ST VINCENT'S HOSPITAL
MELBOURNE

ANNUAL REPORT 2016 – 2017

CONTENTS

RESPONSIBLE BODIES DECLARATION

In accordance with the *Financial Management Act 1994*, we are pleased to present the Report of Operations for St Vincent's Hospital (Melbourne) Limited for the year ending 30 June 2017.

Mr Paul Robertson AM
Chair
Dated 21 August 2017
Melbourne

A/Prof Susan O'Neill
Chief Executive Officer
Dated 21 August 2017
Melbourne

St Vincent's

CONTINUES TO BUILD, WORKING AS ONE TO CREATE SOMETHING GREATER

Message from THE CHIEF EXECUTIVE OFFICER

It is my great pleasure to present the 2016-17 Annual Report for St Vincent's Hospital Melbourne (St Vincent's). St Vincent's is part of the St Vincent's Health Australia (SVHA group of companies).

As a Victorian publicly funded, privately owned health care provider, our health service is uniquely positioned to take bold steps to bring about changes to the health and wellbeing of the community.

In June, we launched our new Strategic Service Plan, a road map to deliver excellence and value to the Victorian community. The Service Plan outlines how we will deliver the SVHA enVision2025 strategy and the 'Inspired to Care' program. The Plan was developed with input from the community, doctors, staff, volunteers, consumers and partner organisations.

In September 2016 we opened the BioFab3D, our state of the art research facility that showcases the true potential of the Aikenhead Centre for Medical Discovery (ACMD), and its unique power to harness collaboration among clinicians, researchers, and university and industry partners.

In one showroom, the BioFab3D brings together, molecular and cellular biology, bio-reactor work, tissue engineering, bio-printing and commercial services, demonstrating the talent, innovation and dedication that underpins our determination to realise our vision for the ACMD.

At the core of this restructure is a commitment to compassionate, patient-centred care.

Our Inspired to Care principles put the welfare of patients, residents, their families and carers at the centre of everything we do. A great example of this is our proposed Rapid Care Centre, which will change the face of ambulatory care. We are committed to investing in the services that will deliver best patient outcomes, while maximising opportunities to grow our reach.

We became a truly comprehensive cancer centre with the addition of a new radiation oncology service that will provide immediate access to essential radiotherapy treatment for all patients, whether publicly or privately referred. The state of the art service, which opened in August 2016, provides immediate access to leading edge, contemporary radiation oncology for patients experiencing cancer.

In the past 12 months St Vincent's has undergone an organisational restructure to lay the foundations for the delivery of our strategic objectives in both the short and long term.

At the core of this restructure is a commitment to compassionate, person-centred care. We are delivering on this by embedding continuous improvement throughout the organisation, and we are already observing outstanding improvement in performance outcomes.

In 2016-17 St Vincent's made great strides in our access performance, meeting our elective surgery targets and vastly improving the percentage of emergency patients with a length of stay less than four hours', improving from 65% in 2015-16 to 69.5% in 2016-17 notwithstanding an increase in the number of ED presentations.

St Vincent's ability to consistently provide the highest standards of health care for our patients is made possible thanks to the passion and dedication of our staff. Our values of compassion, justice, integrity and excellence underpin everything we do. We look forward to continuing to be a leader of the transformation in health care in Australia, delivering a consistently great care experience to every patient and resident, every time.

Adjunct Professor Susan O'Neill
Chief Executive Officer
St Vincent's Hospital Melbourne

St Vincent's

ABILITY TO CONSISTENTLY PROVIDE THE HIGHEST STANDARDS OF HEALTH CARE FOR OUR PATIENTS IS MADE POSSIBLE THANKS TO THE PASSION AND DEDICATION OF OUR STAFF

HARNESSING COLLABORATION

AMONG CLINICIANS, RESEARCHERS, AND UNIVERSITY AND INDUSTRY PARTNERS

About ST VINCENT'S

St Vincent's provides medical and surgical services, sub-acute care, cancer services, aged care, correctional health, mental health services and a range of community and outreach services.

We operate from 16 sites across greater Melbourne, including a major teaching, research and tertiary referral centre situated in Fitzroy, sub-acute care at St George's Health Service Kew, palliative care at Caritas Christi Hospice, as well as aged care, correctional health, mental health and community centres, pathology collection centres, general practice services and dialysis satellite centres.

In 2016-17 St Vincent's treated approximately 57,000 acute inpatients that equated to 56,336 WIES (Weighted Inlier Equivalent Separations). The hospital also recorded 187,290 non-admitted attendances and contacts across specialist clinics and health independence programs, and attended to 46,135 presentations to the emergency department. A total of 39,229 discharged bed days of care were provided in rehabilitation and geriatric services, and 10,136 discharged bed days of palliative care were provided.

As at 30 June 2017, St Vincent's had 781 available beds across all of its services.

GOVERNANCE

St Vincent's Hospital (Melbourne) Limited was incorporated as a company limited by guarantee on 19 June 1991. St Vincent's Hospital is a Denominational Hospital under Schedule 2 of the Health Services Act 1988 (Vic).

The relevant ministers for the reporting period were:

- The Hon. Daniel Andrews MP, Premier of Victoria
- The Hon. Jill Hennessy MP, Minister for Health
- The Hon. Martin Foley MP, Minister for Mental Health

St Vincent's Hospital Melbourne is a private not-for-profit provider of public health services. The hospital is part of the St Vincent's Health Australia group of companies and one of the Mary Aikenhead Ministries.

On 1 July 2009 Mary Aikenhead Ministries was established by the Congregation of Religious Sisters of Charity of Australia to succeed, continue and expand a number of the health and aged care, education and welfare ministries in which the Sisters of Charity have been engaged for over 150 years. The name is both a tribute to, and reminder of, the extraordinary work of Mary Aikenhead, the Founder of the Sisters of Charity who dedicated her life to service of the poor.

St Vincent's Health Australia operates under the direction of Mary Aikenhead Ministries, providing leadership and governance of the health and aged care ministries in Victoria, New South Wales and Queensland.

As a national group, St Vincent's Health Australia is the nation's largest not-for-profit Catholic health and aged care provider encompassing public, private and aged care, research and clinical education. St Vincent's Health Australia has a single national board and executive leadership team. St Vincent's Melbourne reports to the national St Vincent's Health Australia Board through the SVHA Chief Executive Officer, Public Hospitals Division, Patricia O'Rourke.

St Vincent's Melbourne is led by CEO Susan O'Neill and an executive team.

The St Vincent's Health Australia (SVHA) Board has established an Advisory Group known as The Friends of St Vincent's (Melbourne). This Group has (from February 2016) replaced the previous Regional Advisory Council in Victoria and provides the SVHA Board with advice, support and insight into the local community and health services, and strategic links to local Church, government and community resources.

VALUES

Our values, which are based on the Gospel, act as a point of reference for our decision making, and are fundamental to our Catholic identity. Our values underpin all we do and are demonstrated through our everyday actions, giving our mission life.

In all our activities we strive to demonstrate:

COMPASSION INTEGRITY JUSTICE EXCELLENCE

Our vision

TO LEAD TRANSFORMATION IN HEALTH CARE INSPIRED BY THE HEALING MINISTRY OF JESUS

MISSION

As a Catholic health and aged care service our mission is to bring God's love to those in need through the healing ministry of Jesus. We are especially committed to people who are poor or vulnerable.

We draw on the talents of our people and collaborate with others who share our vision and values to continue the pioneering spirit of Mary Aikenhead and the Sisters of Charity. We are committed to providing compassionate and innovative care, enabling hope for those we serve.

OUR CARE IS:

- Provided in an environment underpinned by mission and values
- Holistic and centred on the needs of each patient and resident
- High-quality, safe, and continuously improving to ensure best practice
- Innovative and informed by current research using contemporary techniques and technology
- Delivered by a team of dedicated, appropriately qualified people who are supported in a continuing development of their skills and knowledge
- Committed to a respect for life in accordance with the tradition of Mary Aikenhead and the Sisters of Charity.

OUR YEAR

ST VINCENT'S IN STATISTICS

16 SITES ACROSS MELBOURNE

57,000 ACUTE INPATIENTS TREATED

781 BEDS AVAILABLE

46,135 PRESENTATIONS TO EMERGENCY DEPT.

Year IN REVIEW

ST VINCENT'S LAUNCHES NEW STRATEGIC SERVICE PLAN

As Victoria's main publicly funded, privately owned health care provider, St Vincent's (SVHM) is uniquely positioned to take bold steps to bring about changes to the health and wellbeing of the community.

In June, St Vincent's launched its new Strategic Service Plan, a road map to deliver excellence and value to the Victorian community. The Plan was developed in consultation with the community, including staff, volunteers, consumers and partner organisations.

The plan's key objectives are to:

- Promote St Vincent's achievement of its mission and values
- Identify the future role and service models of SVHM to best meet the needs of our community both locally and statewide
- Promote clinical best practice and innovation, delivering safe, high quality and accessible care through the development of best practice service delivery models
- Enable SVHM to attract, develop and retain a high calibre and flexible workforce.

St Vincent's Hospital Melbourne is uniquely positioned to take bold steps to bring about changes to the health and wellbeing of the community.

The service plan outlines how St Vincent's will deliver SVHA's enVision2025 strategy through the clear delineation of St Vincent's as a tertiary provider for Victorians. Core components of the Service Plan include:

EXCELLENCE

Building the profile of a select number of Centres, renowned for delivering superior patient outcomes and setting the agenda in their respective fields.

OPPORTUNITIES FOR GROWTH

SVHM will meet the increasing needs of our consumers by investing in the services that are projected to experience the highest growth in demand by 2025, while continuing to provide a comprehensive suite of services to the Victorian community.

BIOMEDICAL RESEARCH

Biomedical engineering is a core capability of SVHM and our partners, and this burgeoning field promises to shape the future delivery of health care in many specialities. The planned Aikenhead Centre for Medical Discovery (ACMD) is a key enabler for our ambitious translational research agenda and advancing treatments through biomedical engineering.

MORE RESPONSIVE INTEGRATED CARE

Our ambition is to stay ahead of the changing needs of patients by implementing innovative, integrated models of care. We will strive to promote new care models that improve access and the experience of our patients – from early intervention and pre-admission through to post discharge and ongoing care. Ambulatory care will be especially harnessed to deliver the next wave of patient-centred, efficient tertiary hospital health care.

ADDRESSING THE COMPLEX CARE NEEDS OF OUR PRIORITY POPULATIONS

Continue the Mission of the Sisters of Charity by serving and advocating for the poor and vulnerable, including our five priority populations of patients who are mentally ill, drug and alcohol addicted, homeless, Aboriginal and Torres Strait Islander and prisoners.

NEW LEADERSHIP TEAM APPOINTMENTS

St Vincent's underwent an organisational restructure in 2016 that will lay the foundations to deliver strategic objectives in both the short and long term.

Four new Executive members joined the team in the past 12 months:

- Chris Roussos, Executive Director, People & Corporate Services
- Ian Broadway, Chief Financial Officer
- Martin Smith, Executive Director, Integrated Care Services
- Maria Egan, Executive Director, Mission

We also announced the new Head of Medicine and Head of Surgery positions:

- Dr Antony Tobin, Head of Medicine
- Mr Simon Banting, Head of Surgery

At the foundation of this restructure is a focus on patient-centred models of care, the embedding of continuous improvement and agile decision making in performance systems and ensuring that there is clinical involvement, decision making and accountability at a leadership level. The new structure also supports the development of centres of excellence, and will be financially viable and sustainable.

A service blue-print has been created to define the clinical, support, business and integrated service streams across SVHM. The blue-print has been used to develop the new organisational structure and service map.

The new structure creates three clinical programs:

- Acute Services: Medicine and Emergency; Surgical and Specialty Services
- Integrated Care: Mental Health, Sub Acute, Aged Care, Cancer Services and also Diagnostics - Pathology, Radiology and Medical Imaging
- Community Services: Allied Health, Community Services, Correctional Health, Infection Control, Pharmacy and Biomedical Engineering

GENESIS CARE

St Vincent's became a truly comprehensive cancer centre with the addition of a new radiation oncology service that will provide immediate access to essential radiotherapy treatment for all patients, whether publicly or privately referred.

The state of the art service, which opened in August 2016, is operated by GenesisCare, Australia's largest provider of radiotherapy services. It provides immediate access to leading edge, contemporary radiation oncology for patients experiencing cancer.

The multi-million dollar facility provides a great boost to the cancer care currently provided at St Vincent's, which now incorporates all diagnostic and treatment facilities, allowing patients with multi-disciplinary treatment plans to be managed in a single location.

21ST ANNIVERSARY OF IPS BUILDING

The St Vincent's community joined together in celebration in 2016, as the Main Hospital building turned 21 years old. When the 11-storey, $160 million building was opened 21 years ago, it was greeted with acclaim and revolutionised the way hospitals are perceived in Australia.

In designing the new hospital, more than 300 staff across 23 working parties came together to look at healthcare with fresh eyes. They designed a new approach which put people at the very heart of healthcare, a new approach that was reflected in the very architecture of the building.

Many Fitzroy locals will remember the location as the former site of the Sisters of Charity convent, which was brought down by a controlled implosion in 1992 to make way for the new hospital.

When the 11-storey, $160 million building was opened 21 years ago, it... revolutionised the way hospitals are perceived in Australia.

BIOFAB OPENING

In October, St Vincent's opened the new state of the art BioFab centre – proof of the concept of the Aikenhead Centre for Medical Discovery. It is Australia's first robotics and biomedical engineering centre, embedded within a hospital. Researchers, clinicians, engineers and industry partners work alongside each other with a vision to build biological structures such as organs, bones, brains, muscles and nerves – almost anything that requires repair due todisease or physical trauma.

St Vincent's and our partners – University of Melbourne, University of Wollongong, RMIT University and Swinburne University of Technology – are at the forefront of the 3D bioprinting revolution.

Imagine a future in which joints and limbs damaged through cancer or trauma could be rebuilt. Where the best surgeons, biomedical engineers, biologists and robotics experts come together to give patients faced with amputation a fully functioning limb so they can walk, work or hold a loved one again.

St Vincent's has the capabilities, research and clinical expertise to use new materials and stem cell technologies to drive this vision, and deliver life changing opportunities for many patients.

1981
Premier Joan Kirner announces that St Vincent's will be fully redeveloped as a major 490-bed teaching hospital

1992
The Sisters of Charity Convent on Princes Street is imploded to make way for the new building

1993
Construction begins

1993–1995
A new Patient Care Model is developed and helps shape the floorplans

1995 12 SEP
The first patients are admitted to the new hospital

1995 5 OCT
Premier Jeff Kennett and Archbishop Frank Little officially open and bless the building

BIOPEN TIPPED TO BE GAME CHANGER

Collaborators at the ACMD BioFab are working on a 3D printer pen loaded with stem cell ink that can print live cells to repair damage to cartilage, bones and muscles. The 'Biopen' contains a gel made of stem cells taken from the patient before surgery.

The pen prints a hydrogel containing these patient cells, directly into the same person, with the goal of repairing certain types of injuries such as cartilage damage.

So far it has only been used on sheep but researchers hope it will one day be used to repair joints, muscles and tendons. The procedure could be particularly beneficial in treating young people with early symptoms, so as to slow down or prevent the onset of osteoarthritis.

The work is being done as part of a collaborative effort involving St Vincent's, the University of Melbourne and the University of Wollongong. The process of commercialising the technology is already underway and it is hoped human trials could start within a year.

ST VINCENT'S AND OUR PARTNERS

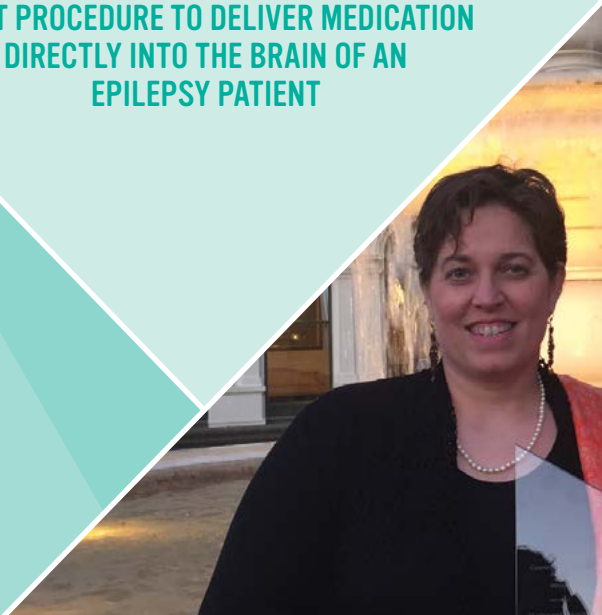
ARE AT THE FOREFRONT OF THE 3D BIOPRINTING REVOLUTION

Left: Lucy McDonald and Anne Craigie

Below: Natalie Kallelea

St Vincent's

NEUROSURGEONS PERFORMED A WORLD FIRST PROCEDURE TO DELIVER MEDICATION DIRECTLY INTO THE BRAIN OF AN EPILEPSY PATIENT



ST VINCENT'S TEAM WINS CATHOLIC HEALTH AUSTRALIA AWARD

The team from the Statewide Hepatitis Program were recognised at the 2016 Catholic Health Australia Awards for their work improving services for Victorian prisoners.

Lucy McDonald and Anne Craigie were presented with the Outreach Health Care Award for their work managing the State-wide Hepatitis Program (SHP), an integrated prison based program for the assessment, treatment and management of prisoners with chronic viral hepatitis.

The SHP is an initiative that represents a successful working partnership between St Vincent's Gastroenterology Department and Department of Justice, State Government of Victoria. The SHP has implemented an innovative model of care that is committed to reducing the transmission of HCV and advocating for prisoners living with chronic viral infection.

The Statewide Hepatitis Program has implemented an innovative model of care that is committed to reducing the transmission of HCV and advocating for prisoners living with chronic viral infection.

ST VINCENT'S WINS MULTICULTURAL AWARD

St Vincent's was recognised for its efforts to enhance services for patients from a culturally and linguistically diverse background when it received the Corporate Innovation Award at the 2016 Victorian Multicultural Awards for Excellence.

The award is a testament to St Vincent's Cultural Diversity program, which has proven to be a powerful tool for enhancing the healthcare experience for culturally and linguistically diverse patients, resulting in a health service which respects, responds to and celebrates the diversity of its patient and staff community.

Cultural diversity training is a core component of the program, providing participants with the opportunity to unpack cultural and linguistic differences and learn how to leverage these to best effect. Attendance at the cultural diversity training has been strong and since 2009 the number of participants has grown by 600%.

In 2015, following a low satisfaction rating with patient meals, St Vincent's introduced a new menu of culturally appropriate meal options, and patient feedback has shown much improved satisfaction with meals.

In keeping with our mission, a memorandum of understanding between St Vincent's and the Asylum Seekers Resource Centre (ASRC) now provides free medical imaging and pathology services to ASRC clients who are not eligible for Medicare.

STAR STAFF SUPPORT PROGRAM CELEBRATES 20 YEARS

The STAR Program, St Vincent's critical incidence response program, celebrated 20 years in 2017.

The STAR program was established to assist staff to cope with stress and anxiety, stay connected with work both physically and emotionally following a stressful event, make employees feel valued by the organisation and assist employees to seek professional assistance if required.

From humble beginnings, STAR has expanded to be a widely accessed program with 100 volunteers and supports 1,000 colleagues per year. It has built a reputation as Australia's leading peer support program in the health industry.

The STAR Program has proven be a valuable service. Studies have shown that STAR has a positive influence on an individual's ability to deal with stress. It has also been proven to reduce sick leave and assist with staff retention, with less leave taken by STAR users.

While these figures are impressive, the real value of the STAR Program becomes evident at times of great need. Following critical incidents, the ability of STAR volunteers to provide early intervention to a great number of staff – to listen and support, with empathy and confidentiality – has been invaluable.

REVOLUTIONISING THE WAY WE TREAT EPILEPSY

In December, St Vincent's neurosurgeons performed a world first procedure to deliver medication directly into the brain of a patient with epilepsy.

St Vincent's Director of Neurology Professor Mark Cook implanted a pump in Natalie Kallelea's stomach that sends medication, through a tiny tube, directly into the brain. It is the first time that drugs medication has been delivered in this way.

Natalie's seizures were so severe and unpredictable that she couldn't walk to the letterbox or take a shower on her own. Natalie was confined to the couch from the moment her husband Alex left for work, until he arrived home in the evening. With time, Natalie lost her job and her independence.

The 27-year-old from Numurkah had exhausted every type of available anti-epileptic medication with no success, sometimes experiencing eight seizures in one day.

Natalie is the first of eight patients to take part in the trial. The procedure has been a success, with encouraging results suggesting that the new drug delivery system can control Natalie's seizures. The next step for Professor Cook and his team will be to look at delivering different types of drugs in this manner.

Thank you TO ALL OF OUR SUPPORTERS

Thank you to all of our supporters for enabling us to achieve another amazing year of fundraising at St Vincent's.

Many achievements have been made possible thanks to the kindness and generosity of our supporters. All contributions are special and significantly help to improve the care we provide.

On behalf of all staff and patients, we thank all of our donors for their philanthropic support this year. It's thanks to our community that we have reached our goals with these life-saving appeals.

Our 'Neurological Diseases appeal featuring Natalie' raised $98,000

These funds have assisted our 'world-first' clinical trial that will have an enormous impact for epilepsy patients. Natalie was our first recipient to undergo this pioneering treatment that delivers medication direct to the brain.

Our Appeal for our 'Intensive Care Unit' raised over $43,000

Therapeutic hypothermia has been used as a way to protect the brain after certain traumas, such as cardiac arrest. Our donors have provided us with the chance to purchase the Arctic Sun Temperature System, helping to improve the number of positive outcomes for our patients.

Thank you to our Major Donors who have contributed significant funds

We have many generous donors and we are overwhelmed by the support that we receive.

MTPConnect supports our new Biofab3D@ACMD Centre - $1,100,000

In addition, we have received funds towards Scholarships, which have included opportunities for Pharmacy interns; PhD Scholarships in Neuroscience Research; Cardiology Scholarships, and Scleroderma Research. These funds help to develop and nurture future generations of clinicians where research plays a vital part in their career.

We'd like to thank everyone who has supported St Vincent's by fundraising and participating in our events

St Vincent's has been delighted by the support we have received from people fundraising or participating in our various events. Our events range from fundraisers, right through to thanking and acknowledging our generous donors.

We have thanked and invited donors back to the Hospital with multiple events such as a tour of our refurbished Cancer Centre and newly opened GenesisCare Radiation Oncology Centre. Past donors to heart research and disease treatment also gathered to hear how cardiac surgery has changed over time.

Our regular donors were able to attend the Education Centre in May, and witness the mannequin "Vincent" in action. He is an invaluable tool in training students and developing their diagnostic skills.

Our SVHM CEO Sue O'Neill addressed dedicated donors, outlining the achievements of the past 124 years and her vision of the future direction of the Hospital.

The fifth annual Sisterhood event was attended by over 400 guests who raised $52,771 for the Addiction Medicine Department.

We'd like to acknowledge the Charitable Trusts & Foundations for their generous support during the year

In the past twelve months we have received grants to support a variety of projects including state of the art equipment, medical research and new innovations in patient care that will enable St Vincent's to continue to provide the best possible care for our patients.

Some of these include: ultrasound equipment for treating Cardiac issues and Cerebral Palsy, interactive Rehabilitation equipment, improving healthcare for youth in custody, improving ICT in helping care for diabetes patients, reducing hair loss in cancer patients, providing a bladder scanner and new furniture for Caritas Christi, improving support for mothers recovering from ice addiction; and research studies into using deep brain stimulation to reduce Obsessive Compulsive Disorder, improving our knowledge of Mesothelioma, reducing hospital acquired malnutrition and identifying progressive Diabetic Kidney Disease in Indigenous Australians.

On behalf of all staff and patients, we thank all of our donors for their philanthropic support this year. It's thanks to our generous community that we have raised significant funds and made a difference to our patients.

