
Borrowings	6.1	192,477	192,477	53,519	3,521	7,505	48,191	79,740
Other Financial Liabilities [i]								
- Accommodation Deposits	5.4	12,813	12,813	-	577	12,236		
- Government COVID19 Deposit	5.4	194,866	194,866	194,866	-	-		
- Other	5.4	230	230	230	-	-		
Total Financial Liabilities		**595,216**	**595,216**	**429,603**	**8,687**	**24,106**	**53,079**	**79,740**
2019								
Financial Liabilities								
At amortised cost								
Payables	5.3	126,947	126,947	102,206	15,256	4,139	5,346	-
Borrowings	6.1	107,126	107,126	1,553	3,221	5,166	38,747	58,440
Other Financial Liabilities [i]								
- Accommodation Deposits	5.4	13,945	13,945	-	628	13,317	-	-
- Other	5.4	219	219	219	-	-	-	-
Total Financial Liabilities		**248,236**	**248,236**	**103,978**	**19,104**	**22,622**	**44,093**	**58,440**

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

Note 7.1 (c): Contractual receivables at amortised costs

1-Jul-19	Note	Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
Expected loss rate		**0.9%**	**7.0%**	**28.4%**	**37.0%**	**0.0%**	**5.7%**
Gross carrying amount of contractual receivables	5.1	53,091	5,458	4,096	4,968	-	67,613
Loss allowance		**-492**	**-380**	**-1,163**	**-1,838**	**-**	**-3,873**

30-Jun-20		Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
Expected loss rate		**2.7%**	**7.5%**	**42.7%**	**18.8%**	**0.0%**	**8.7%**
Gross carrying amount of contractual receivables	5.1	31,619	3,995	2,423	11,433	-	49,470
Loss allowance		**-848**	**-298**	**-1,034**	**-2,146**	**-**	**-4,326**

Impairment of financial assets under AASB 9 Financial Instruments
Monash Health records the allowance for expected credit loss for the relevant financial instruments, in accordance with AASB 9 Financial Instruments 'Expected Credit Loss' approach.

Subject to AASB 9 impairment assessment include the Monash Health's contractual receivables, statutory 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.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Contractual receivables at amortised cost
Monash Health applies AASB 9 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.

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

On this basis, Monash Health determines the opening loss allowance and the closing loss allowance at end of the financial year as disclosed above.

Reconciliation of the movement in the loss allowance for contractual receivables

		2020 $'000	2019 $'000
Balance at beginning of the year		3,872	3,289
Opening retained earnings adjustment on adoption of AASB 9		-	-802
Opening Loss Allowance	**5.1**	**3,872**	**2,488**
Increase in provision recognised in the net result	3.1	3,845	3,618
Reversal of provision of receivables written off during the year as uncollectable		-3,392	-2,233
Balance at end of the year	**5.1**	**4,326**	**3,872**

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.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

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

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

Note 8: Other disclosures

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

Structure

- 8.1 Reconciliation of Net Result for the Year to Net Cash Flow from Operating Activities
- 8.2 Responsible Persons Disclosures
- 8.3 Remuneration of Executives
- 8.4 Related Parties
- 8.5 Remuneration of Auditors
- 8.6 Events Occurring after the Balance Sheet Date
- 8.7 Controlled Entities
- 8.8 Investments accounted for using the Equity Method
- 8.9 Economic Dependency
- 8.10 Changes in Accounting Policy
- 8.11 AASBs Issued that are not yet Effective
- 8.12 Glossary

Note 8.1: Reconciliation of Net Result for the Year to Net Cash Flow from Operating Activities