Thank you
TO OUR COMMUNITY OF SUPPORTERS

Sincere appreciation from St Vincent's Foundation to all who have contributed over the past twelve months. We would like to particularly acknowledge the following generous donors:

TRUSTS AND FOUNDATIONS

$100,000+
The Harry Secomb Foundation
The Les T Batten Estate
The Muriel M Batten Estate

$50,000+
F & E Bauer Foundation
The William Buckland Foundation
HCF Research Foundation

$10,000+
Australian Communities Foundation – Slater & Gordon Health Projects and Research Fund
Collier Charitable Fund
Edgar Foundation
Rebecca L Cooper Medical Research Foundation
Scleroderma Foundation of Victoria
The Alfred Felton Bequest
The CASS Foundation
The Gross Foundation
The Marian & E H Flack Trust
The Russell Medical Endowment
The William Joseph Payne Trust, managed by Equity Trustees

$5,000+
Patricia Spry-Bailey Charitable Foundation
Robert Croft Fund (a charitable fund account of Lord Mayor's Charitable Foundation)
The Eirene Lucas Foundation
The Killen Family Foundation, managed by Equity Trustees
The William Angliss (Victoria) Charitable Fund

MAJOR DONORS

$1,000,000+
MTPConnect

$100,000+
Brenda M Shanahan

$50,000+
Anonymous - Scleroderma Research

$10,000+
Bill and Iolanda Gibbins
Denise M de Gruchy
Graeme Connors
Hilary Irwin
John Gurry and Vita Pepe
John Kipluks
Karin MacNab
Lindsay and Paula Fox
Pat La Manna OAM Legacy Fund
Peter and Avril McGrath
Peter and Patricia de Rauch
Robert Naughton
The Dennis, Levinge and Postma families
Anonymous x2

$5,000+
Dinah Krongold
Peter and Myra Wood and family
Anonymous x2

CORPORATE, BUSINESS, SPONSORSHIP
Active Powder Coating
Australian Music Events Pty Ltd
Helping Hand
LUCRF Super
Multiplex Constructions
Pitcher Partners
Probuild
Reece Group Ltd.
Sanofi-aventis Australia Pty Ltd
United Firefighters Union of Aust - Victoria
Zouki Group of Companies

BEQUESTS AND ESTATES

$300,000+
Estate of Beryl Elizabeth Waldron

$100,000+
Estate of George Timothy Ryan
Anonymous

$50,000+
Estate of James Ronald Eve
Estate of Stella Conway
Estate of Margaret Blair Warren
Estate of Frank Thomas

$10,000+
Estate of Benjamin James Scarfe
Estate of Henry Herbert Yoffa
Estate of Marga Lorenze Kinnell
Estate of Marjorie Beryl Tivendale
Estate of Nicola Rizzo
The William & Aileen Walsh Trust

$5,000+

Alfred Noel Curphey Bequest
Edith Jean Elizabeth Beggs Charitable Trust
Estate of Alfred Dehnert
Estate of Horatio R C McWilliams
Estate of Muriel Bradley
Estate of Patricia Mary Hayes
Estate of Stefan Hauler
The Mary McGregor Trust

IN MEMORIAM GIFTS

$5,000+

Greg Bray
Ky Hinh
Michael Flanagan
Terence Bray
Maree McCaffrey

Report OF OPERATIONS

SUMMARY FINANCIAL RESULTS

	2017* $'000s	2016* $'000s	2015* $'000s	2014* $'000s	2013 $'000s
Total Revenue ^	764,694	688,597	641,512	622,091	587,814
Total Expenses ^	765,939	692,479	643,385	619,483	588.662
Net Result for the Year (including Capital and Specific Items)	(1,245)	(3,882)	(1,873)	2,608	(848)
Retained Surplus	25,902	27,147	31,046**	36,311	37,730
Total Assets	333,203	331,693	323,449**	326,893	320,209
Total Liabilities	243,752	241,009	228,966	230,167	226,102
Net Assets	89,451	90,684	94,483**	96,726	94,107
Total Equity	**89,451**	**90,684**	**94,483****	**96,726**	**94,107**

^ For further detail, refer to Total Revenue and Total Expenses in the Comprehensive Operating Statement
* Incorporates share of Victorian Comprehensive Cancer Centre joint venture
** Adjusted for prior year's accounting error

SUMMARY OF SIGNIFICANT CHANGE IN FINANCIAL POSITION 2017

There have been no significant changes in the Hospital's state of affairs during the financial year.

OPERATIONAL AND FINANCIAL PERFORMANCE 2017

St Vincent's Hospital, Melbourne delivered an operational result of $2,479,000 before capital income and expenses. After including capital income expenses and other economic flows, the net entity result was a deficit of $1,245,000. Movement in total equity includes the net equity result and a revaluation adjustment for cultural assets of $12,000.

SUBSEQUENT EVENTS

There has been no matter or circumstance which has arisen since 30 June 2017 that has significantly affected, or may affect:

a. The operations, in financial years subsequent to 30 June 2017, of St Vincent's Hospital, Melbourne, or

b. The results of those operations, or

c. The state of affairs, in financial years subsequent to 30 June 2017, of St Vincent's Hospital, Melbourne

CONSULTANCIES

DETAILS OF CONSULTANCIES (UNDER $10,000)

In 2016-17, there were seven consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2016-17 in relation to these consultancies is $25,269 (excluding GST).

DETAILS OF CONSULTANCIES (VALUED AT $10,000 OR GREATER)

In 2016-17 there were three consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2016-17 in relation to these consultancies is $50,135 (excluding GST). Details of individual consultancies are listed below.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee $	Expenditure 2016-17 (Ex GST) $	Future expenditure $
AON	OHS Management Review	May-17	Jun-17	15,635	15,635	Nil
CC Management Consulting	LDA Safe Steps Training	May-17	Jun-17	19,500	19,500	Nil
Trusted Impact	Cyber Security Assessment	Feb-17	Mar-17	15,000	15,000	Nil

WORKFORCE DATA

St Vincent's Hospital is an equal opportunity workplace. All staff can expect to be treated fairly on the basis of ability and merit. The hospital has an Equal Opportunity (EEO) policy and program designed to reinforce workplace practices and behaviour that are consistent with this principle.

Labour Category	June Current Month FTE*		JuneYTD FTE**	
	2017	2016	2017	2016
Nursing Services	1,568	1,558	1,552	1,498
Admin. & Clerical	315	321	317	323
Medical Support Services	248	234	244	216
Health & Allied Services	926	901	911	872
Hospital Medical Officer	141	131	142	131
Specialist Full Time	73	74	75	70
Specialist Sessional	139	129	133	124
Registrar	200	194	194	186
Allied Health	463	448	455	440
Total	**4,063**	**3,990**	**4,023**	**3,860**

* FTE – Full Time Equivalents
** Year to Date represents the average number of FTE throughout the year

OCCUPATIONAL HEALTH AND SAFETY (OHS) ACHIEVEMENT

St Vincent's Hospital Melbourne safety culture change program continued through 2016-17. There is strong focus on governance of this program, through the Executive Safety Council. The safety leadership training has been expanded through our Frontline Management Program and safety culture training with Environmental Services staff. The 'Safety is MY Responsibility' slogan has been well accepted across the organisation.

Preventative safety is a major focus. For each quarter we have had over 90% of departments completing Workplace Inspections. This preventative focus has also seen the number of hazard reports tripling in 2016-17.

Some significant hazards addressed have included:

- A safer way to move and roll patients in bed
- Purchase of equipment for delivery and movement of goods in a research facility
- Automated equipment to assist with repetitive chemotherapy preparation
- Upgrades of floor surfaces and matting to reduce slips and falls.
- Expansion of workstation ergonomic trial equipment.

Our staff peer support program continues to provide support to staff following a critical incident at home or in their personal life. The program provides a quick response and on-going follow up to support people following an event. There have been no WorkCover Claims for psychological injuries following a traumatic event or critical incident.

The Early Intervention Program, that supports staff to seek the medical and workplace assistance to manage an injury in its early stages, is utilised by 78% of injured workers. Priority medical assistance in the first few hours following an injury continues as an effective way to help injured workers to reduce further aggravation of the injury, recover and remain at work.

With the combination of safety culture, hazard management, wellbeing programs and injury management strategies we have seen a 30% reduction in serious injuries this year.

A gap audit against the Australian Standard for Occupational Health and Safety System Management showed that we had a robust safety system. A range of recommendations will be implemented to further enhance our system.

A comprehensive safety plan is in place for 2017-18 with a focus on occupational violence prevention and contractor safety management.

OCCUPATIONAL VIOLENCE

Occupational violence statistics	2016-17
Workcover accepted claims with an occupational violence cause per 100 FTE	0.02
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0.15
Number of occupational violence incidents reported	448
Number of occupational violence incidents reported per 100 FTE	10.99
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	18%

DEFINITIONS

For the purposes of the above statistics the following definitions apply.

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

Incident – occupational health and safety incidents reported in the health service incident reporting system. Code Grey reporting is not included.

Accepted Workcover claims – Accepted Workcover claims that were lodged in 2016-17.

Lost time – is defined as greater than one day.

BUILDING AND MAINTENANCE COMPLIANCE

ESSENTIAL SERVICES MAINTENANCE

Essential services are maintained in accordance with AS 1851-2005 by ARA Fire Protection Pty Ltd as required by the building regulations. Annual essential service records audits are completed on a quarterly basis by Philip Chun & Associates and an Annual Essential Safety Measures Report is issued.

The Hospital uses the Department of Health publication Maintenance standards for critical areas in Victorian health as a guide.

- Each Essential Safety Measure is operating at the required level of performance to fulfil its purpose
- Where applicable each Essential Safety Measure has been maintained in accordance with the occupancy permit or maintenance determination and generally fulfils its purpose
- Since the last Annual Essential Safety Measure report, to the best of our knowledge, there has been no penetrations to required fire resistant constructions, smoke curtains and the like, in buildings inspected other than those for which a building permit has been issued.

BUILDINGS

St Vincent's certifies the following compliance with its buildings:

- Buildings are certified for approval in accordance with the Building Code Australia
- Works under construction are subject to mandatory inspection
- All buildings receive a certificate of final inspection.

GENERAL MAINTENANCE

St Vincent's certifies that there have been no notices issued or orders to cease occupancy in relation to:

- All renovations to existing buildings comply with regulations in force at the time of construction
- There have been no orders to cease occupancy.

BEIMS facilities management software is used by the Engineering Department to manage preventative and reactive maintenance activities. Maintenance schedules are based on DA19 and Australian Standards as far as practical.

Independent reviews on the condition of the infrastructure and building fabric at Fitzroy campus buildings were completed in May 2016. The findings from the reviews which required immediate attention have since been attended to while a roll-out program has been set to address the other major recommendations over the next five years.

St Vincent has a periodic regime in place to inspect the condition of the external building facades and to address any pressing issues that are subsequently found.

St Vincent's has completed phase 3 and 4 works of the Fitzroy Campus Asset Condition Review. The balance of the rectification works are planned to be addressed over the next three years.

NEW PROJECTS COMPLETED INCLUDE:

- Radiotherapy treatment facility in a 795sqm area of the basement under the central courtyard between Main Hospital and Building C
- Ongoing plant and equipment upgrades across all of our sites at $1.0m.
- New signage $0.6m
- Fire protection upgrade works in Building C at $0.50m.
- Sectional completion of renovation of GEM and Rehab patient rooms at Bolte Wing at $0.30m
- Staged replacement of carpet in Main Hospital floors at $0.3m
- Chiller replacement for Mental Health at $0.135m.

KEY PROJECTS COMMENCED DURING 2016–17 AND WORKS IN PROGRESS AT 30 JUNE 2017 INCLUDE:

- Clinical Information system $2.1m
- Business Intelligence system $0.4m
- Pathology information system $0.3m
- ACMD $2.9m
- Reverse osmosis supply plant and distribution system at $1.35m
- Redundancy to campus medical vacuum suction system at $0.2m
- Replacement of Bio Resources chiller at $0.2m
- Demolition of dilapidated Building C balconies at $0.34m
- Replacement of electrical bus duct in Building D at $0.2m

SUSTAINABILITY PERFORMANCE

St Vincent's is 'striving for something greater' across the organisation, including in environmental performance. SVHM is working to improve environmental sustainability by encouraging environmentally aware practice, investing in energy efficient infrastructure and setting targets for improved sustainability.

St Vincent's has adopted the SVHA group's National Energy Action Plan (NEAP) to drive a cohesive and coordinated approach to delivering major reductions in our total electricity use, through selective application of energy efficiency technologies.

Initiatives over the last 12 months have included:

- Installation of 970 Photo Voltaic solar electricity panels across two St Vincent's buildings.
- Funding to support the replacement of all fluorescent lighting tubes with LED lighting. This program is 30% complete with rollout anticipated to be completed by December 2017.
- Installation of power monitoring and managing devices in non-clinical areas for lighting and power outlets.

St Vincent's has seen the following improvement in environmental performance over the past 12 months:

- Waste diversion programs continue to see 33% of waste now diverted from landfill to recycling. The expansion of our PVC recycling program, sustainable office program and 'Little Blue Towel' recycling initiative have all assisted to sustain and enhance our recycling systems.
- The office equipment intranet trading site has successfully traded over 170 items of office equipment over the past 12 months, saving wastage and reducing purchasing costs.
- A restructure of the clinical waste system, supported by additional education programs and auditing, has assisted to reduce bagged clinical waste by a further 12 tonnes.

FREEDOM OF INFORMATION

St Vincent's complies with the Freedom of Information Act. Written requests for information are classified as an application once the relevant officer receives either a $27.90 application fee or a copy of the patient's Health Care or Pension Card.

	2016-17	2015-16
Applications	988	865
Released in full	956	800
Partially released	31	36
Denied in Full	2	Nil
Cancelled applications	5	4
Percentage requests fulfilled within 45 days	100%	100%
Application fees collected	$20,188.80	$17,707.20
Application fees waived	$7,198.20	$5,603.00
Charges collected	$4,896.40	$6,201.80
Charges waived	$3,506.20	$4,375.80

CAR PARKING FEES

St Vincent's Hospital, Melbourne complies with the DHHS hospital circular on car parking fees effective 1 February 2016 and details of car parking fees and concession benefits can be viewed at www.svhm.org.au/home/patients-and-visitors/campus-information/st-vincents-hospital-melbourne.

DETAILS OF INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2016-17 is $12,446,000 (excluding GST) with the details shown below.

Business As Usual (BAU) ICT expenditure (Total excluding GST) $'000s	Non-Business As Usual (non-BAU) ICT expenditure $'000s	Operational expenditure (excluding GST) $'000s	Capital expenditure (excluding GST) $' 000s
$8,449	$3,997	$0	$3,997

Statement OF PRIORITIES

STATEMENT OF PRIORITIES AND THE MINISTER FOR HEALTH

St Vincent's is also accountable to the Minister for Health.

The Statement of Priorities (SOP) is the key document of accountability between the Department and St Vincent's Hospital (Melbourne) Limited. St Vincent's is pleased to publish its outcomes achieved during 2016-17.

PART A: STRATEGIC PRIORITIES FOR 2016-17

Victorian Health Priority Framework	Health Service Strategy	Deliverable	Outcome
Quality and safety	Implement systems and processes to recognise and support person-centred end of life care in all settings, with a focus on providing support for people who choose to die at home.	Continue to enhance systems and processes to support person-centred end of life care through implementing Care Plan of the Dying to standardise care across SVHM.	**Achieved.** The revised Care of Dying (Care Plan) has been endorsed by DHHS with local modifications for SVHM. Implementation of the Plan has been completed on 2 wards. Basic data collected where the CPDP is in use.
	Advance care planning is included as a parameter in an assessment of outcomes including: mortality and morbidity review reports, patient experience and routine data collection.	Continue the implementation and integration of ACP as a parameter in assessment of outcomes by including it on the mortality screen tool and review current monitoring.	**Achieved.** An advanced care planning question is now included on the Mortality screen data. The 2016-17 ACP audit has been completed.
	Progress implementation of a whole-of-hospital model for responding to family violence.	Contribute to Strengthening Hospitals Responses to Family Violence by developing an Elder Abuse identification and response module in collaboration with Royal Women's Hospital.	**Achieved.** Strengthening Hospitals Response to Family Violence (SHRFV) SVHM Steering Committee has been established to support the implementation of the 'whole of health service response' in collaboration with the Royal Women's Hospital. Work plan developed, project lead appointed and module in development. Work will continue as planned into 2017-18

Victorian Health Priority Framework	Health Service Strategy	Deliverable	Outcome
	Use patient feedback, including the Victorian Healthcare Experience Survey to drive improved health outcomes and experiences through a strong focus on person and family centred care in the planning, delivery and evaluation of services, and the development of new models for putting patients first.	Use patient feedback to guide the local implementation of the SVHA Inspired to Care Program increasing patient satisfaction and experience.	**Achieved.** In 2016-17 the following priorities were completed: 1. An SVHA Inspired to Care grant program has been developed to guide improvements in patient satisfaction and experience. Three Inspired to Care grants were awarded to SVHM in 2016-17. 2. A review of the Victorian Healthcare Experience Survey was completed and identified discharge planning as a priority area for improvement in 2017/18.
	Develop a whole of hospital approach to reduce the use of restrictive practices for patients, including seclusion and restraint.	Develop and implement a whole of service guideline covering restrictive practices across the general hospital and mental health settings.	**Achieved.** Department guidelines have been incorporated into SVHM workforce training. De-escalation training for in-patient module now completed and rolled out.
Access and timelines	Ensure the development and implementation of a plan in specialist clinics to: (1) optimise referral management processes and improve patient flow through to ensure patients are seen in turn and within time; and (2) ensure patient data is recorded in a timely, accurate manner and is working toward meeting the requirements of the Victorian Integrated Non-Admitted Health dataset.	Identify strategies and implement referral management system and business intelligence module to improve patient access to clinics and improve accuracy of data collection.	**Achieved.** In 2016-17 the following priorities were completed: 1. Electronic referral management system was implemented in Specialist Clinics for external referrals by February 2017 2. Additional reports have been developed in business intelligence to enable monitoring of Specialist Clinics activity, demand and waiting list.
	Ensure the implementation of a range of strategies (including processes and service models) to improve patient flow, transfer times and efficiency in the emergency department, with particular focus on patients who did not wait for treatment and/or patients that re-presented within 48 hours.	Reduce patient length of stay by 10 minutes on average within the emergency department by streamlining diagnostic service processes.	**Achieved.** The project to review streamlining the provision of diagnostic services to the emergency department was completed in Q1. Time for end to end diagnostics was reduced by 11 minutes however this did not result in reduced patient length of stay.

Victorian Health Priority Framework	Health Service Strategy	Deliverable	Outcome
	Identify opportunities and implement pathways to aid prevention and increase care outside hospital walls by optimising appropriate use of existing programs (i.e. the Health Independence Program or telemedicine).	Work with PHNs to develop a community based outpatient service models to improve patient access and increase system cost efficiency.	**Achieved.** Phase 1 of the Better Care Victoria funded project was successfully implemented, reducing the orthopaedic knee referrals on wait list from 1,213 to 384, a 69% reduction. The model of care for Phase 2, the pilot community–based clinic, has been finalised with NWPHN and Merri Community Health. The clinic commenced in April 2017. It will run until the end of 2017 when the full evaluation will be completed.
	Increase the proportion of patients (locally and across the state) who receive treatment within the clinically recommended time for surgery and implement ongoing processes to ensure patients are treated in turn and within clinically recommended timeframes.	Review theatre scheduling and utilisation to achieve 2 per cent improvement in NEST average across the full year.	**Achieved.** Elective Surgery activity was tightly managed throughout the year by ensuring theatre lists were full and patients ready for surgery. A program of weekend theatre lists successfully ensured SVHM was able to achieve the wait list target and helped maintain an annual NEST result of 84% (as per 2016-17).
	Develop and implement a strategy to ensure the preparedness of the organisation for the National Disability and Insurance Scheme and Home and Community Care program transition and reform, with particular consideration to service access, service expectations, workforce and financial management.	Establish a working group to develop a strategy to provide a smooth transition to NDIS and implementation of the HACC reform by the end of 2016-17.	**Achieved.** In 2016-17, SVHM completed the following to prepare for the implementation of the NDIS and HACC Reforms: • Identified potential clients who are NDIS eligible, and facilitating their engagement and progress- specifically for Rehabilitation and Mental Health clients • Registered as an NDIS service provider, with an initial focus on Prosthetics and Orthotics- with scope for further development • Prepared for the transition of HACC services for clients under 65 (specifically for St Vincent's @Home)
	Develop and implement strategies within their organisation to ensure identification of potential organ and tissue donors and partner with DonateLife Victoria to ensure that all possible donations are achieved.	Facilitate relevant staff attending organ donation awareness training courses offered by DonateLife Victoria, implement the Organ and Tissue Authority Clinical Practice Improvement Program into hospital services, and comply with reporting requirements identified by DonateLife Victoria.	**Achieved.** Training completion for the year was 67% of all Senior Medical staff and 100% of Donation nursing and medical staff.

Victorian Health Priority Framework	Health Service Strategy	Deliverable	Outcome
Supporting healthy populations	Support shared population health and wellbeing planning at a local level - aligning with the Local Government Municipal Public Health and Wellbeing plan and working with other local agencies and Primary Health Networks.	Execute a formal partnership with the North West Melbourne PHN in respective service planning with a focus on improving access mental health, drug & alcohol and outpatient services reform.	**Achieved.** In lieu of formal partnership, SVHM and NWPHN have developed an annual work plan to identify service priorities and projects. This plan will be reviewed and updated on an annual basis. 2016-17 primary focus has been outpatient reform.
	Develop and implement strategies that encourage cultural diversity such as partnering with culturally diverse communities, reflecting the diversity of your community in the organisational governance, and having culturally sensitive, safe and inclusive practices.	Continue strong focus on ensuring culturally inclusive practices through training, the provision of interpreter services, partnering with community groups/input by CaLD community through CAC. Update the current SVHM Culturally Responsive Plan which expires in 2016.	**Achieved.** The Cultural Responsiveness Plan 2016-19 has been completed and the online Culturally Responsive Care module has been updated. 19 training workshops have been delivered this quarter and a successful event promoting Refugee Week – Art Exhibition by Asylum Seeker, Boman Ali Wakilzada was held. Work to continue indefinitely.
	Improve the health outcomes of Aboriginal and Torres Strait Islander people by establishing culturally safe practices which recognise and respect their cultural identities and safely meets their needs, expectations and rights.	Re-develop and review the Aboriginal Complex Planning tool and our Aboriginal Patient Support Manual. Full implementation of the SVHA online Cultural Safety Training program.	**Achieved.** An updated Aboriginal Complex Planning Tool is now available and in use and a complete review was undertaken. Significant work on the display of content and online interface for the SVHA Online Cultural Safety training was undertaken and completed in Q2.
	Drive improvements to Victoria's mental health system through focus and engagement in activity delivering on the 10 Year Plan for Mental Health and active input into consultations on the Design, Service and infrastructure Plan for Victoria's Clinical mental health system.	Implement, as a pilot, the Intensive Community Based Support for People Who Have Attempted Suicide Program working with DHHS and other health services in program design and establishment work from now until December 2016; with the pilot programs to commence in January 2017.	**Achieved.** In 2016-17 the following was achieved: 1. St Vincent's and the Department of Health and Human Services have agreed on a service plan and staffing configuration for the pilot Intensive Community Based Support for People Who Have Attempted Suicide Program 2. Recruitment of team completed 3. Model of care using the Collaborative Assessment and Management of Suicide framework (CAMS) completed 4. Promotion strategy in progress and staff training and development near completion.
	Using the Government's Rainbow eQuality Guide, identify and adopt 'actions for inclusive practices' and be more responsive to the health and wellbeing of lesbian, gay, bisexual, transgender and intersex individuals and communities.	Review SVHM's diversity policies to ensure inclusivity and appropriate quality of care for all patients including LGBTI patients.	**Achieved.** Following the completion of staff training, the MH LGBTI working group met to discuss the future direction of the project. Main elements being considered include progressing the process to achieve Rainbow Tick accreditation, seeking internal funding for a research and training project and promotional resources. The organisation now has a new policy template that includes reference to LGBTI consideration.

Victorian Health Priority Framework	Health Service Strategy	Deliverable	Outcome
	Further engagement with relevant academic institutions and other partners to increase participation in clinical trials.	Increase participation in sponsored clinical trials in pharmaceuticals and medical devices via Aikenhead Centre for Medical Discovery partnerships and promotion of Research Valet Service.	**Achieved.** Victorian Clinical Trials Gateway Project under development - initial promotion of VCT Gateway at BIO2017 San Diego. Continuing growth of Research Valet business model with HREC submission and ongoing trial management. Research Valet Service business development at BIO2017 San Diego - Victorian Govt Trade Mission.
Governance and leadership	Demonstrate implementation of the Victorian Clinical Governance Policy Framework: Governance for the provision of safe, quality healthcare at each level of the organisation, with clearly documented and understood roles and responsibilities. Ensure effective integrated systems, processes and leadership are in place to support the provision of safe, quality, accountable and person centred healthcare. It is an expectation that health services implement to best meet their employees' and community's needs, and that clinical governance arrangements undergo frequent and formal review, evaluation and amendment to drive continuous improvement.	Conduct a self-assessment against the Victorian Clinical Governance Policy Framework in order to identify opportunities for system improvement, implement SVHA Inspired to Care (patient experience) program and recommendations from the Consumer-Clinician Communication working party and progress the productive ward implementation to increase patient satisfaction and improving clinical governance oversight.	**Achieved.** In 2016-17 the following were completed: 1. St Vincent's Health Australia has undertaken a review of the Clinical Governance Policy Framework which will feed into the SVHM review undertaken in August 2017. 2. Inspired to Care Program Launched August 2016 3. All 24 inpatient wards are actively implementing the productive ward program. 4. The Consumer-Clinician Communication Working Party is progressing the analysis of patient experience data at an organisational level.
	Ensure that an anti-bullying and harassment policy exists and includes the identification of appropriate behaviour, internal and external support mechanisms for staff and a clear process for reporting, investigation, feedback, consequence and appeal and the policy specifies a regular review schedule.	Implement the SVHA "Ethos" Program (anti bullying and harassment) comprising an electronic reporting system, an accountability framework and a comprehensive peer training initiative to focus on prevention and early intervention by the end of 2016-17.	**Achieved.** The "Ethos" program has been introduced and is actively being used by staff.
	Board and senior management ensure that an organisational wide occupational health and safety risk management approach is in place which includes: (1) A focus on prevention and the strategies used to manage risks, including the regular review of these controls; (2) Strategies to improve reporting of occupational health and safety incidents, risks and controls, with a particular focus on prevention of occupational violence and bullying and harassment, throughout all levels of the organisation, including to the board; and (3) Mechanisms for consulting with, debriefing and communicating with all staff regarding outcomes of investigations and controls following occupational violence and bullying and harassment incidents.	Implement staff safety business plans to decrease lost time injury rates by 20 per cent and improve hazard reporting to 65 per month by June 2017.	**Achieved.** The Safety Plan implementation has decreased LTI injury rates by 30%, exceeding our 20% target. Hazard reporting has increased by 150%. This was an average of 40 hazards reported in VHIMS a month, an improvement on the 2015-16 average of 14.

Victorian Health Priority Framework	Health Service Strategy	Deliverable	Outcome
	Implement and monitor workforce plans that: improve industrial relations; promote a learning culture; align with the Best Practice Clinical Learning Environment Framework; promote effective succession planning; increase employment opportunities for Aboriginal and Torres Strait Islander people; ensure the workforce is appropriately qualified and skilled; and support the delivery of high-quality and safe person centred care.	Develop a long-term workforce capacity and capability plan by May 2017 with reference to the Clinical Service Plans and Staff Engagement Survey results.	**Not achieved.** Work will commence in Q4 and this initiative will be completed in 2017-18 through the development of an organisational people development strategy.
	Create a workforce culture that: (1) includes staff in decision making; (2) promotes and supports open communication, raising concerns and respectful behaviour across all levels of the organisation; and (3) includes consumers and the community.	Implement the SVHA staff Formation Program and achieve a 20% participation rate in Year 1 by the end of 2016-17.	**Achieved.** The SVHA "Inspired to Shine" program has been developed for SVHA with the 'Ethos' program launched in July 2017.
	Ensure that the Victorian Child Safe Standards are embedded in everyday thinking and practice to better protect children from abuse, which includes the implementation of: strategies to embed an organisational culture of child safety; a child safe policy or statement of commitment to child safety; a code of conduct that establishes clear expectations for appropriate behaviour with children; screening, supervision, training and other human resources practices that reduce the risk of child abuse; processes for responding to and reporting suspected abuse of children; strategies to identify and reduce or remove the risk of abuse and strategies to promote the participation and empowerment of children.	Ensure that the Victorian Child Safe Standards are embedded in everyday thinking and practice to better protect children from abuse, which includes the implementation of: strategies to embed an organisational culture of child safety; a child safe policy or statement of commitment to child safety; a code of conduct that establishes clear expectations for appropriate behaviour with children; screening, supervision, training and other human resources practices that reduce the risk of child abuse; processes for responding to and reporting suspected abuse of children; strategies to identify and reduce or remove the risk of abuse and strategies to promote the participation and empowerment of children.	**Achieved.** SVHM is compliant with the seven (7) Child Safe Standards and Reportable Conduct Scheme through the implementation of the SVHM Child Safe Policy and the Safeguarding Children Policy for Youth Justice.
	Implement policies and procedures to ensure patient facing staff have access to vaccination programs and are appropriately vaccinated and/or immunised to protect staff and prevent the transmission of infection to susceptible patients or people in their care.	Implement the annual flu vaccination program and achieve minimum 75 per cent vaccination rate.	**Achieved.** 2016 SVHM staff influenza vaccination rate closed at 76.82%, exceeding the DHHS target of 75%.

Victorian Health Priority Framework	Health Service Strategy	Deliverable	Outcome
Financial sustainability	Further enhance cash management strategies to improve cash sustainability and meet financial obligations as they are due.	Continue to consolidate all billing and credit management functions into one department to improve cash and working capital performance.	**Achieved.** The recently appointed SVHM revenue services manager has identified several initiatives that will be incorporated in the 2017-18 Budget. Management and consolidation of the separate billing functions will be considered later in 2017.
	Actively contribute to the implementation of the Victorian Government's policy to be net zero carbon by 2050 and improve environmental sustainability by identifying and implementing projects, including workforce education, to reduce material environmental impacts with particular consideration of procurement and waste management, and publicly reporting environmental performance data, including measureable targets related to reduction of clinical, sharps and landfill waste, water and energy use and improved recycling.	Implement Year 1 of SVHA's National Energy Action Plan (NEAP) to reduce environmental impact of our energy use and lower carbon emissions.	**Achieved.** Phase 1 of the national energy Action Plan has been completed. Implementation will continue as planned into 2017-18.

PART B: PERFORMANCE PRIORITIES

Quality and safety

Key Performance Indicator	Target	2016-17 actuals
Accreditation		
Compliance with NSQHS Accreditation Standards	Full compliance	Achieved
Compliance with the Commonwealth's Aged Care Accreditation Standards	Full compliance	Achieved
Infection prevention and control		
Compliance with cleaning standards	Full compliance	Achieved
Cleaning standards (AQL-A)	90	Achieved
Cleaning standards (AQL-B)	85	Achieved
Cleaning standards (AQL-C)	85	Achieved
Compliance with the Hand Hygiene Australia program	80%	83%
Percentage of healthcare workers immunised for influenza	75%	76.82%
Patient experience		
Victorian Healthcare Experience Survey-data submission	Full compliance	Achieved
Victorian Healthcare Experience Survey - Patient Experience Quarter 1	95% positive experience	93.6%
Victorian Healthcare Experience Survey - Patient Experience Quarter 2	95% positive experience	92.1%
Victorian Healthcare Experience Survey - Patient Experience Quarter 3	95% positive experience	91.8%
Victorian Healthcare Experience Survey – Discharge Care Quarter 1	75% very positive experience	71.8%
Victorian Healthcare Experience Survey – Discharge Care Quarter 2	75% very positive experience	72.7%
Victorian Healthcare Experience Survey – Discharge Care Quarter 3	75% very positive experience	72.1%
Healthcare associated infections		
Number of patients with surgical site infection	No outliers	Achieved
ICU central line associated blood stream infection	No outliers	Not achieved
SAB rate per occupied bed days*	<2/10,000	Achieved
Continuing care		
Functional Independence gain from admission to discharge relative to length of stay	>/=0.39 (GEM) and >/=0.645 (rehab)	Achieved
Mental health		
Percentage of adult inpatients who are readmitted within 28 days of discharge	14%	16%
Rate of seclusion events relating to an acute admission-composite seclusion rate	</=15/1,000	12
Rate of seclusion events related to an adult acute admission	</=15/1,000	15
Rate of seclusion events related to an aged acute admission	<15/1,000	4
Percentage of adult patients who have post-discharge follow-up within 7 days	75%	66%**
Percentage of aged patients who have post-discharge follow-up within 7 days	75%	48%**

* SAB is Staphylococcus aureus bacteraemia

** This data may have been affected by industrial activity during the financial year. The collection of non-clinical and administrative data was affected, with impacts on community mental health service activity and client outcome measures

Access performance

Key performance indicator	Target	2016-17 actuals
Emergency care		
Percentage of ambulance transfers within 40 minutes	90%	76%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended times	80%	70.4%
Percentage of emergency patients with a length of stay less than four hours	81%	69.5%
Number of patients with length of stay in the emergency department greater than 24 hours	0	0
Elective surgery		
Percentage of Urgency Category 1 elective patients removed within 30 days	100%	100%
Percentage of elective patients removed within clinically recommended timeframes	94%	83.7%
20% longest waiting Category 2 and 3 removals from the elective surgery waiting list	100%	100%
Number of patients on the elective surgery waiting list*	1,025	1,013
Number of Hospital Initiated Postponements per 100 scheduled admissions	</= 8/100	6.4/100
Number of patients admitted from the elective surgery waiting list- annual total	8,200	7,458
Specialist clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days **	100%	97%
Percentage of routine patients referred by a GP or external specialist who attended a first appointment within 365 days**	90%	92%

* The target shown is the number of patients on the elective surgery waiting list as at 30 June 2017
** The results quoted are calculated internally by SVHM. At present DHHS reporting structures do not align with SVHM data resulting in an understatement of performance in these KPIs as verified by a DHHS data integrity audit.

Financial sustainability performance

Key Performance Indicator	Target	2016-17 actuals
Finance		
Operating result ($m)	0.1	2.5
Trade Creditors	< 60 days	59 days
Patient fee Debtors	< 60 days	50 days
Public & Private WIES* performance to target	100%	104%
Adjusted Current Asset Ratio	0.7	0.94
Days available cash	14 days	13.1
Asset management		
Asset management plan	Full compliance	Full compliance

* WIES is a weighted Inlier Equivalent Separation

PART C: ACTIVITY AND FUNDING

Funding type	2016-17 Activity Achievement
Acute Admitted	
WIES DVA	269
WIES Private	6,809
WIES Public	49,124
WIES TAC	134
WIES Total	**56,336**
Acute Non-admitted	
Home Renal Dialysis	80
Total Parenteral Nutrition	67
Home Enteral Nutrition	1,148
Aged Care	
HACC	3,320
Residential Aged Care (High Care Facilities Only – Cambridge House)	10,313
Subacute & Non-acute Admitted	
Transition Care – Bed days	9,881
Transition Care – Home days	11,271
Subacute WIES-GEM Private	322
Subacute WIES-GEM Public	895
Subacute WIES-Palliative Care Private	268
Subacute WIES-Palliative Care Public	398
Subacute WIES-Rehabilitation Private	330
Subacute WIES-Rehabilitation Public	800
Subacute WIES-DVA	100
Aged Care	
Health Independence Program - Public	65,609
Mental Health and Drug Services	
Drug Services	502
Mental Health Ambulatory	36,273*
Mental Health Residential	29,200
Mental Health Subacute	3,650
Mental Health Inpatient – Available bed days	23,360
Other	
NFC – Islet cell Transplantation	1
Health Workforce	312.08

* This data may have been affected by industrial activity during the financial year. The collection of non-clinical and administrative data was affected, with impacts on community mental health service activity and client outcome measures.

Attestation on Data Integrity

I, Susan O'Neill, Chief Executive Officer certify that St Vincent's (Melbourne) Limited has put in place appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance. St Vincent's Hospital (Melbourne) Limited has critically reviewed these controls and processes during the year.

Attestation for compliance with Ministerial Standing Direction 3.7.1

I, Susan O'Neill, Chief Executive Officer certify that St Vincent's (Melbourne) Limited has complied with Ministerial Direction 3.7.1 – Risk Management Framework and Processes. The St Vincent's Hospital (Melbourne) Limited Audit and Risk Committee verifies this.

A/Prof Susan O'Neill
Chief Executive Officer
Dated 21 August 2017
Melbourne

Report Availability

This report is readily available to Members of Parliament and the public on the St Vincent's internet at www.svhm.org.au or by calling the Office of the CEO on 03 9231 3938 to request a copy.

Additional information (FRD 22H)

In compliance with the requirements of FRD 22H Standard Disclosures in the Report of Operations, details in respect of the items listed below have been retained by St Vincent's Hospital (Melbourne) Limited and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the Freedom of Information requirements, if applicable):

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

Compliance with DataVic Access Policy

Consistent with the DataVic Access policy issued by the Victorian Government in 2012, all data tables included in this annual report will be available at http://www.data.vic.gov.au/ in machine readable format.

Company DIRECTORY

Directors

St Vincent's Hospital (Melbourne) Limited is part of the St Vincent's Health Australia group (SVHA).

SVHA is Australia's largest not-for-profit, non-government healthcare provider and is led by Board Chair Paul Robertson and SVHA Chief Executive Officer Toby Hall. As well as St Vincent's Hospital (Melbourne) Limited, SVHA comprises a number of health entities that are either operated solely by SVHA or in partnership with other Congregations.

During the period 1 July 2016 to 30 June 2017, the Trustees of Mary Aikenhead Ministries made all appointments and reappointments to the SVHA Board.

The following persons were Directors of SVHA during the period 1 July 2016 to 30 June 2017:

Mr Paul Robertson AM
Chair

Ms Patricia Faulkner AO
Deputy Chair

Prof. Maryanne Confoy RSC

Prof. Suzanne Crowe AM

Mr Brendan Earle

Mr Gary Humphrys
until 30 June 2017

Mr Paul McClintock AO

Ms Anne McDonald
appointed 1 June 2017

Prof. Peter Smith
retired 31 December 2016

Sr Mary Wright IBVM

Dr Michael Coote
appointed 4 August 2016

Secretary

Mr R Beetson
Mr P Fennessy

Chief Executive Officer

A/Prof Susan O'Neill

Registered office

Level 22, 100 William Street
Woolloomooloo NSW 2011

Auditor

HLB Mann Judd as agent of the Victorian Auditor General's Office

Solicitors

K and L Gates

Bankers

National Australia Bank

Ultimate Parent

St Vincent's Hospital (Melbourne) Limited (the 'Company') is a public company limited by guarantee. The sole member of the Hospital is St Vincent's Health Australia Limited. The ultimate controlling entity of the Hospital is the Trustees of Mary Aikenhead Ministries.

DIRECTORS' REPORT

The Directors present their report on the Hospital for the financial year ended 30 June 2017. The financial statements have been prepared pursuant to the provisions of the *Australian Charities and Not-for-Profits Commission Act 2012 (Cth)* and the *Financial Management Act 1994 (Vic)* with the exception of the application of FRD103F Non-Financial Physical Assets and FRD114A Financial Instruments.

Chair

Mr Paul Robertson AM

Qualifications

Bachelor of Commerce, Fellow CPA Australia.

Experience

Paul was appointed to the Board on 1 October 2009 and was appointed as Chair on 5 October 2012. Paul is a former Executive Director of Macquarie Bank with extensive experience in banking, finance and risk management. Paul is Chair of Social Ventures Australia, Chair of the Trustees of St Vincent's Hospital Sydney and holds several private company directorships. In 2016 Paul was appointed as chair of Alzheimer's Australia.

Special responsibilities

Paul is chair of the People & Culture Committee.

Deputy Chair

Ms Patricia Faulkner AO

Qualifications

BA, Dip. Education, MBA; Fellow of Public Administration Australia, Fellow of Public Administration (Victoria) and Fellow of the College of Health Service Executives.

Experience

Patricia was appointed to the Board on 1 October 2010. Patricia was a previous global Partner-in-Charge, Health Sector at KPMG and a previous Secretary of the Victorian Government Department of Human Services. She has held a number of roles with the Victorian Government over a period of almost 30 years in the Department of Labour and Department of Community Welfare Services. Patricia is Chair of Jesuit Social Services and the Telecommunication Industry Ombudsman.

She is a Member of the Boards of CEDA and VicSuper. Patricia was a Deputy Commissioner to the Victorian Government's Royal Commission into Family Violence and served on the Victoria Government Service and Infrastructure Planning Ministerial Advisory Committee. Patricia is member of the newly established Catholic Professional Standards Board.

Special responsibilities
Patricia is Deputy Chair of the Board, a member of the Clinical Governance & Safety Committee and a member of the Mission, Ethics & Advocacy Committee.

Prof. Maryanne Confoy RSC

Qualifications
Bachelor of Arts from the University of Melbourne, postgraduate studies at both Boston College and Harvard Graduate School of Education, and a Doctor of Philosophy at Boston College.

Experience
Prof. Maryanne was appointed to the Board on 6 February 2012. Prof. Maryanne is a Religious Sister of Charity and Professor of Pastoral Theology at Pilgrim College, Melbourne University of Divinity, and a member of the Jesuit Theological Consortium. She is a Fellow of the Melbourne University of Divinity. Her governance roles have included member of the Australian Catholic University Senate and Chair of MCD Board of Postgraduate Studies. She is a Board member of Broken Bay Institute of Theological Educations, a member of the St Vincent's Foundation Committee, of the Board of LUCRF Community Partnership Trust, and of The Way Community for Homeless Men.

Special responsibilities
Sr Maryanne is a member of the Mission, Ethics and Advocacy Committee and the People and Culture Committee.

Dr Michael Coote

Qualifications
MB BS FRANZCO GAICD, Clinical Associate Professor University of Melbourne, Senior Consultant RVEEH, Lead Investigator Glaucoma Surgery Unit Centre for Eye Research Australia, member of Australian Medical Association, graduate of Australian Institute of Company Directors, member of Royal Australian New Zealand College of Ophthalmology.

Experience
Michael was appointed to the Board of St Vincent's Health Australia on 4 August 2016. Michael was prior to his commencement on the Board of Mercy Health for nine years where he was Chair of the Board Quality Committee for four years. During this time, Mercy Health grew in four states and expanded significantly into aged care. Michael is a clinician with research commitments and recently retired from the Clinical Director of Ophthalmology role at the Royal Victorian Eye and Ear Hospital.

Special responsibilities
Michael is Chair of the Board Research & Education Committee and a Member of the Board Clinical Governance & Safety Committee.

Prof. Suzanne Crowe AM

Qualifications
MBBS (Honours IIA) - Monash University/ Alfred Hospital Medical School

Fellow, Royal Australasian College of Physicians, (Speciality: Infectious Diseases); and, MD Thesis "Role of Macrophages in HIV Pathogenesis", Monash University.

Experience
Suzanne was appointed to the Board on 1 January 2013. Suzanne is a consultant physician in infectious diseases and general medicine at The Alfred since 1994. She has authored over 200 published papers, five books and 68 book chapters in the field. She is also an Associate Director of the Burnet Institute, Principal Research Fellow with the National Health Medical Research Council, Principal Specialist in Infectious Diseases at The Alfred Hospital and Adjunct Professor of Medicine and Infectious Diseases at Monash University, Melbourne.

Suzanne is Head of the international Clinical Research Laboratory at the Burnet Institute and the World Health Organization (WHO) Regional Reference Laboratory for HIV Resistance Testing and an adviser and consultant to the WHO Global Program on AIDS. She was recently appointed as a director of Avita Medical Limited and also to the Maddie Riewoldt Scientific Advisory Board. She has served as Deputy Chair of the Board of the Australian India Council (Department of Foreign Affairs and Trade), as a member of the Prime Minister's Science, Engineering and Innovation Council Asia Working Group and as President of the Australasian Society for HIV Medicine.

Special responsibilities
Suzanne is the Chair of the Clinical Governance & Safety Committee, a member of the Mission, Ethics & Advocacy Committee and a member of the Research & Education Committee.

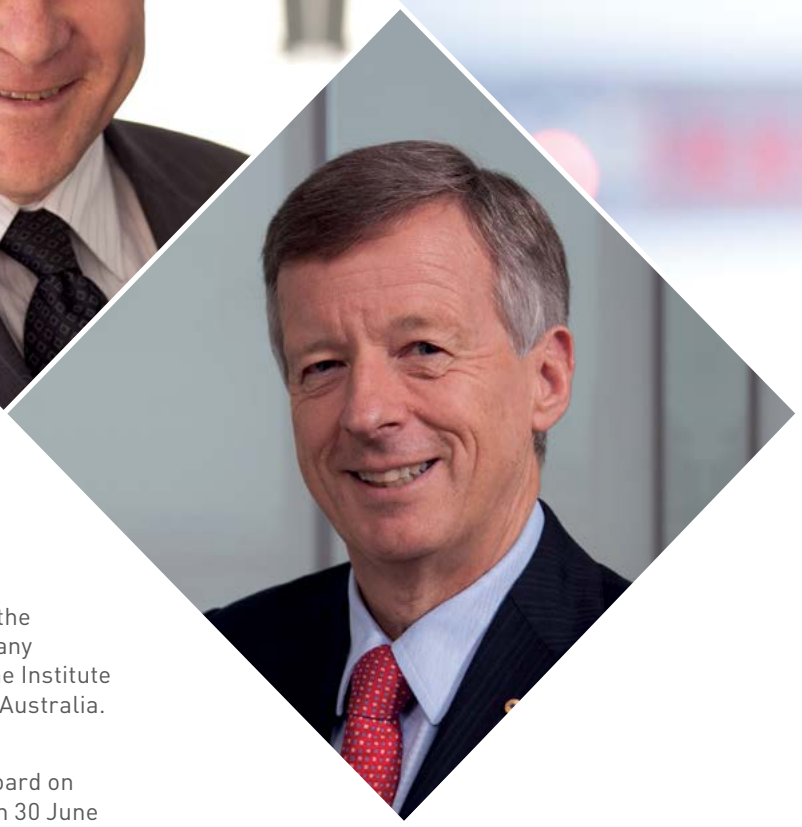
Mr Brendan Earle

Qualifications
Bachelor of Laws (Hons); Bachelor of Arts

Barrister and Solicitor, Supreme Court of Victoria.

Experience
Brendan was appointed to the Board on 1 October 2010. Brendan is a partner with the international law firm, Herbert Smith Freehills. He has over 25 years' experience providing commercial legal advice across a range of industries and specialises in large or strategically important negotiated transactions including acquisitions, sales, joint ventures and corporate restructuring and acts as a relationship partner for several clients of the firm. Brendan has a long-standing interest in the Australian healthcare industry and has advised the Commonwealth Government, private insurers, aged care providers, private consulting practices and pharmaceutical manufacturers on a diverse range of projects.

Special responsibilities
Brendan is a member of the Finance & Investment Committee, the Clinical Governance & Safety Committee, the ad hoc Health Infrastructure Partnership Committee and the Audit & Risk Committee.



Mr Gary Humphrys

Qualifications
Graduate Diploma Business Administration; Graduate of the Australian Institute of Company Directors; and, Member of the Institute of Chartered Accountants in Australia.