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000
Net Result for the Year		**25,782**	**(5,080)**
Non-cash movements:			
Depreciation and amortisation	4.3	118,846	73,129
Provision for doubtful debts	5.1 (a)	454	1,384
Share of net results in associates	3.2	-117	-29
Net movement in Finance Lease Liability and Borrowings		-14,392	18,239
Government Non Cash Funding for Hospital Expansion		-73,366	-65,050
Discount (interest)/ expense on Loan		96	690
Movements included in investing and financing activities			
Net gain / -loss from Sale of Plant and Equipment		-589	760
Movements in assets and liabilities:			
Statement of changes in equity – changes for AASB 1059 and AASB 15 adoption			
For the financial year ended 30 June 2020			
(Increase)/Decrease in Receivables		-1,058	-41,633
(Increase)/Decrease in Other Assets		-78	-2,509
Increase/(Decrease) in Payables		82,754	5,211
Increase/(Decrease) in Other Liabilities		235,155	72,633
Increase/(Decrease) in Provisions		54,495	-2,978
(Increase)/Decrease in Inventories		-6,428	-1,208
Net cash inflow/(outflow) from operating activities		**421,639**	**53,558**

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.

Responsible Ministers	Period
The Honourable Jenny Mikakos, Minister for Health and Minister for Ambulance Services	01/07/2019 - 30/06/2020
The Honourable Martin Foley, Minister for Mental Health	01/07/2019 - 30/06/2020
The Honourable Luke Donnellan, Minister for Child Protection, Minister for Disability, Ageing and Carers	01/07/2019 - 30/06/2020
Governing Boards	
Mr Dipak Sanghvi – Chair	01/07/2019 - 30/06/2020
Ms Aurélia Balpe	01/07/2019 - 30/06/2020
Mr Charles Gillies	01/07/2019 - 30/06/2020
Prof. Hatem Salem AM	01/07/2019 - 30/06/2020
Ms Helen Brunt	01/07/2019 - 30/06/2020
Mrs Jane Bell	01/07/2019 - 30/06/2020
Associate Professor Misty Jenkins	01/07/2019 - 30/06/2020
Ms Robyn McLeod	01/07/2019 - 30/06/2020
Mr Tony Brain	01/07/2019 - 30/06/2020
Accountable Officers	
Mr Andrew Stripp (Chief Executive)	01/07/2019- 30/06/2020

Remuneration of Responsible Persons

The number of Responsible Persons are shown in their relevant income bands. Kitaya Holding Pty Ltd is Monash Health's controlled entity. Amounts relating to Kitaya Holding Pty Ltd's Governing Board Members and Accountable Officer are disclosed in its financial statements. Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

Income Band	Consolidated 2020 No.	Consolidated 2019 No.
$50,000 - $59,999	7	8
$60,000 - $69,999	1	-
$100,000 - $109,999	1	1
$530,000 - $539,999	1	1
Total Numbers	**10**	**10**

	2020 $'000	2019 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$1,105**	**$1,079**

Note 8.3: Remuneration of Executives

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

Remuneration of Executive Officers	Consolidated Total Remuneration 2020 $'000	2019 $'000
Short-term Benefits	2,974	3,041
Post-employment Benefits	174	233
Other Long-term Benefits	257	207
Total Remuneration [i]	**3,405**	**3,481**
Total Number of Executives	**10**	**11**
Total Annualised Employee Equivalent [ii]	**10**	**11**

i. The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Monash 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 ordinary hours per week over the reporting period.

Total remuneration payable to executives during the year included additional executive officers and a number of executives who received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts. Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered, and is disclosed in the following categories:

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

Post-employment Benefits
Pensions and other retirement benefits 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.

Note 8.4: Related parties

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

- All Key Management Personnel (KMP) and their close family members;
- Cabinet ministers (where applicable) and their close family members;
- Controlled Entity – Kitaya Holdings Pty Ltd; and
- All hospitals and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of the Monash Health and its controlled entities, directly or indirectly.
The Board of Directors and the Chief Executive of Monash Health and its controlled entities are deemed to be KMPs.