Experience
Gary was appointed to the Board on 1 October 2010 and retired on 30 June 2017. Gary has almost 40 years of experience in senior executive roles covering a number of disciplines including finance and accounting, treasury, taxation, IT, procurement and audit in the energy and mining industries in both the public and private sector. Gary was Deputy Chair of Ergon Energy Corporation Limited until 31 December 2016, was a Director of The Holy Spirit Northside Private Hospital Limited (until 19 July 2017) and HESTA superannuation.

Special responsibilities
Gary was until 30 June 2017 Chair of the Audit & Risk Committee, a member of the Mission, Ethics & Advocacy Committee and a member of the Finance & Investment Committee. The SVHA Board approved suspending clause 2.3 of the SVHA Board Audit & Risk Committee Charter to allow Gary to continue as Committee Chair for a period post his retirement from the SVHA Board until 13 October 2017.

Mr Paul McClintock AO

Qualifications
Graduated in Arts and Law from the University of Sydney and is an honorary fellow of the Faculty of Medicine of that University, and a Life Governor of the Woolcock Institute of Medical Research.

Experience
Paul was appointed to the Board on 1 January 2013. Paul was previously Chairman of Medibank Private Limited and is currently Chair of Myer Holdings Limited, I-MED Network and NSW Ports. He is Chair of the Committee for the Economic Development of Australia.

Paul served as the Secretary to Cabinet and Head of the Cabinet Policy Unit reporting directly to the Prime Minister as Chairman of Cabinet with responsibility for supervising Cabinet processes and acting as the Prime Minister's most senior personal adviser on strategic directions in policy formulation.

His former positions include Chairman of the COAG Reform Council, Thales Australia, Symbion Health, Affinity Health and the Woolcock Institute of Medical Research and directorships with the Australian Strategic Policy Institute. He has also served as Commissioner of the Health Insurance Commission.

Special responsibilities
Paul is Chair of the Finance & Investment Committee and a member of the Research & Education Committee and the ad hoc Health Infrastructure Partnership Committee.

Ms Anne McDonald

Qualifications
Bachelor of Economics, Chartered Accountant, Fellow of the Institute of Chartered Accountants, Graduate and Member - Australian Institute of Company Directors

Experience
Anne was appointed to the Board of St Vincent's Health Australia on 1 June 2017. Anne had previously served on the boards of a number of St Vincent's entities prior to 2010.

Anne is an experienced non-executive director with a solid understanding of corporate governance. She has pursued a full-time career as an NED since 2006. She is currently a director of three ASX listed entities and Chair of a State-Owned Corporation - Spark Infrastructure, Link Administration Group, Speciality Fashion Group, and Water NSW.

Special responsibilities
Anne is a member of the Board Audit & Risk Committee.

Prof. Peter Smith

Qualifications
Bachelor of Science, Bachelor of Medicine /Bachelor of Surgery, Doctor of Medicine. Fellow of the Royal Australasian College of Physicians, Fellow of the Royal College of Pathologists Australasia and fellow of the AICD.

Experience
Peter was appointed to the Board on 1 October 2010 and retired on 31 December 2016. Peter was Dean of the Faculty of Medicine at the University of New South Wales. Peter was a Director of the Garvan Institute of Medical Research (Chair, Kinghorn Centre for Clinical Genomics Committee), Neuroscience Research Australia and Ingham Health Research Institute. He was President, Medical Deans, Australia and New Zealand and a Group Captain, RAAF Specialist Reserve. Peter remains a Director of The Sax Institute of Health Research (Chair, Research Governance Committee)

Special responsibilities
Peter was Chair of the Clinical Governance & Safety Committee (Previously Quality & Safety) and a member of the People & Culture Committee.

Sr Mary Wright IBVM

Qualifications
Master of Science (University of Melbourne), Dip. of Education (Monash Univ.), Bachelor of Divinity (Melb. College of Divinity), Ph. D. (JCD) in Canon Law (University Saint Paul, Ottawa, Canada).

Experience
Sr Mary was appointed to the Board on 1 October 2013. Sr Mary has extensive experience in leadership in Catholic Church institutions including the positions of School Principal Loreto College Ballarat and Loreto College, Kirribilli, Australian Province Leader (Loreto Sisters), 8 years in Rome as International Leader (Loreto Sisters) and has recently been appointed as a director of Loreto Ministries Limited. She has practiced in the area of Church law in Australia (including lecturing at Yarra Theological Union) and most recently in the Vatican (in the Congregation for Institutes of Consecrated Life and Societies of Apostolic Life). Her specialty is in the area of institutional governance. Sr Mary was also a Trustee of Catholic Healthcare.

Special responsibilities
Sr Mary is Chair of the Mission, Ethics & Advocacy Committee, a member of the Audit & Risk Committee and a member of the People & Culture Committee.

Company Secretary

Mr Robert Beetson

Qualifications

Bachelor of Laws/Bachelor of Arts (Macquarie), Grad Dip in Legal Practice, Master of Laws (UNSW) (Human Rights & Social Justice), Grad Dip in Humanities (Italian) (UNE).

Experience

Rob has worked for over 30 years in the health industry. He is admitted as a Solicitor to the Supreme Court of NSW, Member of the Law Society of NSW, Associate Member of the Governance Institute of Australia, and Member Australian Corporate Lawyers Association. He was previously Manager of Investigations at the Health Care Complaints Commission (NSW).

Alternate Company Secretary

Mr Paul Fennessy

Qualifications

Bachelor of Engineering (Civil) (Hons)/ Bachelor of Laws (Monash).

Experience

Paul has over 20 years' experience as a lawyer. He is admitted as a Solicitor to both the Supreme Court of NSW and the Supreme Court of Victoria and holds an unrestricted NSW Practicing Certificate.

PRINCIPAL ACTIVITIES

St Vincent's Hospital (Melbourne) Limited provides medical and surgical services, sub-acute care, aged care, correctional health, mental health services and a range of community and outreach services St Vincent's Hospital (Melbourne) Limited is a major teaching, research and tertiary referral centre.

KEY OBJECTIVES

St Vincent's Hospital (Melbourne) Limited has enunciated a number of key short and long term objectives in the SVHA enVision 2025 strategic plan.

Some of the core objectives are to:

- Expand existing sites
- Establish partnerships and expand into growth corridors
- Increase St Vincent's impact among the poor and vulnerable through funding and service-partnership models
- Develop Centres of Excellence to grow referral pathways

The manner in which these objectives are to be achieved is set in detail in the SVHA envision 2025 strategic plan.

St Vincent's Hospital (Melbourne) Limited measures its performance in detailed monthly Finance and Activity reports that are issued to the Senior Executive, SVHA Board and Department of Health and Human Services.

TRADING RESULT

The result of the company for the financial year was a deficit of $1,245,000.

REVIEW OF OPERATIONS

A review of the operations of St Vincent's Hospital (Melbourne) Limited during the financial year and the result of those operations are set out below:

	2017 $'000	2016 $'000
Total Revenue for the year	764,694	688,597
Results for the year	(1,245)	(3,882)

Revenue for the year increased, reflecting additional Department of Health and Human Services (DHHS) funding driven by indexation and growth in both government and non-government funded activities.

Comparative increases in revenue and expenditure for the year were, in the main, related to increases in revenue indexation to support increases in pay awards and other costs in line with activity increases and increases in the treatment of complex patients requiring additional medical and surgical inputs. The capital result for the year is a loss because depreciation has risen to exceed capital purpose income as a result of the prior years' substantial investment program.

MEMBERS' GUARANTEE

The company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of $100 towards meeting any outstanding obligations of the company. At 30 June 2017, the company had one member (2016: one member).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the State of Affairs of St Vincent's Hospital (Melbourne) Limited.

SUBSEQUENT EVENTS

There has been no matter or circumstance, which has arisen since 30 June 2017 that has significantly affected, or may affect:

a. The operations, in financial years subsequent to 30 June 2017, of St Vincent's Hospital (Melbourne) Limited, or

b. The results of those operations, or

c. The state of affairs, in financial years subsequent to 30 June 2017, of St Vincent's Hospital (Melbourne) Limited

LEGISLATIVE COMPLIANCE

St Vincent's Hospital (Melbourne) Limited is committed to promoting a culture of legislative compliance as a core component of the organisation's overall risk management strategy. Legislative Compliance is reported to the SVHA Board annually. Any serious or non-compliant issues are managed in a proactive and transparent manner and at an appropriate level of seniority. In particular, St Vincent's Hospital (Melbourne) Limited notes its compliance with the following legislation:

FINANCIAL MANAGEMENT ACT 1994.

Protected Disclosure Act 2012. The purpose of the Act is to encourage and facilitate the making of disclosures of corrupt or improper conduct by public officers and public bodies, its employees and members, without the fear of reprisal. Disclosures under the Act about improper conduct of, or detrimental action taken in reprisal for a protected disclosure by, St Vincent's Hospital (Melbourne) Limited or its employees and directors, must be made to the Victorian Independent Broad-based Anti-corruption Commission (IBAC). St Vincent's Hospital (Melbourne) Limited is not aware of any disclosures under the Act during the reporting period.

Carers Recognition Act 2012. The purpose of the Act is to recognise people in care relationships and the role of carers in our community. The Act sets out principles that recognise and support people in care relationships and includes obligations for organisations such as St Vincent's Hospital (Melbourne) Limited that are funded by the State Government to develop and provide policies, programs or services that affect people in care relationships.

National Competition Policy. In accordance with the Competition Principles Agreement (CPA) the State of Victoria is obliged to apply competitive neutrality policy and principals to all significant business activities undertaken by government agencies.

St Vincent's Hospital (Melbourne) Limited has regard to this policy in relevant significant business activities.

Freedom of Information Act 1982. The purpose of the Act is to give members of the public rights of access to official documents of the Government of Victoria and its agencies. See page 20 of this report for details of St Vincent's Hospital (Melbourne) Limited compliance.

The building and maintenance provisions of the *Building Act 1993 and Minister for Finance Guideline Building Act 1993/ Standards for Publicly Owned Buildings/ November 1994)* to the extent that these provisions are applicable noting that not all St Vincent's Hospital (Melbourne) Limited Buildings are publicly owned. See page 19 of this report.

The Victorian Industry Participation Policy Act 2003 and Guidelines. The purpose of the Act is to require agencies to consider opportunities for competitive local suppliers when awarding certain contracts. St Vincent's Hospital (Melbourne) Limited complies with this policy. St Vincent's Hospital (Melbourne) Limited however had no contract that fell within the ambit of the Act in 2016-2017.

Under the Departments Policy and Funding Guidelines, St Vincent's Hospital (Melbourne) Limited is also required to have an *Environmental Management Plan* (EMP) and to report on environmental performance – St Vincent's Hospital (Melbourne) Limited and SVHA have an EMP, as reported on page 19.

INDEMNIFYING OFFICER OR AUDITOR

St Vincent's Hospital (Melbourne) Limited has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the cost or expenses to defend legal proceedings;

With the exception of the following matter:

- During or since the end of the financial year the company has paid premiums to insure directors and officers against liabilities for costs or expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of a director or officer of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was paid as part of an overall insurance charge.

ROUNDING OF AMOUNTS

St Vincent's Hospital (Melbourne) Limited is an entity of the kind referred to in Legislative Instrument 2016/191 issued by ASIC, dated 24 March 2016, and in accordance with that Legislative Instrument amounts in the Directors' Report and the financial statements are rounded to the nearest thousand dollars.

BOARD COMMITTEES

There are seven committees of SVHA:

Audit & Risk

Finance & Investment

Mission, Ethics & Advocacy

People & Culture

Clinical Governance & Safety Committee (Previously Quality & Safety)

Research & Education Committee

Ad hoc Health Infrastructure Partnerships Committee

REMUNERATION

SVHA directors receive payment for their roles as Directors.

IN ATTENDANCE

The following members of the SVHA Group Executive attended Board meetings for that part of the agenda agreed by the Board:

Mr Robert Beetson, as Company Secretary

Mr Toby Hall, as Chief Executive Officer

Ms Ruth Martin, as Group Chief Financial Officer

Ms Lisa McDonald, as Group Mission Leader

Mr David Swan, as Chief Executive Officer of St Vincent's Health Australia Private Hospitals Division

Mr John Leahy, as Chief Executive Officer of St Vincent's Health Australia Aged Care and Shared Services Division

Ms Patricia O'Rourke, as Chief Executive Officer of St Vincent's Health Australia Public Hospitals Division

Dr Victoria Atkinson, as Group General Manager Clinical Governance and Chief Medical Officer

Mr David Bryant, as Group General Manager People, Culture and Communication

Ms Abbie Clark, Group Manager, Public Relations

COMMITTEES

The SVHA Board has established The Friends of St Vincent's to advise and support its facilities in Victoria in the achievement of SVHA's Mission and strategic objectives.

Using their professional networks, profiles, reputations, experience and influence The Friends provide high level advice on strategic and complex issues by:

- Engaging in strategic dialogue on key issues relating to patient care, medical research and corporate efficiency
- Being informed on current and emerging issues and risks in healthcare and aged care and providing advice.
- Increasing engagement between health, research, business, government, the Catholic Church and industry for the benefit of all Victorians
- Testing or offering innovative solutions to key strategic and policy issues in health and medical research
- Bringing key community issues and needs to The Friends for high level exploration.

Ms Patricia Faulkner AO, Deputy Chair of the SVHA Board is the Chair of The Friends of St Vincent's.

MEETINGS OF DIRECTORS

The numbers of meetings of the company's Board of Directors and of each Board committee held from 1 July 2016 to 30 June 2017, and the number of meetings attended by each director were:

	Board	Audit & Risk	FI*	MEA**	People & Culture	Quality & safety	RE***	HIP****
Number of meetings:	7	5	7	4	4	7	1	2
Mr P Robertson AM	7/7				4/4			2/2
Ms P Faulkner AO	7/7			4/4		5/7		
Ms A McDonald	1/1							
Sr M Confoy RSC	7/7			4/4	4/4			
Prof. S Crowe AM	7/7			3/4		7/7	1/1	0/2
Mr B Earle	7/7	5/5	7/7			3/4		2/2
Mr G Humphrys	7/7	5/5	7/7	4/4				
Mr P McClintock AO	7/7		7/7				0/1	1/2
Prof. P Smith	4/4				2/3	2/3		
Sr Mary Wright IBVM	6/7	5/5		3/4	3/4			
Dr M Coote	7/7					6/6	1/1	1/2

Note: Format is 'number of meetings attended/numbers of meetings eligible to attend'

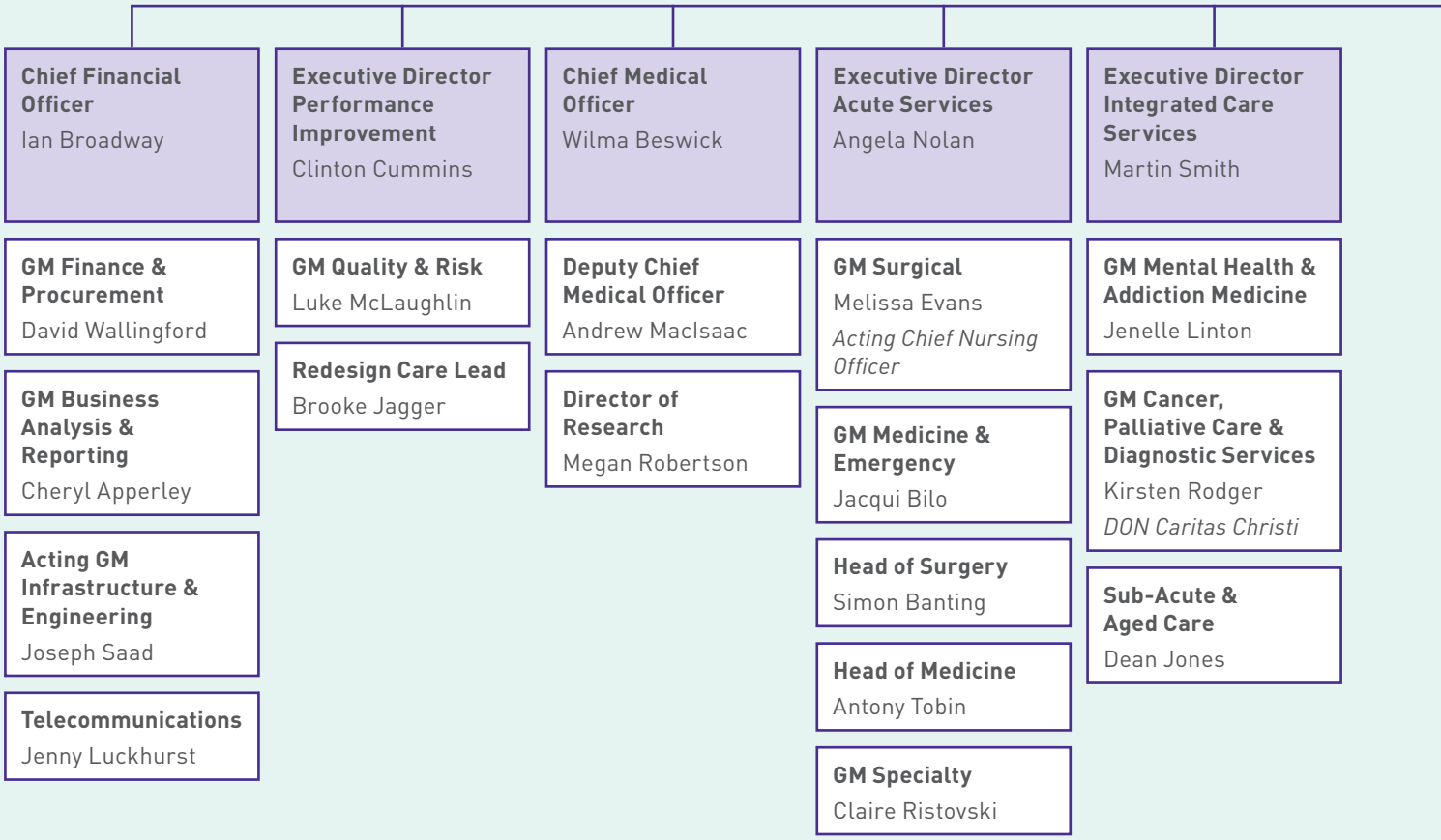
* Finance & Investment

** Mission, Ethics & Advocacy

*** Research & Education

**** Health Infrastructure Partnerships

2017 SVHA ORGANISATIONAL STRUCTURE



Professor of Medicine – Mark Cook
Professor of Surgery – Peter Choong
Professor of Psychiatry – David Castle
Chair, Senior Medical Staff – Andrew Walby
Executive Director, ACMD – Tom Kay

Chief Executive Officer
Susan O'Neill

Executive Officer
Susan Miller

Executive Director Community Services
Stephen Vale

- **GM Allied Health & Community Services**
  Fiona McKinnon
  Chief Allied Health Officer
- **Chief Pharmacist**
  Andrew Cording
- **Manager Correctional Health**
  Kris Mahily
- **Infection Control**
  Jo Cocks
- **Manager Biomedical Engineering & Physics**
  Leigh Baker

Executive Director People & Corporate Support
Chris Roussos

- **GM Human Resources**
  Keith Gogel
- **Manager Clinical Workforce Unit**
  Tim Martin
- **General Manager Health Safety & Wellbeing**
  Christina Rennick
- **Manager HRIS & Payroll**
  Craig Smith
- **Manager Food Services**
  Stephen Tippett
- **Manager Environmental Services**
  Stella Moon
- **Manager Security**
  Paul Cunningham
- **Manager Learning & Development**
  Mark Trench
- **Director Clinical Education & Simulation**
  Julian Van Dijk
- **Manager Nurse Education**
  Deanne Riddington

Executive Director Strategy & Planning
Andrew Crettenden

- **Manager, Projects**
  Robert Moody
- **Acting Director Foundation**
  Katerina Kantalis
- **Manager Media & Communication**
  Kathy Bowlen
- **Business Manager**
  Helen Alivanoglou

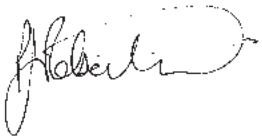
Executive Director Mission
Maria Egan

- **Manager Pastoral Care**
  Annie Forrest
- **Manager Mission Services & Social Justice**
  Ashima Gupta
- **Coordinator Mission & Events**
  Ann-Maree Guirguis
- **Aboriginal Health**
  Toni Mason
- **Catholic Chaplain**
  Fr. Zaher Al Mhnna

Acting Executive Director Legal & Commercial Services
Joanne Herbert

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under the *Australian Charities and Not-for-Profits Commission Act 2012 (Cth)* is attached.
Dated at Melbourne on 21 August 2017 in accordance with a resolution of the Board.



Mr Paul Robertson AM
Chair

A/Prof Susan O'Neill
Chief Executive Officer

BOARD MEMBERS AND ACCOUNTABLE OFFICER'S DECLARATION

We declare that:

The Financial Report comprising the Comprehensive Operating Statement, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012 (Cth)*, including:

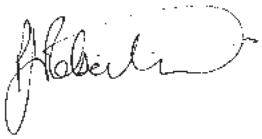
a. Giving a true and fair view of St Vincent's Hospital (Melbourne) Limited's financial position as at 30 June 2017 and of its performance for the year ended on that date: and
b. Complying with Accounting Standards, Australian Charities and Not-for-Profits Regulation 2013 and other mandatory professional reporting requirements.

There are reasonable grounds to believe that St Vincent's Hospital (Melbourne) Limited will be able to pay its debts as and when they become due and payable.

At the time of signing, we certify that the attached financial report for St Vincent's Hospital (Melbourne) Limited have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions (with the exception of FRD103F Non-Financial Physical Assets and FRD114A Financial Instruments), Australian Accounting Standards and other mandatory professional reporting requirements.

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 21 August 2017.



Mr Paul Robertson AM
Chair
Dated 21 August 2017
Melbourne

A/Prof Susan O'Neill
Chief Executive Officer
Dated 21 August 2017
Melbourne

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of St Vincent's Hospital (Melbourne) Limited

Opinion	I have audited the financial report of St Vincent's Hospital (Melbourne) Limited (the company) which comprises the: • balance sheet as at 30 June 2017 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including a summary of significant accounting policies • board member and accountable officer's declaration. In my opinion the financial report is in accordance with Part 7 of the *Financial Management Act 1994* (with the exception of FRD103F *Non-Financial Physical Assets* and FRD114A *Financial Instruments*) and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012,* including: • giving a true and fair view of the financial position of the company as at 30 June 2017 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013.*
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described 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 company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and 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 Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the company is responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Financial Management Act 1994* (with the exception of FRD103F *Non-Financial Physical Assets* and FRD114A *Financial Instruments*) and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the company'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 our 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 company'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 company'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 company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I also provide the Board with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
7 September 2017

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

VAGO
Victorian Auditor-General's Office

Auditor-General's Independence Declaration

To the Board, St Vincent's Hospital (Melbourne) Limited

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for St Vincent's Hospital (Melbourne) Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
7 September 2017

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

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

Financial STATEMENTS

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	2017 $'000	2016 $'000
Revenue From Operating Activities	2.1	725,211	651,730
Revenue From Non-Operating Activities	2.1	2,442	2,564
Employee Expenses	3.1	(479,503)	(453,367)
Non Salary Labour Costs	3.1	(6,959)	(6,218)
Supplies and Consumables	3.1	(160,042)	(114,396)
Maintenance Contracts	3.1	(12,291)	(10,892)
Other Expenses	3.1	(66,379)	(66,847)
Net Result Before Capital and Specific Items		**2,479**	**2,574**
Capital Purpose Income	2.1	36,172	34,215
Assets Provided Free of Charge	2.2	8	88
Depreciation and Amortisation	4.3	(22,138)	(21,383)
Leasehold Expense		(66)	(66)
Finance Costs	3.3	(6,108)	(6,611)
Other Capital Expenses	3.1	(12,452)	(12,169)
Net Result After Capital and Specific Items		**(2,106)**	**(3,352)**
Other Economic Flows Included in Net Result			
Revaluation of Investment Property		140	-
Revaluation of Long Service Leave	3.4	721	(530)
Net Result for the Year		**(1,245)**	**(3,882)**
Other Comprehensive Income			
Revaluation on Non-Current Assets (Cultural Assets)	8.1	12	100
COMPREHENSIVE RESULT FOR THE YEAR		**(1,233)**	**(3,782)**

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

BALANCE SHEET FINANCIAL AS AT 30 JUNE 2017

	Note	2017 $'000	2016 $'000
Assets			
Current Assets			
Cash and Cash Equivalents	6.3	12,105	9,071
Receivables	5.1	41,108	36,852
Other Financial Assets	4.1	6,660	6,573
Inventories	5.2	7,380	7,179
Other Assets	5.4	1,522	1,439
Debtor—Department of Health & Human Services	8.13	3,711	-
Total Current Assets		**72,486**	**61,114**
Non-Current Assets			
Receivables	5.1	27,511	27,827
Other Financial Assets	4.1	63,024	60,393
Property, Plant and Equipment	4.2	157,353	158,793
Intangible Assets	4.4	10,429	11,504
Investment Property	4.5	2,400	2,260
Debtor—Department of Health and Human Services	8.13	-	9,802
Total Non-Current Assets		**260,717**	**270,579**
Total Assets		**333,203**	**331,693**
Liabilities			
Current Liabilities			
Payables	5.5	51,609	48,274
Interest Bearing Liabilities	6.1	18,366	14,594
Provisions	3.4	118,654	109,596
Other liabilities	5.3	13,234	9,822
Obligation to provide Public Hospital Services	8.13	3,711	-
Total Current Liabilities		**205,574**	**182,286**

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017 CONT'D

	Note	2017 $'000	2016 $'000
Non-Current Liabilities			
Interest Bearing Liabilities	6.1	17,540	30,201
Provisions	3.4	20,638	18,720
Obligation to provide Public Hospital Services	8.13	-	9,802
Total Non-Current Liabilities		**38,178**	**58,723**
Total Liabilities		**243,752**	**241,009**
Net Assets		**89,451**	**90,684**
Equity			
General Purpose Reserve	8.1a	445	1,200
Asset Revaluation Reserve	8.1a	626	614
Restricted Specific Purpose Reserve	8.1a	30,399	29,732
AIB Reserve	8.1a	5,979	5,891
Funds Held in Perpetuity	8.1a	250	250
Contributed Capital	8.1c	25,850	25,850
Accumulated Surpluses	8.1b	25,902	27,147
Total Equity		**89,451**	**90,684**
Contingent Assets and Contingent Liabilities	7.3		
Commitments	6.4		

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	General Purpose Reserve $'000	Asset Revaluation Reserve $'000	Restricted Specific Purpose Reserve $'000	AIB Reserve $'000	Funds Held in Perpetuity $'000	Contrib'tn by Owners $'000	Accum. Surpluses/ (Deficits) $'000	Total $'000
Balance at 1 July 2015	**8.1**	**1,785**	**514**	**29,259**	**5,779**	**250**	**25,850**	**31,046**	**94,483**
Net Result For The Year		-	-	-	-	-	-	(3,882)	(3,882)
Comprehensive Income		-	100	-	-	-	-	-	100
Reduction of Entity Equity Upon Admission of New Member to Joint Venture		-	-	-	-	-	-	(17)	(17)
Transfer To/(From) AIB Reserve		(112)	-	-	112	-	-	-	-
Transfer To/(From) Restricted Specific Purpose Reserve		(473)	-	473	-	-	-	-	-
Balance at 30 June 2016	**8.1**	**1,200**	**614**	**29,732**	**5,891**	**250**	**25,850**	**27,147**	**90,684**
Net Result For Year		-	-	-	-	-	-	(1,245)	(1,245)
Comprehensive Income		-	12	-	-	-	-	-	12
Transfer To/(From) AIB Reserve		(88)	-	-	88	-	-	-	-
Transfer To/(From) Restricted Specific Purpose Reserve		(667)	-	667	-	-	-	-	-
Balance at 30 June 2017	**8.1**	**445**	**626**	**30,399**	**5,979**	**250**	**25,850**	**25,902**	**89,451**

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

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	2017 $'000 Inflows/ (Outflows)	2016 $'000 Inflows/ (Outflows)
Cash Flows From Operating Activities			
Operating Grants from Government		530,126	505,077
Capital Grants from Government		29,247	26,686
Patient and Resident Fees Received		23,066	20,904
Private Practice and Pathology Fees Received		38,515	40,271
Donations and Bequests Received		3,457	7,825
Interest Received		2,519	2,857
Other Receipts		184,625	109,870
Interest received—St Vincent's Healthcare Ltd		4,310	4,456
Other Capital Receipts		1,861	7,081
Total Receipts		**817,726**	**725,027**
Employee Benefits Paid		(465,484)	(434,542)
Non Salary Labour Costs		(6,958)	(6,217)
Payments for Supplies and Consumables		(185,324)	(135,373)
Finance Costs		(6,108)	(6,611)
Other Expenses		(72,585)	(69,713)
GST Paid to ATO		(43,653)	(41,775)
Capital Building and Occupancy		(10,400)	(10,287)
Total Payments		**(790,512)**	**(704,518)**
Net Cash Inflow from Operating Activities	**8.2**	**27,214**	**20,509**
Cash Flows From Investing Activities			
Purchase of Property Plant and Equipment		(18,744)	(15,512)
Proceeds from Sale of Property Plant and Equipment		108	130
Payment for Intangible Assets		(358)	(84)
Purchases of Investments		(1,268)	(2,146)
Proceeds from Sale of Investments		-	-
Net Cash Outflow from Investing Activities		**(20,262)**	**(17,612)**
Cash Flows From Financing Activities			
Proceeds from Borrowings		8,355	4,268
Repayment of Borrowings		(9,560)	(7,138)
Repayment of Finance Leases		(4,856)	(3,857)
Net Cash Inflow/(Outflow) From Financing Activities		**(6,061)**	**(6,727)**
Net Increase/(Decrease) In Cash and Cash Equivalents Held		890	(3,830)
Cash and Cash Equivalents at Beginning of the Financial Year		2,107	5,937
Cash and Cash Equivalents at End of the Financial Year	**6.3**	**2,997**	**2,107**

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 JUNE 2017

Basis of Presentation

These financial statements are presented 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 the preparation of 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.

Consistent with the requirements of AASB 1004 Contributions (that is contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the hospital.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. 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 also future periods that are affected by the revision. Judgements and assumptions made by management in applying the application of AASB that have significant effect on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

Note 1: Summary of Significant Accounting Policies

These annual financial statements represent the audited general purpose financial statements for St Vincent's Hospital (Melbourne) Limited for the period ending 30 June 2017. The report provides users with information about the Health Services' stewardship of resources entrusted to it.

a. Statement of compliance

These general-purpose statements have been prepared in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 (Cth), the Financial Management Act 1994 (with the exception of FRD103F—Non-Financial Physical Assets and FRD114A Financial Instruments) and Accounting Standards issued by the Australian Accounting Standards Board. Accounting standards include Australian Accounting Standards (AAS's) and Interpretations.

The principal accounting policies adopted in the preparation of the financial statements have been consistently applied to all the years presented unless otherwise stated.

b. 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 set out below have been applied in preparing the financial statements for the year ended 30 June 2017 and the comparative information presented in these financial statements for the year ended 30 June 2016.

The going concern basis was used to prepare the financial statements.

These financial statements are presented in Australian dollars, the functional and presentation currency of St Vincent's Hospital (Melbourne) Limited (the 'Hospital').

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.

The financial statements are prepared in accordance with the historical cost convention, except for the revaluation of certain non-current assets and financial instruments, as noted.

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 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.

Note 1: Summary of Significant Accounting Policies cont'd

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 4.2);
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.4).

Consistent with AASB 13 Fair Value Measurement, the Hospital determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, investment properties and financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant FRDs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

The Hospital has used the following external third party valuers to determine fair values, Egan National Valuers, Knight Frank Health and Aged Care Victoria and Dwyer Fine Arts.

The Hospital, in conjunction with external valuers, monitors the changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

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

c. Reporting Entity

The financial statements include all the controlled activities of the Hospital. The Hospital is a not-for profit company and therefore applies the additional Australian paragraphs applicable to 'not-for-profit' entities under the accounting standards.

Its principal place of business is:
St Vincent's Hospital (Melbourne) Limited
41 Victoria Parade
Fitzroy Victoria 3065

The annual financial statements were authorised for issue by the Board of the Hospital on 21st August 2017.

Objectives and funding

The Hospital's overall objective is to provide medical and surgical services, sub-acute care, aged care, correctional health, mental health services and a range of community and outreach services to improve the quality of life for Victorians.

The Hospital is predominantly funded by accrual based grant funding for the provision of outputs.

d. Principles of Consolidation

Jointly controlled assets or operations

Interests in jointly controlled assets or operations are not consolidated by the Hospital, but are accounted for in accordance with the policy outlined in Note 8.12

Note 2: Funding delivery of our service

The hospital's overall objective is to deliver programs and services that support and enhance the wellbeing of all Victorians.

To enable the hospital to fulfil its objective it receives income based on parliamentary appropriations. The hospital also receives income from the supply of services.

Structure

2.1 Analysis of revenue by source

2.2 Assets received free of charge or for nominal consideration

Note 2:1 Analysis of Revenue by Source—2017

	Admitted Patients 2017 $'000	Non-Admitted 2017 $'000	EDS 2017 $'000	Mental Health 2017 $'000	RAC incl Mental Health 2017 $'000	Aged Care 2017 $'000	Primary Health 2017 $'000	Other 2017 $'000	Total 2017 $'000
Government Grant	357,551	28,478	19,366	51,569	8,557	3,003	-	83,635	552,159
Indirect Contributions by Department of Health and Human Services	4,119	-	-	-	-	-	-	-	4,119
Patient and Resident Fees	17,801	240	364	338	2,056	-	-	1,977	22,776
Commercial Activities	-	-	-	-	-	-	-	76,306	76,306
Pathology	-	-	-	-	-	-	-	30,344	30,344
Diagnostic Imaging	-	-	-	-	-	-	-	11,867	11,867
Other Revenue from Operating Activities	7,073	4	209	1,548	94	12	21	18,679	27,640
Total Revenue from Operating Activities	**386,544**	**28,722**	**19,939**	**53,455**	**10,707**	**3,015**	**21**	**222,808**	**725,211**
Interest	-	-	-	-	-	-	-	2,087	2,087
Dividends	-	-	-	-	-	-	-	355	355
Total Revenue from Non-Operating Activities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,442**	**2,442**
Capital Purpose Income	-	-	-	-	-	-	-	31,838	31,838
Capital Interest— St Vincent's Healthcare Ltd	-	-	-	-	-	-	-	4,334	4,334
Total Capital Purpose Income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**36,172**	**36,172**
Assets Provided Free of Charge (Note 2.2)	-	-	-	-	-	-	-	8	8
Total Revenue	**386,544**	**28,722**	**19,939**	**53,455**	**10,707**	**3,015**	**21**	**261,430**	**763,833**

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

Note 2.1: Analysis of Revenue by Source—2016

	Admitted Patients 2016 $'000	Non-Admitted 2016 $'000	EDS 2016 $'000	Mental Health 2016 $'000	RAC incl Mental Health 2016 $'000	Aged Care 2016 $'000	Primary Health 2016 $'000	Other 2016 $'000	Total 2016 $'000
Government Grant	358,905	28,341	17,661	51,375	8,837	2,899	-	14,564	482,582
Indirect Contributions by Department of Health and Human Services	8,742	-	-	-	-	-	-	-	8,742
Patient and Resident Fees	18,053	188	216	371	1,957	-	-	1,709	22,494
Commercial Activities	-	-	-	-	-	-	-	73,252	73,252
Pathology	-	-	-	-	-	-	-	29,497	29,497
Diagnostic Imaging	-	-	-	-	-	-	-	10,778	10,778
Other Revenue from Operating Activities	6,775	4	204	1,547	124	10	-	15,721	24,385
Total Revenue from Operating Activities	**392,475**	**28,533**	**18,081**	**53,293**	**10,918**	**2,909**	**-**	**145,521**	**651,730**
Interest	-	-	-	-	-	-	-	2,376	2,376
Dividends	-	-	-	-	-	-	-	188	188
Total Revenue from Non-Operating Activities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,564**	**2,564**
Capital Purpose Income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	29,741	29,741
Capital Interest— St Vincent's Healthcare Ltd	-	-	-	-	-	-	-	4,474	4,474
Total Capital Purpose Income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**34,215**	**34,215**
Assets Provided Free of Charge (Note 2.2)	-	-	-	-	-	-	-	88	88
Total Revenue	**392,475**	**28,533**	**18,081**	**53,293**	**10,918**	**2,909**	**-**	**182,388**	**688,597**

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

Note 2.1: Analysis of Revenue by Source cont'd

Revenue is recognised in accordance with AASB 118 Revenue and is recognised as revenue to the extent it is probable that the economic benefits will flow to the Hospital and the revenue can be reliably measured at fair value. Unearned income at reporting dates is reported as income received in advance. Amounts disclosed as revenue are where applicable, net of returns, allowances and duties and taxes.

Government Grants

Grants are recognised as revenue when the Hospital gains control of the underlying assets as prescribed in AASB 1004 Contributions. Where grants are reciprocal, revenue is recognised as performance occurs under the grant. Non-reciprocal grants are recognised as revenue when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

Indirect Contributions from the Department of Health and Human Services

Indirect Contributions from the Department

- Insurance is recognised as revenue following advice from the Department.
- Long Service Leave (LSL)—Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 04/2017.

Patient Fees

Patient fees are recognised as revenue at the time invoices are raised.

Private Practice Fees

Private practice fees are recognised as revenue at the time invoices are raised.

Donations and Bequests

Donations and Bequests are recognised as revenue when received. If donations are for a special purpose they may be appropriated to a reserve, such as specific restricted purpose reserve.

Dividends

Dividend revenue is recognised when the right to receive payment is established. Dividends represent the income arising from the Hospital's investments in Financial Assets.

Interest

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.

Resources Provided and Received Free of Charge or Nominal Consideration

Resources provided or received free of charge or for nominal consideration are recognised at their fair value when the Hospital receives control over them regardless of any restrictions or conditions imposed over their use. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

Category Groups

The Hospital has used the following category groups for reporting purposes for the current and previous financial years. However it should be noted that allocations across category groups are limited by both the Hospital's common chart of account coverage and the inclusion of the activities of St George's Health Service, Caritas Christ Hospice and Prague House.

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. Under the Commonwealth's conditional adjustment payment requirements, approved providers must treat residential aged care (RACS) as a reportable segment within the meaning of the relevant AASB Accounting Standard 114 on segment reporting (note 8.3).

Admitted Patient Services (Admitted Patients) comprises all recurrent health revenue/expenditure on admitted patient services, where services are delivered in public hospitals, or free standing day hospital facilities, or palliative care facilities, or rehabilitation facilities, or alcohol and drug treatment units.

Mental Health Services (Mental Health) comprises all recurrent health revenue/expenditure on specialised mental health services (child and adolescent, general and adult, community) managed or funded by the state or territory health administrations, and includes: Admitted patient services, outpatient services, emergency department services (where it is possible to separate emergency department mental health services), community-based services, residential and ambulatory services.

Non Admitted Services (Non-Admitted) comprises all recurrent health revenue/expenditure on public hospital type outpatient services, where services are delivered in public hospital outpatient clinics, or free standing day hospital facilities, or rehabilitation facilities, or alcohol and drug treatment units, or outpatient clinics specialising in ophthalmic aids or palliative care.

Emergency Department Services (EDS) comprises all recurrent health revenue/expenditure on emergency department services that are available free of charge to public patients.

Aged Care comprises revenue/expenditure from Home and Community Care (HACC) programs Allied Health, Aged Care Assessment and support services.

Residential Aged Care (RAC) including Mental Health referred to in the past as psychogeriatric residential services, comprises those Commonwealth-licensed residential aged care services in receipt of supplementary funding from the department under the mental health program. It excludes all other residential services funded under the mental health program, such as mental health funded community care units (CCUs) and secure extended care units (SECs).

Primary Health comprises revenue/expenditure for Community Health Services including health promotion and counselling, physiotherapy, speech therapy, podiatry and occupational therapy.

Other Services not reported elsewhere (Other) comprises services not separately classified above, including: Public Health Services including diagnostic imaging, cafeteria, car park, property, correctional health, breastscreen clinic and community medical centre.

Note 2.2: Assets Received Free of Charge or for Nominal Consideration

	Total 2017 $'000	Total 2016 $'000
During the reporting period, the fair value of assets received free of charge, was as follows:		
Cultural Assets	8	88
Total	**8**	**88**

Note 3: The cost of delivering services

This section provides an account of the expenses incurred by the hospital in delivering services and outputs. In 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 Analysis of expenses by source

3.2 Analysis of expense and revenue by internally managed and restricted specific purpose funds

3.3 Finance costs

3.4 Employee benefits in the balance sheet

3.5 Superannuation

Note 3.1: Analysis of Expense by Source—2017

	Admitted Patients 2017 $'000	Non-Admitted 2017 $'000	EDS 2017 $'000	Mental Health 2017 $'000	RAC incl Mental Health 2017 $'000	Aged Care 2017 $'000	Primary Health 2017 $'000	H&CI and Restricted 2017 $ '000	Other 2017 $'000	Total 2017 $'000
Employee Expenses	300,165	13,249	28,893	56,358	12,596	3,581	168	39,965	24,528	479,503
Non-Salary Labour Costs	3,335	53	561	1,241	400	5	-	1,229	135	6,959
Supplies and Consumables	129,481	6,159	3,361	6,045	1,239	338	-	4,358	9,061	160,042
Maintenance Contracts	7,707	762	484	854	279	42	-	1,043	1,120	12,291
Fuel, Light, Power & Water	3,729	292	199	705	249	31	-	229	857	6,291
Other Expenses	31,128	2,164	1,541	8,104	1,194	468	1	10,399	5,089	60,088
Total Expenses from Operating Activities	**475,545**	**22,679**	**35,039**	**73,307**	**15,957**	**4,465**	**169**	**57,223**	**40,790**	**725,174**
Campus Lease	-	-	-	-	-	-	-	-	10,407	10,407
Other Expenditure for Capital Purposes	-	-	-	-	-	-	-	-	2,111	2,111
Depreciation and Amortisation (Note 4.3)	-	-	-	-	-	-	-	-	22,138	22,138
Finance Costs (Note 3.3)	-	-	-	-	-	-	-	-	6,108	6,108
Total Other Expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**40,765**	**40,765**
Total Expenses	**475,545**	**22,679**	**35,039**	**73,307**	**15,957**	**4,465**	**169**	**57,223**	**81,555**	**765,939**

Note 3.1: Analysis of Expense by Source—2016

	Admitted Patients 2016 $'000	Non-Admitted 2016 $'000	EDS 2016 $'000	Mental Health 2016 $'000	RAC incl Mental Health 2016 $'000	Aged Care 2016 $'000	Primary Health 2016 $'000	H&CI and Restricted 2016 $ '000	Other 2016 $'000	Total 2016 $'000
Employee Expenses	298,471	13,110	27,143	56,875	12,539	3,516	178	37,203	4,332	453,367
Non-Salary Labour Costs	2,737	57	619	1,326	288	5	-	1,162	24	6,218
Supplies and Consumables	100,876	4,123	1,903	2,559	687	130	-	3,526	592	114,396
Maintenance Contracts	7,250	765	449	817	279	39	-	1,106	187	10,892
Fuel, Light, Power & Water	4,072	317	197	750	262	32	-	217	163	6,010
Other Expenses	34,583	2,247	1,468	9,674	1,206	543	2	10,168	946	60,837
Total Expenses from Operating Activities	**447,989**	**20,619**	**31,779**	**72,001**	**15,261**	**4,265**	**180**	**53,382**	**6,244**	**651,720**
Campus Lease	-	-	-	-	-	-	-	-	10,287	10,287
Other Expenditure for Capital Purposes	-	-	-	-	-	-	-	-	1,948	1,948
Depreciation and Amortisation (Note 4.3)	-	-	-	-	-	-	-	-	21,383	21,383
Finance Costs (Note 3.3)	-	-	-	-	-	-	-	-	6,611	6,611
Total Other Expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**40,229**	**40,229**
Total Expenses	**447,989**	**20,619**	**31,779**	**72,001**	**15,261**	**4,265**	**180**	**53,382**	**46,473**	**691,949**

Note 3.1: Analysis of Expense by Source cont'd

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

Employee expenses

Employee expenses include:

- wages and salaries;
- annual leave;
- sick leave;
- termination payments;
- long service leave;
- superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans; and
- workcover premiums.

Other Operating Expenses

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

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.

Bad and doubtful debts

Refer to Note 5.1 Investments and other financial assets.

Borrowing costs of qualifying assets

In accordance with the paragraphs of AASB 123 Borrowing Costs applicable to not-for-profit public sector entities, the Health Services continues to recognise borrowing costs immediately as an expense, to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset.

Other economic flows are changes in the volume or value of assets or liabilities that do not result from transactions.

Net gain/ (loss) on non-financial assets

Net gain/ (loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

Revaluation gains/ (losses) of non-financial physical assets

Refer to Note 4.2 Property plant and equipment.

Net gain/ (loss) on disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is the difference between the proceeds and the carrying amount of the asset at the time.

Net gain/ (loss) on financial instruments

Net gain/ (loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost refer to Note 4.1 Investments and other financial assets; and
- disposals of financial assets and derecognition of financial liabilities

Amortisation of non-produced intangible assets

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a systematic basis over the assets useful life. 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.

Impairment of non-financial assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Refer to Note 4.1 Investments and other financial assets.

Revaluations of financial instrument at fair value

Refer to Note 7.1 Financial instruments.

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 3.2: Analysis of Expense and Revenue by Internally Managed and Restricted Specific Purpose Funds

	Expenses		Revenue	
	Total 2017 $'000	Total 2016 $'000	Total 2017 $'000	Total 2016 $'000
Commercial Activities				
Diagnostic Imaging	8,396	8,106	9,098	8,794
Cafeteria	169	196	600	578
Car Park	1,079	1,013	5,956	5,851
Property Expense/Revenue	172	163	2,806	2,578
Correctional Health Services	20,413	18,530	24,053	21,810
Childcare	38	49	235	233
Breastscreen Clinic	4,392	4,237	4,387	4,233
Commercial Training Programs	2	2	-	5
Community Medical Centre	1,818	2,353	1,810	2,358
Specific Purpose Trust Funds	9,458	7,926	12,233	9,756
Other Business Units	519	524	2,150	2,732
Other Activities				
Fundraising & Donations	1,510	1,409	4,003	5,886
Research & Scholarship	9,260	8,874	8,975	8,272
Other	-	-	-	166
Total	**57,226**	**53,382**	**76,306**	**73,252**

Note 3.3: Finance Costs

	Total 2017 $'000	Total 2016 $'000
St Vincent's Healthcare Ltd Loan	326	430
AIB Bond Holders	4,310	4,447
Finance Leases	1,047	1,232
Commonwealth Bank of Australia	425	502
Total	**6,108**	**6,611**

Finance costs are recognised as expenses in the period in which they are incurred. Finance costs include:

- Interest on bank overdrafts and short-term and long-term borrowings;
- Amortisation of discounts or premiums relating to borrowings;
- Amortisation of ancillary costs incurred in connection with the arrangement of borrowings;
- Finance charges in respect of finance leases recognised in accordance with AASB 117 Leases.