Key Management personnel of Monash Health	Position Title
Mr Dipak Sanghvi	Chair of the Board
Ms Aurélia Balpe	Board Member
Ms Jane Bell	Board Member
Mr Tony Brain	Board Member
Ms Helen Brunt	Board Member
Mr Charles Gillies	Board Member
Assoc. Prof. Misty Jenkins	Board Member
Ms Robyn McLeod	Board Member
Prof. Hatem Salem	Board Member
Mr Andrew Stripp	Chief Executive Officer

Kitaya Holdings Pty Ltd's KMPs are disclosed in the company's financial statements.
The compensation detailed below excludes the salaries and benefits the Portfolio Ministers receive. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968, and is reported within the Department of Parliamentary Services' Financial Report.

Compensation - KMPs	Consolidated 2020 $'000	Consolidated 2019 $'000
Short-term Employee Benefits [i]	993	956
Post-employment Benefits	79	76
Other Long-term Benefits	33	47
Total [ii]	1,105	1,079

i. Total remuneration paid to KMPs employed as a contractor during the reporting period through accounts payable has been reported under short-term employee benefits.
ii. KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Significant Transactions with Government Related Entities
Monash Health received funding from the Department of Health and Human Services (DHHS) of $1,783m (2019: $1,541m) and indirect contributions of $13.7m (2019: $23.6m).

Monash Health also received further funds from the DHHS of $850m to act as an agent for the Department in paying, warehousing and distributing products for Victorian health services and other entities during the COVID-19 pandemic. As at 30 June 2020 Monash Health have recorded a current liability of $195m for the remaining balance owed to the department for amounts received but unspent.

The DHHS granted an interest free loan of $10m to Monash Health in 2018. The loan is repayable over 10 years with repayments made annually. At 30 June 2020, the total amount due to DHHS in relation to this loan was $7.6m (2019: $8.5m). In June 2020, the Department of Health and Human Services granted a cash advance of $52.4m to meet early July Payments. The amount is repayable early in the 20/21 financial year.

Monash Health has two loan agreements with Treasury Corporation of Victoria (TCV) for $19.6m and $13.3m with amounts borrowed repayable over 22 and 20 years respectively. At 30 June 2020, the total amount due to TCV in relation to these loans was $24.7m (2019: $26.0m)

Expenses incurred by Monash Health in delivering services and outputs are in accordance with Health Purchasing 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 Monash Health to hold cash (in excess of working capital) in accordance with the State's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victorian unless an exemption has been approved by the Minister for Health and Human Services and the Treasurer.

Transactions with KMPs and Other Related Parties
Given the breadth and depth of State government activities, related parties transactions with the Victorian public sector occur in a manner consistent with other members of the public. Further, employment of processes within the Victorian public sector occur on terms and conditions consistent with the Public Administration Act 2004 and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with Monash Health, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2020 (2019 Nil).

There were no related party transactions required to be disclosed for the Monash Health Board of Directors and the Chief Executive Officer in 2020.

Related party transactions required to be disclosed for Kitaya Holding Pty Ltd's Board of Directors in 2020 are disclosed in its financial statements.

Controlled Entities Related Party Transactions

Kitaya Holdings Pty Ltd

- Ms Jane Bell is a member of both the Monash Health Board and the Kitaya Holdings Pty Ltd Board.
- Mr Andrew Stripp is Chief Executive of Monash Health and a member of the Kitaya Holdings Pty Ltd Board.
- Mr Stuart Donaldson is Chief Financial Officer of Monash Health and a member of the Kitaya Holdings Pty Ltd Board.

Kitaya Holdings Pty Ltd operates Jessie McPherson Private Hospital. Monash Health is reimbursed by its controlled entity, Kitaya Holdings Pty Ltd, for the provision of goods and services required to run the private hospital. The fee includes charges for labour, power, food, cleaning and other services. All transactions are conducted on normal commercial terms and conditions.

The aggregate amounts brought to account in respect of the following types of transactions were:

	2020 $'000	2019 $'000
Rental income received from its controlled entity	1,183	1,166
Contracted goods and services provided to its controlled entity	17,438	22,935
Amount owing to controlled entity at balance date	15,586	11,479

8.5 Remuneration of Auditors

	Consolidated	
	2020 $'000	2019 $'000
Victorian Auditor-General's Office		
Audit of the Financial Statements	337	336
Total Remuneration of Auditors	**337**	**336**

Note 8.6: Events occurring after the balance sheet date

The COVID-19 pandemic has created unprecedented economic uncertainty.

Actual economic events and conditions in the future may be materially different from those estimated by Monash Health at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Monash Health, its operations, its future results and financial position.

The state of emergency in Victoria was extended on 16 August 2020 until 13 September 2020 and the state of disaster still in place.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of Monash Health, the results of the operations or the state of affairs of Monash Health in the future financial years.

Note 8.7: Controlled entities

Monash Health's interest in the jointly controlled operations are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

Name of Entity	Country of Incorporation	Ownership Interest %	Equity Holding
Kitaya Holdings Pty Ltd (trading as Jessie McPherson Private Hospital)	Australia	100	100%

Monash Health's interest in revenues and expenses resulting from this is detailed below:

Controlled entities contribution to the consolidated results

Net result for the year	2020 $'000	2019 $'000
Kitaya Holdings Pty Ltd	-2,151	-2,872

Note 8.8: Investments accounted for using the equity method

	Principal Activity	Country of Incorporation	Ownership Interest		Published Fair Value	
Name of Entity			2020 %	2019 %	2020 $'000	2019 $'000
Associates						
Monash Health Research Precinct Pty Ltd (a)(b)	Property Investment	Australia	20.33	20.33	4,246	4,129

(a) As at 30 June 2020, the fair value of Monash Health's interest in Monash Health Research Precinct Pty Ltd was based on its share of the company's net assets which is a level 3 input in terms of AASB 13 Fair Value Measurement.

(b) The financial year end date in Monash Health Research Precinct Pty Ltd is 31 December. This was the reporting date established when that company was incorporated. For the purpose of applying the equity method of accounting, the financial statements of Monash Health Research Precinct Pty Ltd have been used, and appropriate adjustment have been made for the effects of significant transactions between that date and 30 June 2020.

Note 8.9: Economic dependency

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

The Department of Health and Human Services has provided confirmation that it will continue to provide Monash Health adequate cash flow support to meet its current and future obligations as and when they fall due. On that basis, the financial statements have been prepared on a going concern basis. Monash Health's current asset ratio continues to be below an adequate short term position (2020: 0.65 and 2019: 0.41) while cash generated from operations has increased from a $54m surplus in 2019 to a $422m surplus in

2020 this was mainly due to $850m grant received for state health product supply for the COVID-19 pandemic response and $590m paid for supplies and consumables for the COVID-19 response. Cash reserves have moved from $112m in 2019 to $501m ($241m excluding COVID19 Victorian Health Services Product funds) in 2020. A letter confirming adequate cash flow was also provided in the previous financial year.

Note 8.10: Changes in accounting policy

Leases

This note explains the impact of the adoption of AASB 16 Leases on Monash Health financial statements.

Monash Health has applied AASB 16 with a date of initial application of 1 July 2019. Monash Health has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee.

The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, Monash Health determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 – 'Determining whether an arrangement contains a Lease'. Under AASB 16, Monash Health assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 6.1.

On transition to AASB 16, Monash Health has elected to apply the practical expedient to grandfather the assessment of which transactions are leases.

It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease.

Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

Leases classified as operating leases under AASB 117

As a lessee, Monash Health previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to Monash Health. Under AASB 16, Monash Health Service recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low value leases.

On adoption of AASB 16, Monash Health recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using Monash Health's incremental borrowing rate as of 1 July 2019.

On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

Monash Health has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Adjusted the right-of-use assets by the amount of AASB 137 onerous contracts provision immediately before the date of initial application, as an alternative to an impairment review;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

Leases as a Lessor

Monash Health is not required to make any adjustments on transition to AASB 16 for leases in which it acts as a lessor. Monash Health accounted for its leases in accordance with AASB 16 from the date of initial application.