Note 3.4: Employee Benefits in the Balance Sheet

	Total 2017 $'000	Total 2016 $'000
Current Provisions		
Employee Benefits*		
Annual Leave		
♦ Unconditional and expected to be utilised within 12 months	25,440	22,940
♦ Unconditional and expected to be utilised after 12 months	4,220	3,826
Long Service Leave		
♦ Unconditional and expected to be utilised within 12 months	6,750	6,396
♦ Unconditional and expected to be utilised after 12 months	57,969	54,088
Accrued Wages and Salaries		
♦ Unconditional and expected to be utilised within 12 months	11,905	10,824
Accrued Days Off		
♦ Unconditional and expected to be utilised within 12 months	1,095	937
	107,379	**99,011**
Provisions related to Employee Benefit On-Costs		
♦ Unconditional and expected to be utilised within 12 months	4,745	4,340
♦ Unconditional and expected to be utilised after 12 months	6,530	6,245
	11,275	**10,585**
Total Current Provisions	**118,654**	**109,596**
Non-Current Provisions		
Employee Benefits*	18,677	16,877
Provisions related to Employee Benefit On-Costs	1,961	1,843
Total Non-Current Provisions	**20,638**	**18,720**
Total Provisions	**139,292**	**128,316**

* Employee benefits consist of annual leave and long service leave accrued by employees. On-costs are not employee benefits and are reflected as a separate provision.

Note 3.4: Employee Benefits in the Balance Sheet cont'd

a. Employee Benefits and Related On-Costs

	Total 2017 $'000	Total 2016 $'000
Current Employee Benefits and Related On-Costs		
Unconditional Long Service Leave Entitlements	71,515	67,024
Annual Leave Entitlements	32,774	29,575
Accrued Wages and Salaries	13,155	11,963
Accrued Days Off	1,210	1,034
Total Current	**118,654**	**109,596**
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements	20,638	18,720
Total Non-Current	**20,638**	**18,720**
Total Employee Benefits and Related On-Costs	**139,292**	**128,316**

b. Movement in Provisions

	Total 2017 $'000	Total 2016 $'000
Movement in Long Service Leave		
Balance at start of year	85,744	74,369
Provisions made during the year	12,783	18,143
Settlement made during the year	(6,374)	(6,768)
Balance at End of Year	**92,153**	**85,744**

Note 3.4: Employee Benefits in the Balance Sheet cont'd

Provisions

Provisions are recognised when the Hospital 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. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee Benefits

This provision arises for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

Wages and Salaries, Annual Leave and Accrued Days Off

Liabilities for wages and salaries, including non-monetary benefits and annual leave are all recognised in the provision for employee benefits as 'current liabilities', because the Hospital does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

- Undiscounted value—if the Hospital expects to wholly settle within 12 months; or
- Present value—if the Hospital does not expect to wholly settle within 12 months.

Long Service Leave

Adjustments to long service leave obligations arising from revaluations related to changes in discount rates provided by the Department of Treasury & Finance are disclosed within other economic flows in the Comprehensive Operating Statement.

Current Liability—unconditional LSL (representing 10 or more years of continuous service) is disclosed as a current liability regardless whether or not the Hospital expects to settle the liability within 12 months, as it does not have the unconditional right to defer the settlement of the entitlement should an employee decide to take leave.

The components of this current LSL liability are measured at:

- Present value—component that the Hospital does not expect to settle within 12 months; and
- Nominal value—component that the Hospital expects to settle within 12 months.

Non-Current Liability—conditional LSL (representing less than 10 years of continuous service) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until 10 years of service has been completed by an employee. Conditional LSL is required to be measured at present value.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates of Commonwealth Government guaranteed securities in Australia.

Any gain or loss followed 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 flow.

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits.

Liabilities for termination benefits are recognised when a detailed plan for the termination has been developed and a valid expectation has been raised with those employees affected that the terminations will be carried out.

The liabilities for termination benefits are recognised in other creditors unless the amount or timing of the payments is uncertain, in which case they are recognised as a provision.

On-Costs related to Employee Expense

Provision for on-costs such as workers compensation and superannuation are recognised together with provisions for employee benefits.

Note 3.5: Superannuation

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

The Hospital does not recognise any defined benefit liability in respect of the plan because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the Victorian State's defined benefit 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 the Hospital. The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the Hospital are as follows:

	Paid Contribution for the Year		Contributions Outstanding at Year End	
	Total 2017 $'000	Total 2016 $'000	Total 2017 $'000	Total 2016 $'000
Defined Benefit Plans:				
Health Super	514	575	-	-
Government State Super Funds	229	268	7	3
Defined Contribution Plans:				
Health Super	21,957	21,131	1,006	454
HESTA	12,317	10,647	553	221
VicSuper	131	109	8	3
Other	2,161	1,954	202	50
Total	**37,309**	**34,684**	**1,776**	**731**

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.

Defined benefit superannuation plans

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by the Hospital to the superannuation plans in respect of the services of current Hospital 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.

Employees of the Hospital are entitled to receive superannuation benefits and the Hospital contributes to both the defined benefit and defined contribution plans. The defined benefit plan(s) provide benefits based on years of service and final average salary.

Note 4: Key Assets to support service delivery

The hospital 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 the hospital to be utilised for delivery of those outputs.

Structure

4.1 Investments and other financial assets

4.2 Property, plant & equipment

4.3 Depreciation and amortisation

4.4 Intangible assets

4.5 Investment properties

Note 4.1: Investments and other financial assets

	Operating Fund		Specific Purpose Funds		AIB Reserve Fund		Total	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Current								
Held to Maturity								
Bank Bills and Term Deposits	267	212	414	469	-	-	681	681
Fair Value through Profit and Loss								
Guaranteed Bill Index Deposit in Escrow	-	-	-	-	5,979	5,892	5,979	5,892
Total Current Other Financial Assets	**267**	**212**	**414**	**469**	**5,979**	**5,892**	**6,660**	**6,573**
Non-Current								
Fair Value through Profit and Loss								
Shares and Other Managed Investments	9,828	2,318	15,239	5,115	-	-	25,067	7,433
Fixed Interest Securities and Floating rate notes	14,880	16,513	23,077	36,447	-	-	37,957	52,960
Total Non-Current Other Financial Assets	**24,708**	**18,831**	**38,316**	**41,562**	-	-	**63,024**	**60,393**
Total Other Financial Assets	**24,975**	**19,043**	**38,730**	**42,031**	**5,979**	**5,892**	**69,684**	**66,966**
Represented by:								
Health Service Investments	24,975	19,043	38,730	42,031	5,979	5,892	69,684	66,966
Total	**24,975**	**19,043**	**38,730**	**42,031**	**5,979**	**5,982**	**69,684**	**66,966**

Note 4.1: Investments and other financial assets cont'd

a. Ageing Analysis of Other Financial Assets

Please refer to Note 7.1 for the aging analysis of investments and other financial assets

b. Nature and extent of risk arising from Other Financial Assets

Refer to Note 7.1 for the nature and extent of credit risk arising from investments and other financial assets

Hospital investments must be in accordance in Standing Direction 3.7.2 – Treasury and Investment Risk Management. Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Investments are classified in the following categories:

- financial assets at fair value through profit or loss;
- held-to-maturity;
- loans and receivables; and
- available-for-sale financial assets.

The Hospital classifies its other financial assets between current and non-current assets based on the purpose for which the assets were acquired. Management determines the classification of its other financial assets at initial recognition.

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

All financial assets, except those measured at fair value through profit or loss are subject to annual review for impairment.

Note 4.2: Property, Plant and Equipment

a. Gross carrying amount and accumulated depreciation

	Total 2017 $'000	Total 2016 $'000
Leasehold Improvements		
Leasehold Improvements at Cost	148,857	142,964
Less Accumulated Depreciation	(54,114)	(46,502)
Total Leasehold Improvements	**94,743**	**96,462**
Plant and Equipment		
Plant and Equipment at Cost	26,873	24,662
Less Accumulated Depreciation	(17,889)	(15,843)
Total Plant and Equipment	**8,984**	**8,819**
Medical Equipment		
Major Medical at Cost	71,091	66,885
Less Accumulated Depreciation	(54,420)	(48,632)
Total Medical Equipment	**16,671**	**18,253**
Computers and Communication		
Computers and Communication at Cost	9,487	9,647
Less Accumulated Depreciation	(7,199)	(6,300)
Total Computers and Communications	**2,288**	**3,347**
Furniture and Fittings		
Furniture and Fittings at Cost	3,172	3,058
Less Accumulated Depreciation	(2,514)	(2,306)
Total Furniture and Fittings	**658**	**752**
Motor Vehicles		
Motor Vehicles at Cost	3,769	4,234
Less Accumulated Depreciation	(3,170)	(3,378)
Total Motor Vehicles	**599**	**856**
Cultural Assets		
Cultural Assets at Fair Value^	3,062	3,041
Total Cultural Assets	**3,062**	**3,041**
Leased Assets		
Leasehold improvements at Cost	38,722	38,722
Plant and Equipment at Cost	29,742	31,997
Less Accumulated Amortisation	(54,169)	(52,785)
Total Leased Assets	**14,295**	**17,934**
Works in Progress at Cost *	**16,053**	**9,328**
Total	**157,353**	**158,793**

^ Cultural Assets were revalued at 30 June 2017 by Dwyer Fine Arts.
* Long term capital projects of leasehold improvements and plant and equipment are initially costed to "Works in Progress". When the project is completed and the new asset commissioned for use the cost of the project is re-classified to the appropriate class of asset.

Note 4.2: Property, Plant and Equipment cont'd

Property, Plant and Equipment

Plant, equipment and vehicles are measured at cost less accumulated depreciation and impairment losses. Cultural assets are initially measured at cost and subsequently valued at fair value with increments and decrements being reflected through a reserve where decrements have not previously been recognised through the profit and loss. Decrements that offset previous increments in the same class of asset are charged against an asset revaluation reserve directly in equity and other decreases are charged to the profit and loss.

Note 4.2: Property, Plant and Equipment cont'd

b. Reconciliations of the carrying amounts of each class of asset at the beginning and end of previous and current financial year are set out below.

	Leasehold $'000	Plant & Equipment $'000	Medical Equipment $'000	Computers & Comms $'000	Furniture & Fittings $'000	Motor Vehicles $'000	Cultural Assets $'000	Leased Assets $'000	Works in Progress $'000	Total $'000
Balance at 1 July 2015	**98,732**	**9,506**	**17,688**	**3,356**	**714**	**1,170**	**2,853**	**11,426**	**6,637**	**152,082**
Additions	742	1,156	3,387	824	180	85	88	10,651	9,137	26,249
Transfers	4,390	82	1,900	-	41	-	-	-	(6,446)	(33)
Disposals	-	(10)	(50)	-	-	(7)	-	-	-	(67)
Revaluation	-	-	-	-	-	-	100	-	-	100
Depreciation	(7,400)	(1,915)	(4,672)	(833)	(183)	(392)	-	(4,143)	-	(19,538)
Balance at 1 July 2016	**96,464**	**8,819**	**18,253**	**3,347**	**752**	**856**	**3,041**	**17,934**	**9,328**	**158,794**
Additions	546	1,365	4,192	199	81	107	9	630	12,245	19,374
Transfers	5,346	856	(868)	(328)	-	-	-	(9)	(5,520)	(523)
Disposals	-	(4)	(38)	(24)	-	(55)	-	-	-	(121)
Revaluation	-	-	-	-	-	-	12	-	-	12
Depreciation	(7,613)	(2,052)	(4,868)	(906)	(175)	(309)	-	(4,260)	-	(20,183)
Balance at 30 June 2017	**94,743**	**8,984**	**16,671**	**2,288**	**658**	**599**	**3,062**	**14,295**	**16,053**	**157,353**

Note 4.2: Property, Plant and Equipment cont'd

c. Fair value measurement hierarchy for assets as at 30 June 2017

	Carrying amounts as at 30 June 2017	Fair value measurement at end of reporting period using [i]		
		Level 1	Level 2	Level 3
Cultural Assets at Fair Value	3,062		3,062	
Total	**3,062**		**3,062**	

Fair value measurement hierarchy for assets as at 30 June 2016

	Carrying amounts as at 30 June 2016	Fair value measurement at end of reporting period using [i]		
		Level 1	Level 2	Level 3
Cultural Assets at Fair Value	3,041		3,041	
Total	**3,041**		**3,041**	

(i) Classified in accordance with the fair value hierarchy.
There have been no transfers between levels during the period.

Cultural Assets

Cultural Assets 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 artwork, an independent valuation was performed by independent valuers "Fine Dwyer Arts" to determine the fair value using the market approach. Valuation of the assets is determined by a comparison to similar examples of the artist's work in existence throughout Australia and research on price paid for similar examples offered at auction or through art galleries in recent years.

To the extent that artworks do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Note 4.3: Depreciation and Amortisation

	Total 2017 $'000	Total 2016 $'000
Depreciation		
Plant and Equipment	2,052	1,916
Medical Equipment	4,868	4,673
Computers and Communication	906	834
Furniture and Fittings	175	184
Motor Vehicles	309	391
Leasehold Improvements	7,613	7,399
Leased Assets—Plant and Equipment	4,260	4,141
Total Depreciation—Property, Plant and Equipment	**20,183**	**19,538**
Amortisation		
Intangible Assets		
Computer Software & Development Costs	1,955	1,845
Total Amortisation—Intangible Assets	**1,955**	**1,845**
Total Depreciation and Amortisation	**22,138**	**21,383**

Assets with a cost in excess of $1,000 are capitalised and depreciation or amortisation has been provided on depreciable assets so as to allocate their cost (or valuation) over their estimated useful lives using the straight-line method. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually. This depreciation charge is not funded by the Department.

The following table indicates the expected useful lives of non-current assets on which the depreciation charges are generally based.

	2017	2016
Leasehold Improvements	10 to 40 years	10 to 40 years
Plant and Equipment	4 to 15 years	4 to 15 years
Medical Equipment	4 to 10 years	4 to 10 years
Computers and Communications	4 to 10 years	4 to 10 years
Motor Vehicles	6.6 years	6.6 years
Furniture and Fittings	6 to 18 years	6 to 18 years
Leased Assets	4 to 10 years	4 to 10 years
Computer Software	4 to 10 years	4 to 10 years

The basis for leasehold improvements amortisation is determined in accordance with the receipt of letters from:

i) the parent company advising of extension of the ground lease, and

ii) The Department advising of the proposed usage of the Hospital for public hospital services beyond 2018 and has allowed continuing application of the above expected useful lives of non- current assets.

Note 4.4: Intangible Assets

a. Gross carrying amount and accumulated depreciation

	Total 2017 $'000	Total 2016 $'000
Computer Software and Development at cost	21,293	20,396
Less Accumulated Amortisation	(14,239)	(12,267)
	7,054	**8,129**
Bed Licences at Fair Value	3,375	3,375
Total Written Down Value	**10,429**	**11,504**

b. Fair value measurement hierarchy for Intangible Assets as at 30 June 2017

	Carrying amounts as at 30 June 2017	Fair value measurement at end of reporting period using [i]		
		Level 1	Level 2	Level 3
Bed Licenses at Fair Value	3,375		3,375	
Total	**3,375**		**3,375**	

Fair value measurement hierarchy for Intangible Assets as at 30 June 2016

	Carrying amounts as at 30 June 2016	Fair value measurement at end of reporting period using [i]		
		Level 1	Level 2	Level 3
Bed Licenses at Fair Value	3,375		3,375	
Total	**3,375**		**3,375**	

(i) Classified in accordance with the fair value hierarchy, see Note 1.

There have been no transfers between levels during the period.

Note 4.4: Intangible Assets cont'd

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

	Computer Software & Development $'000	Bed Licences $'000	Total $'000
Balance at 1 July 2015	**9,855**	**3,375**	**13,230**
Additions	84	-	84
Transfers	35	-	35
Disposals	-	-	-
Depreciation/Amortisation	(1,845)	-	(1,845)
Balance at 1 July 2016	**8,129**	**3,375**	**11,504**
Additions	357	-	357
Transfers	523	-	523
Disposals	-	-	-
Depreciation/Amortisation	(1,955)	-	(1,955)
Balance as at 30 June 2017	**7,054**	**3,375**	**10,429**

Intangible assets represent identifiable non-monetary assets without physical substance such as Aged Care bed licences, computer software and development costs. Intangible assets are recognised at fair value. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Hospital.

Amortisation is allocated to intangible assets with finite useful lives on a systematic basis over the asset's useful life. 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. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

Intangible assets with indefinite useful lives are not amortised. The useful lives of intangible assets that are not being amortised are reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. In addition, the Hospital tests all intangible assets with indefinite useful lives for impairment by comparing their recoverable amounts with their carrying amounts:

- annually, and
- whenever there is an indication that the intangible asset may be impaired.

Any excess of the carrying amount over the recoverable amount is recognised as an impairment loss.

Note 4.5: Investment Properties

a. Movements in carrying value for investment properties as at 30 June 2017

	Total 2017 $'000	Total 2016 $'000
Balance at Beginning of Period	2,260	2,260
Net gain from Fair Value adjustments	140	-
Balance at End of Period	**2,400**	**2,260**

Note 4.5: Investment Properties cont'd

b. Fair value measurement hierarchy for investment properties as at 30 June 2017

	Carrying amounts as at 30 June 2017	Fair value measurement at end of reporting period using [i]		
		Level 1	Level 2	Level 3
Investment properties	2,400		2,400	
Total	**2,400**		**2,400**	

Fair value measurement hierarchy for investment properties as at 30 June 2016

	Carrying amounts as at 30 June 2016	Fair value measurement at end of reporting period using (i)		
		Level 1	Level 2	Level 3
Investment properties	2,260		2,260	
Total	**2,260**		**2,260**	

(i) Classified in accordance with the fair value hierarchy.

There have been no transfers between levels during the period. There were no changes in valuation techniques throughout the period to 30 June 2017.

The fair value of the Hospital's property 26-28 Gertrude St at 30 June 2017 has been arrived on the basis of an independent valuation carried out by independent valuers Egan National Valuers. The valuation was determined by reference to market evidence of transaction process for similar properties with no significant unobservable adjustments, in the same location and condition and subject to similar lease and other contracts.

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.

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Hospital.

Subsequent to initial recognition at cost, investment properties are re-valued to fair value with changes in the fair value recognised as revenue or expenses in the period that they arise. The properties are not depreciated.

The Gertrude Street investment property is held for the purposes of long term capital gain and is not occupied by the Hospital. Nominal rental revenue ($1p.a.) is received from an unrelated party until 31 December 2017. The rental revenue received is recognised in the Statement of Comprehensive Income in the periods in which it is receivable, as this represents the pattern of service rendered through the provision of the property. At balance date there is no commitment for expenditure relating to this property.

Note 5: Other assets and liabilities

This section sets out those assets and liabilities that arose from the hospital's operations.

Structure

5.1 Receivables

5.2 Inventories

5.3 Other liabilities

5.4 Other non-financial assets

5.5 Payables

Note 5.1: Receivables

	Total 2017 $'000	Total 2016 $'000
Current—Contractual		
Trade Debtors	12,299	7,773
Patient Fees	6,022	5,962
Doctors' Fee Revenue	4,852	6,702
Accrued Revenue		
♦ Department of Health and Human Services	4,884	1,492
♦ Other	8,942	10,092
Loan—St Vincent's Healthcare Ltd (refer note 8.13)	3,689	6,095
Sub Total	**40,688**	**38,116**
Current—Statutory		
GST Receivable	2,178	1
Sub-Total	**42,866**	**38,117**
Less: Provision for Doubtful Debts		
Trade Debtors	(606)	(438)
Patient Fees	(397)	(313)
Other Debtors	(755)	(514)
Sub-Total	**(1,758)**	**(1,265)**
Total Current	**41,108**	**36,852**
Non-Current—Contractual		
Department of Health and Human Services - Long Service Leave	27,066	23,497
Loan – St Vincent's Healthcare Ltd (refer note 8.13)	445	4,330
Total Non-Current	**27,511**	**27,827**
Total Receivables	**68,619**	**64,679**

Note 5.1: Receivables cont'd

a. Movement in the Allowance for Doubtful Debts

	Total 2017 $'000	Total 2016 $'000
Balance at beginning of year	1,265	1,167
Amounts written off during the year	(372)	(1,014)
Increase in allowance recognised in net result	865	1,112
Balance at end of the year	**1,758**	**1,265**

b. Nature and extent of risk arising from receivables

Refer to note 7.1 for the nature and extent of credit risk arising from receivables.

Receivables consist of:

- contractual receivables, which includes mainly debtors in relation to goods and services, loans to third parties and accrued investment income; and
- statutory receivables, which includes predominantly amounts owing from the Victorian Government and Goods and Services Tax ("GST") input tax credits recoverable.

Receivables that are contractual are classified as financial instruments and categorised as loans and receivables. Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Trade receivables are initially recognised at fair value and are due for settlement within 30 days from the date of recognition. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Hospital will not be able to collect all amounts due according to the original terms of receivables. Bad debts are written off when identified.

Note 5.2: Inventories

	Total 2017 $'000	Total 2016 $'000
Current		
Drug Supplies	3,710	3,540
Medical and Surgical Lines	3,416	3,424
Food Supplies	108	102
Biomedical Supplies	146	113
Total	**7,380**	**7,179**

Inventories include goods held for distribution at no or nominal cost in the ordinary course of business operations. It excludes depreciable assets. Inventories held for distribution are measured at the lower of cost and net realisable value. Cost for all inventories is measured on the basis of weighted average cost.

Note 5.3: Other Liabilities

	Total 2017 $'000	Total 2016 $'000
Current		
Monies held in Trust		
♦ Security Deposits	250	250
♦ Salary Packaging Employees	3,005	3,253
♦ Patient Monies held in Trust	105	144
♦ Accommodation Bonds	5,748	3,317
Total Monies held in Trust	**9,108**	**6,964**
Represented by the following Assets		
Cash and Cash Equivalents (Note 6.3)	9,108	6,964
	9,108	**6,964**
Deferred Revenue		
♦ Department of Health and Human Services	1,556	1,814
♦ Other	1,932	537
Other Liabilities	638	507
Total Deferred Revenue	**4,126**	**2,858**
Total Current	**13,234**	**9,822**

Note 5.4: Other non-financial assets

	Total 2017 $'000	Total 2016 $'000
Current		
Prepayments	1,522	1,439
Total	**1,522**	**1,439**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Note 5.5: Payables

	Total 2017 $'000	Total 2016 $'000
Current—Contractual—Unsecured		
Trade Creditors	38,524	35,927
Accrued Expenses	11,061	9,490
	49,585	**45,417**
Current—Contractual—Unsecured		
Department of Health and Human Services	-	2,040
	-	**2,040**
Current—Statutory—Unsecured		
GST Payable	2,022	817
	2,022	**817**
Total Current Payables	**51,607**	**48,274**

a. Nature and extent of risk arising from payables

Refer to Note 7.1 for the nature and extent of risks arising from contractual payables

Payables consist of:

- contractual payables which consist predominantly of accounts payable representing liabilities for goods and services provided to the Hospital prior to the end of the financial year that are unpaid, and arise when the Hospital becomes obliged to make future payments in respect of the purchase of those goods and services. The normal credit terms for accounts payable are usually Nett 30 days.
- statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and are initially recognised at fair value, and then subsequently carried at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract. These amounts represent liabilities for goods and services provided prior to the end of the financial year and which were unpaid at that date. The amounts are unsecured and normal credit terms are within 30 days of recognition.

Note 6: How we finance our operations

This section provides information on the sources of finance utilised by the hospital during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the hospital.

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 Interest bearing liabilities

6.2 Non-cash financing and investing activities

6.3 Cash and cash equivalents

6.4 Commitments for expenditure

Note 6.1: Interest Bearing Liabilities

	Total 2017 $'000	Total 2016 $'000
Current		
♦ AIB Bond Holders	3,711	6,083
♦ Commonwealth Bank of Australia (CBA)	1,295	1,189
♦ Finance Leases	4,675	4,642
♦ St Vincent's Healthcare Ltd	8,685	2,680
Total Current	**18,366**	**14,594**
Non-Current		
♦ AIB Bond Holders	-	3,718
♦ Commonwealth Bank of Australia (CBA)	5,653	7,052
♦ Finance Leases	10,045	14,278
♦ St Vincent's Healthcare Ltd	1,842	5,153
Total Non-Current	**17,540**	**30,201**
Total Interest Bearing Liabilities	**35,906**	**44,795**

AIB Bond Holders are secured (refer to Note 8.13 for nature of security and repayment terms thereon).