Impacts on financial statements

On transition to AASB 16, Monash Health recognised $92,234,872 of right-of-use assets and $92,234,872 of lease liabilities.

When measuring lease liabilities, Monash Health discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 6.05%.

		1 July 2019 **$'000**
Total Operating lease commitments disclosed at 30 June 2019	**35,999**	
Discounted using the incremental borrowing rate at 1 July 2019		35,151
Finance lease liabilities as at 30 June 2019		53,075
Recognition exemption for:		
Short-term leases		-263
Leases of low-value assets		-608
Extension and termination options reasonably certain to be exercised		4,880
Lease liabilities recognised at 1 July 2019		**92,235**

Revenue from Contracts with Customers
In accordance with FRD 121 requirements, Monash Health has applied the transitional provision of AASB 15, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, Monash Health applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application. Monash Health has not applied the fair value measurement requirements for right-of-use assets arising from leases with significantly below-market terms and conditions principally to enable the entity to further its objectives as allowed under temporary option under AASB 16 and as mandated by FRD 122. Comparative information has not been restated.

Note 2.1 – Sales of goods and services includes details about the transitional application of AASB 15 and how the standard has been applied to revenue transactions.

Income of Not-for-Profit Entities
In accordance with FRD 122 requirements, Monash Health has applied the transitional provision of AASB 1058, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, Monash Health applied this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application. Comparative information has not been restated.
Note 2.1 – Grants includes details about the transitional application of AASB 1058 and how the standard has been applied to revenue transactions. The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.

Transition impact on financial statements.
This note explains the impact of the adoption of the following new accounting standards for the first time, from 1 July 2019:

- AASB 15 Revenue from Contracts with Customers;
- AASB 1058 Income of Not-for-Profit Entities; and
- AASB 16 Leases.

Impact on Balance Sheet due to the adoption of AASB 15, AASB 1058 and AASB 16 is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balances reported under the new accounting standards (AASB 15 and AASB 16) at 1 July 2019:

Note 8.10: Changes in accounting policy

Balance sheet	Notes	Before new accounting standards Opening 1 July 2019 $'000	Impact of new accounting standards - AASB 16, 15 & 1058 $'000	After new accounting standards Opening 1 July 2019 $'000
Property, Plant and Equipment	4.1	1,868,135	39,160	1,907,295
Total non-financial assets		1,932,792	39,160	1,971,952
Total Assets		2,252,248	39,160	2,291,408
Borrowings	6.1	107,127	39,160	146,287
Total Liabilities		677,135	39,160	716,295
Accumulated surplus/(deficit)		120,514		120,514
Physical Revaluation Surplus		1,026,168		1,026,168
Other items in equity		428,431		428,431
Total Equity		**1,575,113**		**1,575,113**

Note 8.11: AASBs Issued that are not yet Effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2020 reporting period. Department of Treasury and Finance assesses the impact of all these new standards and advises Monash Health Service of their applicability and early adoption where applicable.

As at 30 June 2020, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Monash Health Service has not and does not intend to adopt these standards early.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements.
AASB 17 Insurance Contracts	The new Australian standard eliminates inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reissuance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities. This standard currently does not apply to the not-for-profit public sector entities	1 Jan 2021	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 Jan 2020	The standard is not expected to have a significant impact on the public sector.

Note 8.12: Glossary of terms and style conventions

Actuarial gains or losses on superannuation defined benefit plans
Actuarial gains or losses are changes in the present value of the superannuation defined benefit liability resulting from:

- experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and
- the effects of changes in actuarial assumptions.

Amortisation
Amortizations is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset.

Associates
Associates are all entities over which an entity has significant influence but not control, generally accompanying a shareholding and voting rights of between 20 per cent and 50 per cent.

Comprehensive result
The net result of all items of income and expense recognized for the period. It is the aggregate of operating result and other comprehensive income.

Commitments
Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Current grants
Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation
Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense reduces the 'net result for the year'.

Effective interest method
The effective interest method is used to calculate the amortized cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

Employee benefits expenses
Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex gratia expenses
Ex gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability, or claim against the entity.

Financial asset
A financial asset is any asset that is:

- cash;
- an equity instrument of another entity;
- a contractual or statutory right:
  - to receive cash or another financial asset from another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability
A financial liability is any liability that is:

- A contractual obligation:
  - to deliver cash or another financial asset to another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
- A contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements
A complete set of financial statements comprises:

- Balance sheet as at the end of the period;
- Comprehensive operating statement for the period;
- A statement of changes in equity for the period;
- Cash flow statement for the period;
- Notes, comprising a summary of significant accounting policies and other explanatory information;
- Comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial Statements; and
- A statement of financial position at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grants and other transfers
Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labor to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value.

For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers.

Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use.

Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

General government sector
The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non-market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.
Intangible produced assets

Refer to produced assets in this glossary.

Intangible non-produced assets
Refer to non-produced asset in this glossary.

Interest expense
Costs incurred in connection with the borrowing of funds includes interest on bank overdrafts and short-term and long-term liabilities, amortization of discounts or premiums relating to liabilities, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest income
Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Investment properties
Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the State of Victoria.

Joint Arrangements
A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement has the following characteristics:

- The parties are bound by a contractual arrangement.
- The contractual arrangement gives two or more of those parties joint control of the arrangement

A joint arrangement is either a joint operation or a joint venture.

Liabilities
Liabilities refers to interest-bearing liabilities mainly raised from public liabilities raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Liabilities also include non-interest-bearing advances from government that are acquired for policy purposes.

Net acquisition of non-financial assets (from transactions)
Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. It includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

Net result
Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognized for the period, excluding those that are classified as ‘other comprehensive income’.

Net result from transactions/ net operating balance, Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions.

It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets.

Net worth
Assets less liabilities, which is an economic measure of wealth.

Non-financial assets
Non-financial assets are all assets that are not ‘financial assets’. It includes inventories, land, buildings, infrastructure, and road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

Non-produced assets
Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

Non-profit institution
A legal or social entity that is created for the purpose of producing or distributing goods and services but is not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it.

Payables
Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

Produced assets
Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films, and research and development costs (which does not include the startup costs associated with capital projects).

Public financial corporation sector
Public financial corporations (PFCs) are bodies primarily engaged in the provision of financial intermediation services or auxiliary financial services. They are able to incur financial liabilities on their own account (e.g. taking deposits, issuing securities or providing insurance services).

Estimates are not published for the public financial corporation sector.

Public non-financial corporation sector
The public non-financial corporation (PNFC) sector comprises bodies mainly engaged in the production of goods and services (of a non-financial nature) for sale in the market place at prices that aim to recover most of the costs involved (e.g. water and port authorities). In general, PNFCs are legally distinguishable from the governments which own them.

Receivables
Includes amounts owing from government through appropriation receivable, short and long term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services
Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

Supplies and services
Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of Monash Health.

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

Taxation income
Taxation income represents income received from the State's taxpayers and includes:

- payroll tax; land tax; duties levied principally on conveyances and land transfers;
- gambling taxes levied mainly on private lotteries, electronic gaming machines, casino operations and racing;
- insurance duty relating to compulsory third party, life and non-life policies;
- insurance company contributions to fire brigades;
- motor vehicle taxes, including registration fees and duty on registrations and transfers;
- levies (including the environmental levy) on statutory corporations in other sectors of government; and
- other taxes, including landfill levies, license and concession fees.

Transactions
Revised Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement.

They also include flows in an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset.

Taxation is regarded as mutually agreed interactions between the government and taxpayers.

Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

Style conventions
Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

- zero, or rounded to zero
- - , negative numbers

Corporate Office

246 Clayton Road, Clayton

T: 03 9594 6666
E: info@monashhealth.org

www.monashhealth.org

ABN 82 142 080 338