The CBA loan facility is secured by the mortgage over the borrower's interest in the Victoria Parade car park and its operating agreement.

Finance costs of the Hospital incurred during the year are accounted for as finance costs recognised as expenses were $6,108,000 (2016: $6,611,000).

a. Maturity analysis of borrowings

Refer to Note 7.1 for ageing analysis of Interest bearing liabilities.

b. Nature and extent of risk arising from borrowings

Refer to note 7.1 for the nature and extent of risks arising from interest bearing liabilities.

c. Defaults and breaches

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

Note 6.1: Interest Bearing Liabilities cont'd

a. Finance Lease Liabilities

	Minimum future lease payments [i]		Present value of minimum future lease payments	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Other Finance Lease Liabilities Payable [ii]				
Not longer than one year	5,391	5,662	4,639	4,642
Longer than one year but not longer than five years	10,685	14,646	9,728	13,026
Longer than five years	361	1,310	353	1,252
Minimum future lease payments	**16,437**	**21,618**	**14,720**	**18,920**
Less future finance charges	(1,717)	(2,698)	-	-
Present value of minimum lease payments	**14,720**	**18,920**	**14,720**	**18,920**
Included in the Financial Statements as:				
Current Borrowings Lease Liabilities	4,675	4,642	4,675	4,642
Non-Current Borrowings Lease Liabilities	10,045	14,278	10,045	14,278
Total	**14,720**	**18,920**	**14,720**	**18,920**

(i) Minimum future lease payments include the aggregate of all base payments and any guaranteed residual.
(ii) Other finance lease liabilities include obligations that are recognised on the balance sheet; the future payments related to operating and lease commitments are disclosed in Note 6.4.
The weighted average interest rate implicit in leases is 5.71% (2016 – 5.97%).

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the Hospital has categorised its borrowings as either, financial liabilities designated at fair value through profit or loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowings using the effective interest method. The classification depends on the nature and purpose of the borrowing. The Hospital determines the classification of its borrowing at initial recognition.

Note 6.2: Non-cash financing and investing activities

	Total 2017 $'000	Total 2016 $'000
Current		
Acquisition of plant and equipment by means of Finance Lease	630	10,651
Total Non-Cash Financing and Investing Activities	**630**	**10,651**

Note 6.3: Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and short-term deposits which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

	Total 2017 $'000	Total 2016 $'000
Cash at Bank and on Hand		
Cash on Hand	35	37
Cash at Bank	12,070	9,034
Cash at 30 June	**12,105**	**9,071**
Represented by:		
Cash for Operations (as per Cash Flow Statement)	2,997	2,107
Cash for Monies Held in Trust (Note 5.3)	9,108	6,964
Cash at 30 June	**12,105**	**9,071**

Cash and cash equivalents comprise cash on hand and in the banks and investments in money market instruments, which can be readily converted to cash.

Note 6.4: Commitments for expenditure

	Total 2017 $'000	Total 2016 $'000
Capital Expenditure Commitments		
Payable		
Leasehold Improvements	3,042	5,280
Intangible assets	3,089	4,071
Other	921	1,522
Total Capital Commitments	**7,052**	**10,873**
Not later than 1 year	5,543	9,275
Later than 1 years but not later than 5 years	1,509	1,598
Later than 5 years	-	-
Total	**7,052**	**10,873**
Operating Commitments		
Orders placed for goods and services	1,780	1,891
Total Operating Commitments	**1,780**	**1,891**
Not later than one year	1,780	1,891
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
Total	**1,780**	**1,891**
Lease Commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	438	904
Finance Leases	14,720	18,920
Total Lease Commitments	**15,158**	**19,824**
Operating Leases		
Cancellable		
Not later than 1 year	324	466
Later than 1 year but not later than 5 years	114	438
Later than 5 years	-	-
Total	**438**	**904**
Finance Leases		
Non Cancellable		
Not later than 1 year	4,639	4,642
Later than 1 years but not later than 5 years	9,728	13,026
Later than 5 years	353	1,252
Sub Total	**14,720**	**18,920**
Total	**15,158**	**19,824**
Total Commitments	**23,990**	**32,588**

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.

Note 7: Risks, contingencies & valuation uncertainties

The hospital 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 the hospital is related mainly to fair value determination.

Structure

7.1 Financial instruments

7.2 Net gain/ (loss) on disposal of non-financial assets

7.3 Contingent assets and contingent liabilities

7.4 Fair value determination

Note 7.1: Financial Instruments

a. Risk management policies

This note presents information about the Hospital's financial instrument risk management objectives, policies and processes for measuring and managing risk and the management of capital.

The Board of Directors has responsibility for the establishment and oversight of the risk management framework to assist in identifying and analysing the risks faced by the Hospital.

The Hospital's principal financial instruments comprise cash and short-term deposits, a corporate bond portfolio that shall be designated as Fair Value through Profit or Loss and other financial assets which are intended to be held to maturity, accounts receivable and accounts payable.

Hospital activities expose it primarily to the financial risks of changes in interest rates (price risk), liquidity risk and credit risk. The Hospital does not enter into or trade financial instruments including derivative financial instruments for speculative purposes. The Board reviews and agrees policies for managing each of these risks and undertakes regular monitoring of the performance of its financial assets and liabilities.

The Hospital's notional interest in assets and liabilities of the VCCC entity as disclosed in 8.12 have not been incorporated into this note.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed below.

Categorisation of Financial Instruments

	Note	Carrying Amounts 2017 $'000	Carrying Amounts 2016 $'000
Financial Assets			
Cash and cash equivalents	6.3	12,105	9,071
Held to Maturity Investments	4.1	681	681
Designated at Fair Value through Profit or Loss	4.1	69,003	66,285
Loans and Receivables	5.1	66,441	64,678
Total Financial Assets		**148,230**	**140,715**
Financial Liabilities			
At Amortised Cost		85,491	92,252
Total Financial Liabilities		**85,491**	**92,252**

Note that financial assets and liabilities exclude statutory receivables and payables.

Note 7.1: Financial Instruments cont'd

	Net holding gain/(loss) 2017 $'000	Net holding gain/(loss) 2016 $'000
Financial Assets		
Cash and cash equivalents [i]	835	561
Designated at Fair Value through Profit or Loss [iii]	1,115	1,730
Held to Maturity Investments	24	24
Loans and Receivables	3,842	4,376
Total Financial Assets	**5,816**	**6,691**
Financial Liabilities		
At Amortised Cost [ii]	(6,108)	(6,611)
Total Financial Liabilities	**(6,108)**	**(6,611)**

(i) For cash and cash equivalents, loans or receivables and available-for-sale financial assets, the net gain or loss is calculated by taking the movement in the fair value of the asset, interest revenue, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result;
(ii) For financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost; and
(iii) For financial assets and liabilities that are held-for-trading or designated at fair value through profit or loss, the net gain or loss is calculated by taking the movement in the fair value of the financial asset or liability.

b. Credit Risk Exposures

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Hospital. The Hospital generally deals with creditworthy counter parties as a means of mitigating the risk of financial loss from defaults. Investments are made in accordance with the Investment Strategy for the Hospital which has been developed within the framework of the St Vincent's Health Australia Group Investment Policy which provides policy on how the assets of the Hospital should be managed and invested at a local level.

The Hospital's exposure is continuously monitored and a spread of investment types and issuers are held to mitigate risk.

Trade receivables consist of a large variety of customers which are spread across diverse industries. Trade receivables are concentrated in Australia. The Hospital does not have any significant credit risk exposure to any single party or any economic entity of counter parties. An ageing analysis of receivables is undertaken on a monthly basis to measure and assess credit risk.

The credit risk on liquid funds and term deposits is limited because the counter parties are recognised banking institutions in Australia.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for impairment, as disclosed in the Statement of Financial Position and notes to the financial statements.

Credit quality of contractual financial assets that are neither past due nor impaired

	Carrying Amounts $'000	Not Past Due and Not Impairedt $'000	Less than 1 Month $'000	1-3 Months $'000	3 Months– 1 Year $'000	1 – 5 Years $'000	Impaired Financial Assets $'000
2017							
Financial Assets							
Cash and Cash equivalents	12,105	12,105	-	-	-	-	-
Held to Maturity Investments	681	681	-	-	-	-	-
Designated at Fair Value Through P&L	69,003	69,003	-	-	-	-	-
Department of Health and Human Services	31,950	31,950	-	-	-	-	-
Patient Fees	6,022	2,020	866	380	2,756	-	(397)
Doctors' Fee Revenue	4,852	2,623	632	149	1,448	-	(606)
St Vincent's Healthcare Ltd	4,134	4,134	-	-	-	-	-
Other Receivables	19,483	13,609	2,730	1,847	1,297	-	(755)
Total	**148,230**	**136,125**	**4,228**	**2,376**	**5,501**	**-**	**(1,758)**
2016							
Financial Assets							
Cash and Cash equivalents	9,071	9,071	-	-	-	-	-
Held to Maturity Investments	681	681	-	-	-	-	-
Designated at Fair Value Through P&L	66,285	66,285	-	-	-	-	-
Department of Health and Human Services	24,989	24,989	-	-	-	-	-
Patient Fees	5,962	2,991	806	236	1,929	-	(313)
Doctors' Fee Revenue	6,702	4,115	752	335	1,500	-	(514)
St Vincent's Healthcare Ltd	10,425	10,425	-	-	-	-	-
Other Receivables	16,600	13,943	1,377	480	800	-	(438)
Total	**140,715**	**132,500**	**2,935**	**1,051**	**4,229**	**-**	**(1,265)**

Note 7.1: Financial Instruments cont'd

c. Liquidity Risk

Liquidity risk, is the risk that the Hospital would be unable to meet its financial obligations as and when they fall due. The Hospital's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the Statement of Financial Position.

Maturity of Financial Instruments

	1 year or less $'000	Over 1 to 2 years $'000	Over 2 to 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying Amounts $'000
2017						
Financial Liabilities						
Trade and other Payables (current)	49,585	-	-	-	49,585	49,586
Bank loans (current and non-current)	6,948	-	-	-	6,948	6,948
Other loans (current and non-current)	17,071	5,353	6,180	354	28,958	28,958
Total	**73,604**	**5,353**	**6,180**	**354**	**85,491**	**85,491**
2016						
Financial Liabilities						
Trade and other Payables (current)	47,457	-	-	-	47,457	47,457
Bank loans (current and non-current)	1,294	6,947	-	-	8,241	8,241
Other loans (current and non-current)	13,405	11,005	10,892	1,252	36,554	36,554
Total	**62,156**	**17,952**	**10,892**	**1,252**	**92,252**	**92,252**

Ageing analysis excludes statutory financial instruments.

At the reporting date the Hospital has no access to any undrawn credit facilities.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has in place a framework to manage the Hospital's short, medium and long term funding and liquidity. The Hospital manages the liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows by matching the maturity profiles of financial assets and liabilities. Given the current surplus cash assets, liquidity risk is considered to be minimal.

Note 7.1: Financial Instruments cont'd

d. Market Risk

The Hospital's exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraph below.

Interest Rate Risk Exposure

The Hospital's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is limited to assets and liabilities bearing variable interest rates. St Vincent's Hospital (Melbourne) Limited does not enter into interest rate swaps.

The Hospital's major long term financial liabilities are effectively protected from interest rate risk as indicated below:

- CBA loan facility of $15,000,000 (residual as at year end: $6,948,000) $10.5m fixed interest at 7.05% and $4.5m variable facility capped at 7.05%.
- AIB facility for development of hospital building (IPS) effectively relates to Inflation Indexed Bonds where the loan repayments are entirely underwritten by a Government Grant and accordingly no interest rate risk is borne by the Hospital.
- Finance leases on fixed terms totalling $14,720,000 at year end are currently being amortised.
- A facility with St Vincent's Healthcare Ltd of $10,527,000 at a variable rate of 4.85% with interest only over the first three years and with principal to be paid off over the following four years.

The Hospital's intention is to maintain a combination of fixed and variable rates for both liabilities and financial assets to ensure that in aggregate interest rate risk is minimised. This is illustrated in the table on the following page.

Note 7.1: Financial Instruments cont'd

Interest Rate Exposure of Financial Assets and Liabilities as at 30 June

	Weighted Average Interest Rate	Floating Interest Rate $'000	Fixed Interest Rate $'000	Non Interest Bearing $'000	Carrying Amounts $'000
2017					
Financial Assets					
Cash	2.47%	12,070	-	35	12,105
Trade and Inter Hospital Receivables	0.00%	-	-	11,693	11,693
Other Receivables	2.94%	4,134	-	50,614	54,748
Other financial assets	1.79%	9,882	28,078	31,724	69,684
Total		**26,086**	**28,078**	**94,066**	**148,230**
Financial Liabilities					
Trade and other Payables	0.00%	-	-	49,585	49,585
St Vincent's Healthcare Ltd	4.85%	10,527	-	-	10,527
AIB Bond Holders	6.34%	3,711	-	-	3,711
CBA Loan Facility - car park	5.81%	-	6,948	-	6,948
Finance Leases	5.71%	-	14,720	-	14,720
Total		**7,461**	**21,668**	**49,585**	**85,491**
2016					
Financial Assets					
Cash	2.40%	9,034	-	37	9,071
Trade and Inter Hospital Receivables	0.00%	-	-	7,335	7,335
Other Receivables	2.94%	10,425	-	46,919	57,343
Other financial assets	3.92%	41,113	18,420	7,433	66,966
Total		**60,572**	**18,420**	**61,724**	**140,715**
Financial Liabilities					
Trade and other Payables	0.00%	-	-	47,457	47,457
St Vincent's Healthcare Ltd	4.85%	7,833	-	-	7,833
AIB Bond Holders	6.34%	9,802	-	-	9,802
CBA Loan Facility - car park	5.81%	-	8,241	-	8,241
Finance Leases	5.97%	-	18,920	-	18,920
Total		**17,635**	**27,161**	**47,457**	**92,253**

Note 7.1: Financial Instruments cont'd

Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Hospital believes the following movements are 'reasonably possible' over the next 12 months.

- Movement of 1% in the general level of interest rates

The following tables disclose the impact on net operating result and equity for each category of financial instrument held by the Hospital at year end. It should be noted that no forecast of the impact of a change in the rate of underlying inflation has been made as it is not possible to gauge the impact on Hospital net profit or equity of a change in this index.

		Interest Rate Risk			
		-1%		1%	
	Carrying Amount $'000	Profit $'000	Equity $'000	Risk Profit $'000	Equity $'000
2017					
Financial Assets					
Cash and cash equivalents	12,105	(121)	(121)	121	121
Trade and Other Receivables (current)	38,930	(37)	(37)	37	37
Receivables (non-current)	27,509	(4)	(4)	4	4
Other financial assets	69,684	(99)	(99)	99	99
Financial Liabilities					
Trade and other Payables (current)	49,585	-	-	-	-
Payables (non-current)	-	-	-	-	-
Bank loans (current and non-current)	6,948	-	-	-	-
Other loans (current and non-current)	28,958	37	37	(37)	(37)
Total increase/(decrease)		**(224)**	**(224)**	**224**	**224**
2016					
Financial Assets					
Cash and cash equivalents	9,071	(90)	(90)	90	90
Trade and Other Receivables (current)	36,852	(61)	(61)	61	61
Receivables (non-current)	27,827	(43)	(43)	43	43
Other financial assets	66,966	(411)	(411)	411	411
Financial Liabilities					
Trade and other Payables (current)	47,457	-	-	-	-
Payables (non-current)	-	-	-	-	-
Bank loans (current and non-current)	8,241	-	-	-	-
Other loans (current and non-current)	36,554	176	176	(176)	(176)
Total increase/(decrease)		**(429)**	**(429)**	**429**	**429**

Note 7.1: Financial Instruments cont'd

e. Fair Value

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Directors consider that the carrying amount of financial assets and liabilities recorded in the financial statements approximate their fair value.

Comparison between Carrying Amount and Fair Value

	2017 Carrying Amount $ '000	2017 Fair Value $ '000	2016 Carrying Amount $ '000	2016 Fair Value $ '000
Financial Assets				
Cash	12,105	12,105	9,071	9,071
Trade Debtors	11,693	11,693	7,335	7,335
Other Receivables	54,748	54,748	57,343	57,343
Other Financial Assets	69,684	69,684	66,965	66,966
Total	**148,230**	**148,230**	**140,715**	**140,715**
Financial Liabilities				
Trade Creditors and Accruals	49,585	49,585	47,457	47,457
SVHC	10,527	10,527	7,832	7,832
AIB Bond Holders	3,711	3,711	9,802	9,802
CBA Loan Facility – car park	6,948	6,948	8,241	8,241
Finance Leases	14,720	14,720	18,920	18,920
Total	**85,491**	**85,491**	**92,252**	**92,252**

Note 7.1: Financial Instruments cont'd

Financial Assets Measured at Fair Value

	Carrying Amount $ '000	Fair Value Measurement at End of Reporting Period		
		Level 1 $ '000	Level 2 $ '000	Level 3 $ '000
2017				
Financial Assets at Fair Value through Profit & Loss				
Other financial assets	69,003	69,003	-	-
Total Financial Assets	**69,003**	**69,003**	**-**	**-**
2016				
Financial Assets at Fair Value through Profit & Loss				
Other financial assets	66,285	66,285	-	-
Total Financial Assets	**66,285**	**66,285**	**-**	**-**

f. Credit Risk Exposures

As at 30 June 2017 the Hospital has determined that it has no impaired financial assets. It should be noted that at year-end Patient Debtors, Trade Debtors and Doctors Fee Revenue totalled $23,173,000 with $4,204,000 of this amount in excess of 90 days (past due). In view of this the Hospital has taken up a provision for doubtful debts for an amount of $1,758,000.

g. Significant Terms and Conditions

On 9 December 1992, the Hospital raised an amount of $80 million (face value) by an issue of Annuity Indexed Bonds which are supported by way of a guarantee approved by the Department and the Treasurer of the State of Victoria pursuant to Section 30 of the Health Services Act 1988. The repayments to bondholders under this arrangement are cash-flowed by Department on a quarterly basis up to November 2017 as part of the 25 year Health Services Agreement (Note 8.13).

Note 7.1: Financial Instruments cont'd

Initial recognition and measurement

Financial instruments are recognised when the entity becomes a party to the contractual provisions of the instrument being equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

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

Dividend revenue is recognised on a receivable basis. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Hospital's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

The Hospital makes limited use of this classification because any sale or reclassification of more than an insignificant amount of held to maturity investments not close to their maturity, would result in the whole category being reclassified as available for sale.

Financial liabilities at amortised cost

Financial instrument liabilities 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.

Financial instrument liabilities measured at amortised cost include all of the Hospital's contractual payables, deposits held and advances received, and interest-bearing arrangements other than those designated at fair value through profit or loss.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Hospital assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Note 7.2: Net gain / (loss) on disposal of non-financial assets

	Total 2017 $'000	Total 2016 $'000
Proceeds from Disposal of Non-Current Assets		
♦ Plant & Equipment	33	3
♦ Medical Equipment	10	-
♦ Computers and Communication	38	-
♦ Motor Vehicles	27	127
Total Proceeds from Disposal of Non-Current Assets	**108**	**130**
Less: Written Down Value of Assets Sold		
♦ Plant & Equipment	(4)	(10)
♦ Medical Equipment	(38)	(50)
♦ Computers and Communication	(24)	-
♦ Motor Vehicles	(55)	(7)
Total Written Down Value of Non-Current Assets Sold	**(121)**	**(67)**
Net Gain/(Losses) on Disposal of Non-Current Assets	**(13)**	**63**

Disposal of non-financial assets

Any gain or loss on the sale of non-financial assets is recognised in the comprehensive operating statement.

Impairment of Non-Financial Assets

Intangible assets that have indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they may be impaired. All other non-financial assets are reviewed annually for indications of impairment except for:

- inventories, and
- financial instrument assets.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written-off by a charge to the operating statement except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is measured at the higher of an asset's fair value less costs to sell and depreciated replacement cost. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Where there are indicators of impairment and an asset's carrying value exceeds its recoverable amount, the difference is written- off by a charge to the operating statement except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

Note 7.3: Contingent assets and contingent liabilities

The Hospital has no contingent assets but is disclosing the following contingent liabilities as at 30 June 2017.

Area Mental Health Services

On 19th June 1996 the Hospital commenced occupancy of the Area Mental Health Centre which had been constructed by the Hospital and funded by the Victorian Department of Health and Human Services. The building is leased from the Department to the Hospital on the condition that an Area Mental Health service is provided from the building for a period of twenty two years. If Area Mental Health services cease to be provided from the centre within the twenty two year period, the Hospital may incur a liability to the Department for part of the original cost of the building.

Note 7.4: Fair value determination

Asset Class	Examples of types of assets	Expected fair value level	Likely valuation approach	Siginificant inputs (Level 3 Only)
Non-specialised land	In areas where there is an active market: - vacant land - land not subject to restrictions as to use or sale	Level 2	Market approach	N/A
Specialised land	Land subject to restrictions as to use and/or sale Land in areas where there is not an active market	Level 3	Market approach	CSO adjustments
Non-specialised buildings	For general/commercial buildings that are just built	Level 2	Market approach	N/A
Specialised buildings [i]	Specialised buildings with limited alternative uses and/or substantial customisation e.g. prisons, hospitals and schools	Level 3	Depreciation replacement cost approach	Cost per square metre Useful life
Dwellings [i]	Social/public housing/ employee housing	Level 2, where there is an active market in the area Level 3, where there is no active market in the area	Market approach Depreciation replacement cost approach	N/A Cost per square metre Useful life
Infrastructure	Any type	Level 3	Depreciation replacement cost approach	Cost per square metre Useful life
Road, infrastructure and earthworks	Any type	Level 3	Depreciation replacement cost approach	Cost per square metre Useful life
Plant and equipment [i]	Specialised items with limited alternative uses and/or substantial customisation	Level 3	Depreciation replacement cost approach	Cost per square metre Useful life
Vehicles	If there is an active resale market available; If there is no active resale market available	Level 2 Level 3	Market approach Depreciated replacement cost approach	N/A Cost per square metre Useful life
Cultural assets	Items for which there is an active market and there are operational uses for the item	Level 2	Market approach	N/A
Cultural assets	Items for which there is no active market and there are limited uses	Level 3	Depreciated replacement cost approach	Cost per square metre Useful life

(i) Newly built/aquired assets could be categorised as Level 2 assets depreciation would not be a significant unobservable input (based on the 10% materiality threshold).

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 Equity

8.2 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities

8.3 Operating segments

8.4 Responsible persons disclosures

8.5 Executive officer disclosures

8.6 Related parties

8.7 Payments to other personnel (i.e. contractors with significant management responsibilities)

8.8 Remuneration of auditors

8.9 Ex-gratia expenses

8.10 AASBs issued that are not yet effective

8.11 Events occurring after the balance sheet date

8.12 Controlled entities

8.13 Redevelopment of the Hospital (1996)

8.14 Alternative presentation of comprehensive operating statement

8.15 Glossary of terms and style conventions

Note 8.1: Equity

	Total 2017 $'000	Total 2016 $'000
a. RESERVES		
Restricted Specific Purpose Reserve		
Balance at the beginning of the reporting period	29,732	29,259
Transfer to and from Restricted Purpose Reserves	667	473
Balance at the end of the reporting period	30,399	29,732
Asset Revaluation Reserve		
Balance at the beginning of the reporting period	614	514
Revaluation during the period	12	100
Balance at the end of the reporting period	626	614
AIB Reserve		
Balance at the beginning of the reporting period	5,891	5,779
Transfer to and from AIB Reserve	88	112
Balance at the end of the reporting period	5,979	5,891
General Purpose Reserve		
Balance at the beginning of the reporting period	1,200	1,785
Transfer to and from General Purpose Reserve	(755)	(585)
Balance at the end of the reporting period	445	1,200
Funds Held in Perpetuity		
Balance at the beginning of the reporting period	250	250
Transfer to and from Funds held in Perpetuity	-	-
Balance at the end of the reporting period	250	250
Total Reserves	**37,839**	**37,775**

Note 8.1: Equity cont'd

	Total 2017 $'000	Total 2016 $'000
b. ACCUMULATED SURPLUSES		
Balance at the beginning of the reporting period	27,147	31,046
Net Result for the Year	(1,245)	(3,882)
Partial deconsolidation of jointly controlled operation	-	(17)
Transfer to and from Surpluses	-	-
Balance at the end of the reporting period	25,902	27,147
c) CONTRIBUTED CAPITAL		
Balance at the beginning of the reporting period	25,850	25,850
Balance at the end of the year	25,850	25,850
d. EQUITY		
Total Equity at the beginning of the reporting period	90,684	94,483
Total changes in Equity Recognised in the Statement of Comprehensive Income	(1,233)	(3,782)
Reduction of Enity Equity Upon Admission of New Member to Joint Venture	-	(17)
Total Equity	**89,451**	**90,684**

The company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of $100 each towards meeting any outstanding obligations of the company. At 30 June 2017 the company had 1 member (2016: 1 member).

Capital Management

Management controls the capital of the Hospital in order to maintain a good debt to equity ratio and ensure that it can fund its operations and continue as a going concern. The Hospital's debt and capital includes contributed capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Hospital's capital by assessing its financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels.

Note 8.2: Reconciliation of Net Result for the Year to Net Cash Inflow from Operating Activities

	Total 2017 $'000	Total 2016 $'000
Net Result for the Year	**(1,245)**	**(3,882)**
Depreciation and Amortisation	22,138	21,383
Revaluation of Investment Property	(140)	-
Provision for Doubtful Debts	492	98
Assets Received Free of Charge	(8)	(88)
Non Cash Investment distributions	(1,510)	(2,312)
Net (Gain)/Loss on Disposal of Non-Current Assets	13	(63)
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Inventories	(200)	(1,563)
Increase/(Decrease) in Creditors	1,764	12,399
Increase/(Decrease) in Employee Entitlements	10,976	10,406
Increase/(Decrease) in Accrued Expenses	1,574	(2,906)
Increase/(Decrease) in Prepaid Revenue	1,267	270
(Increase)/Decrease in Patient Fees Receivable	(60)	(3,107)
(Increase)/Decrease in Receivables	(7,764)	(10,044)
(Increase)/Decrease in Prepaid Expenses	(83)	(82)
Net Cash Inflow from Operating Activities	**27,214**	**20,509**

Note 8.3: Operating Segments

The Hospital operates predominantly in the health sector within Melbourne, Victoria. More than 90% of revenue, net surplus from ordinary activities and segment assets relate to operations in Melbourne, Victoria.

The Hospital operates solely in the health services industry within Australia. Reference should be made to note 2.1 for the purpose of this segment note.

	RACS		Inpatient		Other		Consolidated	
	June 2017 $'000	June 2016 $'000	June 2017 $'000	June 2016 $'000	June 2017 $'000	June 2016 $'000	June 2017 $'000	June 2016 $'000
Revenue								
Segment Revenue	10,707	10,918	386,544	392,475	364,140	282,827	761,391	686,220
Total Revenue	**10,707**	**10,918**	**386,544**	**392,475**	**364,140**	**282,827**	**761,391**	**686,220**
Expenses	**(15,957)**	**(16,238)**	**(475,545)**	**(487,690)**	**(267,402)**	**(181,874)**	**(758,904)**	**(685,802)**
Segment Result	**(5,250)**	**(5,320)**	**(89,001)**	**(95,215)**	**96,738**	**100,953**	**2,487**	**419**
Unallocated Expenses	-	-	-	-	-	-	-	-
Net Result from ordinary activities	**(5,250)**	**(5,320)**	**(89,001)**	**(95,215)**	**96,738**	**100,953**	**2,487**	**419**
Leasehold Expense	-	-	-	-	(66)	(66)	(66)	(66)
Interest Expense	-	-	-	-	(6,108)	(6,611)	(6,108)	(6,611)
Interest Income	-	-	-	-	2,442	2,376	2,442	2,376
Net Result for the Year	**(5,249)**	**(5,320)**	**(89,001)**	**(95,215)**	**93,006**	**96,652**	**(1,245)**	**(3,882)**
Segment Assets	20,704	21,003	134,657	145,024	177,842	165,666	333,202	331,693
Unallocated Assets	-	-	-	-	-	-	-	-
Total Assets	**20,704**	**21,003**	**134,657**	**145,024**	**177,842**	**165,666**	**333,202**	**331,693**
Segment Liabilities	4,387	4,575	127,622	133,082	111,743	103,352	243,753	241,009
Unallocated Liabilities	-	-	-	-	-	-	-	-
Total Liabilities	**4,387**	**4,575**	**127,622**	**133,082**	**111,743**	**103,352**	**243,753**	**241,009**
Acquisition of property, plant and equipment and intangible assets	69	1,175	17,696	11,477	1,609	13,110	19,374	26,249
Depreciation and Amortisation Expense	1,382	1,350	8,947	9,323	11,809	10,709	22,138	21,383
Non Cash expenses— Bed Licences write-down	-	-	-	-	-	-	-	-
Impairment of Inventories	-	-	-	-	-	-	-	-

Note 8.3: Operating Segments cont'd

Where possible the allocation has been based on actual balances however in some instances pro-rata allocations have been used based on relevant factors.

The major products/services from which the above segment derives revenue are:

Residential Aged Care Services (RACS)

Nursing Homes—Two Residential Aged Care mental health facilities and one Residential Aged Care facility run at the St George's Health Service.

Inpatient

Comprises all recurrent health revenue/expenditure on admitted patient services, where services are delivered in public hospitals, or free standing day hospital facilities, or palliative care facilities, or rehabilitation facilities, or alcohol and drug treatment units.

Note 8.4: Responsible Persons Disclosures

a. Responsible Persons

In accordance with the Ministerial Directions issued by the Minister for *Finance under the Financial Management Act 1994*, the following disclosures are made regarding the responsible persons for the year.

Responsible Minister

The Hon Jill Hennessy, Minister for Health, Minister for Ambulance Services	01/07/16 – 30/06/17
The Hon Martin Foley, Minister for Housing, Disability and Ageing, Minister for Mental Health	01/07/16 – 30/06/17

Governing Board

The Directors of the Hospital during the year were:

Mr P Robertson AM (Chair)	01/07/16 – 30/06/17
Ms P Faulkner AO (Deputy Chair)	01/07/16 – 30/06/17
Ms Ann McDonald	01/06/17 – 30/06/17
Prof M Confoy RSC	01/07/16 – 30/06/17
Prof S Crowe AM	01/07/16 – 30/06/17
Mr B Earle	01/07/16 – 30/06/17
Mr G Humphrys	01/07/16 – 30/06/17
Mr P McClintock AO	01/07/16 – 30/06/17
Prof P Smith	01/07/16 – 31/12/16
Sr M Wright IBVM	01/07/16 – 30/06/17
Dr M Coote	04/08/16 – 30/06/17

Accountable Officer

Ms S O'Neill	01/07/16 – 30/06/17

Note 8.4: Responsible Persons Disclosures cont'd

b. Remuneration of Responsible Personss

Directors of the St Vincent's Health Australia Board (also sitting as the St Vincent's Hospital (Melbourne) Board), received payment for their roles as Directors. These amounts were paid and accounted for by St Vincent's Health Australia Limited and not St Vincent's Hospital (Melbourne) Limited.

Those Responsible persons who held Executive positions within the Hospital and those directors who received remuneration for their management or professional duties, are shown in the relevant income bands below.

	Total renumeration		Base renumeration	
	2017 No.	2016 No.	2017 No.	2016 No.
$0 - $9,999	2	-	2	-
$30,000 - $39,999	-	1	-	1
$40,000 - $49,999	1	-	1	-
$60,000 - $69,999	4	3	4	3
$70,000 - $79,999	2	4	2	4
$80,000 - $89,999	1	1	1	1
$110,000 - $119,999	-	1	-	1
$120,000 - $129,999	-	1	-	1
$140,000 - $149,999	1	1	1	1
$150,000 - $159,999	-	1	-	1
$380,000 - $389,999	-	-	1	-
$400,000 - $409,999	1	-	-	-
Total	**12**	**13**	**12**	**13**
Total Remuneration $'000	**$1,095**	**$1,120**	**$1,095**	**$1,093**

c. Remuneration of Responsible Persons

There was no other remuneration paid in connection with Responsible Persons of St Vincent's Hospital (Melbourne) Limited.

d. Retirement Benefits of Responsible Persons

There were no retirement benefits paid by the Hospital in connection with the retirement of Responsible Persons of St Vincent's Hospital (Melbourne) Limited.

e. Other Transactions of Responsible Persons and their Related Parties

Mr G Humphrys is a Director of HESTA Superannuation which provides superannuation services to St Vincent's Hospital (Melbourne) Limited (Refer note 3.5).

Note 8.5: Executive Officer Disclosures

Executive Officer Remuneration

The number of Executive Officers, other than the Minister and the Accountable Officer, and their total remuneration during the reporting period is shown in the table below.

A number of executive officers resigned in the past year. This has had a significant impact of total remuneration figures due to the including of annual leave and long service leave payments.

Compensation	2017 $'000	2016 $'000
Short-term employee benefits	2,051	1,983
Post-employment benefits	159	141
Other long-term benefits	174	106
Termination benefits	111	-
Share based payments	-	-
Total	**2,495**	**2,230**

Note 8.6: Related parties

The hospital is a wholly owned and controlled entity of the St Vincent's Health Australia group. Related parties of the hospital include:

- all key management personnel and their close family members;
- all cabinet ministers and their close family members; and
- all other entities within the wholly-owned group

All related party transactions have been entered into on an arm's length basis.

Key management personnel (KMP) of the hospital include the Portfolio Ministers and Cabinet Ministers and KMP as determined by the hospital. 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	2017 $'000	2016 $'000
Short-term employee benefits	6,110	7,035
Post-employment benefits	343	375
Other long-term benefits	288	199
Termination benefits	111	239
Share based payments	-	-
Total	**6,852**	**7,848**

Transactions with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements. Outside of normal citizen type transactions with the department, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

Significant transactions with government-related entities

The Hospital received funding from the Department of Health and Human Services of $542.89 million (2016: $477.27 million).

Transactions with entities in the wholly-owned group

St Vincent's Hospital (Melbourne) Limited is part of a wholly owned group. Transactions between St Vincent's Hospital (Melbourne) Limited and other entities in the wholly owned group during the year ended 30 June 2017 consist of:

i) Recoveries by St Vincent's Hospital (Melbourne) Limited for the provision of management and administrative services

ii) Recoveries by St Vincent's Hospital (Melbourne) Limited for the provision of other health services at cost

iii) Payment to St Vincent's Health Australia Limited Group levy and other service costs

iv) Repayment of loans (including interest) and payment of a car park lease to St Vincent's Healthcare Ltd

Note 8.6: Related parties cont'd

Transactions with entities in the wholly-owned group

	2017 $'000	2016 $'000
Aggregate amounts included in the determination of operating profit that resulted from transactions with entities in the wholly-owned group:		
Health Service carpark, group levy, ICT shared services and costs charged by St Vincent's Health Australia Ltd and St Vincent's Healthcare Limited	11,083	1,682
Campus Lease charge by St Vincent's Healthcare Ltd	10,407	10,287
Interest revenue received from St Vincent's Healthcare Ltd	4,334	4,456
Facility Lease charge by St Vincent's Healthcare Ltd	66	66
Aggregate amounts receivable from, and payable to, entities in the wholly owned group at Statement of Financial Position date:		
Current receivables due from St Vincent's Healthcare Ltd and St Vincent's Health Australia Ltd	3,689	6,095
Non-Current receivables due from St Vincent's Healthcare Ltd and St Vincent's Health Australia Ltd	445	4,330
Current payables owing to St Vincent's Healthcare Ltd and St Vincent's Health Australia Ltd	8,605	2,680
Non-current payable owing to St Vincent's Healthcare Ltd and St Vincent's Health Australia Ltd	1,842	5,153
Aggregate amounts included in the determination of operating profit that resulted from transactions with each class of other related parties:		
Recoveries for the provision of management and administrative services to St Vincent's Private Hospitals Ltd	3,674	3,770
Costs charged for the provision of other health services by St Vincent's Private Hospitals Ltd	552	506
Aggregate amounts receivable from, and payable to, with each class of other related parties, at Statement of Financial Position date:		
Current receivables from St Vincent's Private Hospitals Ltd	840	365
Current Payables to St Vincent's Private Hospitals Ltd	7	-

Pursuant to a Loan and Restructure Agreement between the Trustees of the Sisters of Charity and St Vincent's Healthcare Ltd, land and building assets, including leasehold improvements, have been transferred to St Vincent's Healthcare Ltd as at 1 January 2003 at written down value. Accordingly, no profit or loss has been recorded on this transaction and an interest free loan has been established between St Vincent's Hospital (Melbourne) Limited and St Vincent's Healthcare Ltd. Due to the introduction of A-IFRS this transaction had a significant impact on reported assets and the on-going operational result.

This arises because of the requirement to discount the interest free loan to an arm's length market value and to treat the non-cash loan repayments from St Vincent's Healthcare Ltd as comprising separately identifiable interest and principal components.

Note 8.7: Payments to other personnel (i.e. contractors with significant management responsibilities)

In accordance with FRD 21C the following disclosures are made in relation to other personnel of St Vincent's Hospital (Melbourne) Limited, i.e. contractors charged with significant management responsibilities.

	2017 $'000	2016 $'000
Expense Base		
$140,000 - 149,999	1	0
Ex gratia expenses	**149**	**0**

Note 8.8: Remuneration of Auditors

	2017 $'000	2016 $'000
Victorian Auditor-General's Office		
Audit fees paid or payable for audit of the St Vincent's Hospital (Melbourne) Limited's financial statements	90	96
Other Service Providers		
St Vincent's Health Australia Ltd – Internal Audit	168	152
HLB Mann Judd	2	2
Total Remuneration	**260**	**250**

Note 8.9: Ex gratia expenses

	2017 $'000	2016 $'000
Payments made to terminated employees	407	1,085
Ex gratia expenses	**407**	**1,085**

Note 8.10: AASBs issued that are not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the year ended 30 June 2017. The Hospital's assessment of the impact of those new standards and interpretations which are applicable to the Hospital is set out below.

Standard/ Interpretation	Examples of types of assets	Expected fair value level	Likely valuation approach
AASB 9 Financial instruments	AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.	1 Jan 2018	Subject to AASB's further modifications to AASB 9, together with the anticipated changes resulting from the staged projects on impairments and hedge accounting, details of impacts will be assessed. No material change to the Hospital's financial statements is expected to arise from initial application of this standard.
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.
AASB 1058 Income of Not-for-Profit Entities	This standard replaces AASB 1004. Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.	1 Jan 2019	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change.

Note 8.11: Events Occurring After Reporting Date

There have been no significant events occurring after the reporting date that have any material impact on the results of the Hospital as reported in these financial statements.

Note 8.12: Controlled Entities

Name of Entity	Principal Activity	Ownership interest	
		2017	2016
Victorian Comprehensive Cancer Centre	The member entities have committed to the establishment of a world leading comprehensive cancer centre in Parkville, Victoria, through the Joint Venture, with a view to saving lives through the integration of cancer research, education and training and patient care.	10.0%	10.0%

The Hospital's interest in assets employed in the above jointly controlled operations and assets is detailed below. The amounts are included in the Hospital's financial statements for the year ended 30 June 2017 under respective asset categories.

	Total 2017 $'000	Total 2016 $'000
Current Assets		
Cash and Cash Equivalents	566	257
Receivables	3	4
Prepayments	-	3
Total Current Assets	**569**	**264**
Non-Current Assets		
Financial Assets	1	-
Property, Plant and Equipment	3	4
Total Non-Current Assets	**4**	**4**
Total Assets	**573**	**268**
Current Liabilities		
Accrued Expenses	10	10
Payables	10	8
Prepaid Revenue	3	35
Provisions – LSL and Annual Leave	8	42
Total Current Liabilities	**31**	**95**
Non-Current Liabilities		
Provisions - LSL	6	5
Total Non-Current Liabilities	**6**	**5**
Total Liabilities	**37**	**100**
Net Assets	**536**	**168**

Note 8.12: Controlled Entities cont'd

The Hospital's interest in revenue and expenses resulting from jointly controlled operations and assets is detailed below:

	Total 2017 $'000	Total 2016 $'000
Revenue		
Grants and Other Revenue	534	166
Interest	9	5
Total Revenue	**543**	**171**
Expenses		
Employee Benefits	142	153
Other Expenses from Continuing Operations	32	(8)
Depreciation and Amortisation	1	1
Total Expenses	**175**	**146**
Net Result	**368**	**25**

Investments in jointly controlled assets and operations

In respect of any interest in jointly controlled assets, the Hospital recognises in the financial statements:

- its share of jointly controlled assets;
- any liabilities that it has incurred;
- its share of liabilities incurred jointly by the joint venture;
- any income earned from the selling or using of its share of the output from the joint venture; and
- any expenses incurred in relation to being an investor in the joint venture.

The hospital holds a one tenth interest in the Victorian Comprehensive Cancer Centre joint venture (VCCC). The VCCC has been established to bring together experts in cancer to build on and strengthen collaborations in cancer research, cancer education and training and cancer treatment and care to ensure the best possible outcomes for the benefit of people affected by cancer.

Note 8.13: Redevelopment of the Hospital (1996)

Hospital Development Agreement

The Hospital agreed with NBA Leasing Proprietary Limited to develop a minimum 350 bed inpatient facility for the sum of $146 million in accordance with the agreed plans and specifications. The agreement provided that the Hospital should fund from its own resources any sum by which the Construction Cost exceeded the agreed Redevelopment Cost of $135.3 million. In June 1996 the development was completed. Total costs for the development were $144.3 million. The following financial arrangements were entered into to fund the development of the hospital facility.

Borrowings

The Hospital issued Inflation Indexed Annuities of $80.0 million (face value) on 9 December 1992. Payments are by quarterly instalments over a 25 year period with the first instalment made on 20 February 1993. The annuity has a quarterly base payment of $1,414,400 which is adjusted quarterly by the movement in the Consumer Price Index. The total payment made to the annuity holders represents a progressive repayment of their loans plus interest. Repayments are secured by a guarantee given by the Treasurer of the State of Victoria under Section 30 of the Health Services Act and are funded by the twenty five year Health Services Agreement. At 30 June 2017, the amount outstanding under this agreement is $3,711,000 (2016: $9,802,000 – reported in the Balance Sheet as an Obligation to provide Public Hospitals' Services which has a corresponding receivable asset of $3,711,000 (2016: $9,802,000) reported in the Balance Sheet as Debtor – Department of Health and Human Services.

A Finance lease was entered into between the Trustees of the Sisters of Charity of Australia and NBA Leasing Proprietary Limited to fund the building fit out and equipment. The Hospital recognised this Finance Lease obligation in its accounts. Excluded from the Finance Lease obligation is the value of a Zero Coupon Bond purchased on 15 December 1992 by the Trustees of the Sisters of Charity of Australia which was scheduled to mature in December 2008 with a value of $28 million. The proceeds of the Bond were to be utilised to meet the final borrowing obligations to NBA Leasing Proprietary Limited.

On 24th December 2001 the financial obligations to NBA Leasing Proprietary Limited were extinguished by the payment of the Compensation Amount of $153,669,755. This amount was funded by the Trustees of the Sisters of Charity of Australia repaying their loan of $80,082,041, drawing down funds from the AIB Reserve Account of $7,926,816, sale of the Zero Coupon Bond of $19,530,840, and a loan from Treasury Corporation of Victoria of $46,130,058. There is no specific funding stream under the Health Service Agreement to repay this loan to Treasury Corporation of Victoria. Repayments have been sourced from commercial returns and productivity savings achieved on an annual basis. The Treasury Corporation of Victoria loan was fully repaid in December 2011.

Campus Lease

The Hospital has leased from the Trustees of the Sisters of Charity of Australia the Hospital campus for a period of twenty five years commencing on 11th August, 1992. The Hospital is obliged to pay one hundred quarterly rental payments (Part A rent) for the land commencing on 8 February 1993 and pay rent on building and equipment (Part B rent) from the date of completion of the new hospital building. The Part B rent under the Campus Lease was the sum required to allow the Trustees of the Sisters of Charity of Australia to meet their obligations to NBA Leasing Proprietary Limited under the Lease. The Part B rent ceased on 24 December 2001 with the payment of the compensation amount (refer above), whilst Part A rent continues.

The Trustees of the Sisters of Charity transferred land and building assets, including leasehold improvements, to the company now known as St Vincent's Healthcare Ltd on 1 January 2003.

25 Year Health Services Agreement

The Hospital entered into a twenty five year Health Services Agreement with the Victorian Department of Health on 11 August 1992 which provides for instalments of a Business and Occupancy Allowance to be paid to the Hospital of $7.0 million per annum (indexed) over that period. The instalments of the Business and Occupancy Allowance are the source of funds for the Part A rent in respect of the Campus Lease. The Department also provides an annual operating payment to cover the realistically attainable efficient cost of supplying public hospital services.

On 30 June 2016, a new 20 year Health Services Agreement (HSA) was executed between the Department of Health and Human Services and St Vincent's Hospital Melbourne.

Escrow Account/AIB reserve

The net amount transferred into the Escrow account for the year ended 30 June 2017 was $87,000 (2016: inflow of $112,000), including compounding interest that was reinvested in the facility. The AIB Reserve/Escrow account is represented by investments. The balances of investments held are disclosed in Note 4.1 as 'Guaranteed Bill Index Deposits in Escrow'.
On 24 December 2001 an amount of $7,926,000 representing the net present value of future AIB Reserve claims was transferred from the AIB Reserve Account to partially fund the Compensation Amount paid to NBA Leasing Proprietary Limited.
As a consequence of the extinguishment of the obligations under the agreements to NBA Leasing Proprietary Limited (refer above), the excess of the Business and Occupancy Allowance over the payments to Bondholders which was previously transferred to the AIB Reserve Account is now transferred to the Department. The balance of the AIB Reserve Account as at 30 June 2017 is held in Escrow pending release to the Hospital for repayment of debt or future capital projects.

Charges over Assets

Two separate Fixed and Floating Charges were created on 11 August 1992 over the assets and on the undertaking of the Hospital. A first ranking Fixed and Floating Charge was granted in favour of the Chief General Manager of the Department and a second ranking Fixed and Floating Charge was granted in favour of the Treasurer of the State of Victoria. Each charge has been granted to secure the Hospital's obligations to the relevant charge arising out of the financing of the redevelopment.

Note 8.14: Alternative presentation of comprehensive operating statement

	Note	2017 $'000	2016 $'000
Grants			
♦ Operating	2.1	556,279	491,324
♦ Capital	2.1	19,489	27,689
Interest and Dividends	2.1	2,442	2,564
Sales of Goods and Services	2.1	168,933	160,406
Other Income			
♦ Other capital income	2.1	16,682	6,526
♦ Assets received free of charge	2.2	8	88
Revenue from Transactions		**763,833**	**688,597**
Employee Expenses	3.1	479,503	453,367
Operating Expenses			
♦ Supplies and consumables	3.1	160,042	114,396
♦ Non-salary labour costs	3.1	6,959	6,218
♦ Maintenance costs	3.1	12,291	10,892
♦ Other	3.1	66,380	66,847
Non-Operating Expenses			
♦ Finance costs	3.3	6,108	6,611
♦ Campus lease		10,407	10,287
♦ Other capital expenses		2,111	1,948
Depreciation and Amortisation	4.3	22,138	21,383
Expenses from Transactions		**765,939**	**691,949**
Net Result from Transactions		**(2,106)**	**(3,352)**
Other economic flows included in net result			
Revaluation of Investment Property		140	-
Revaluation of Long Service Leave		721	(530)
Net Result for the Year		**(1,245)**	**(3,882)**
Revaluation on Non-Current Assets	8.1	12	100
Comprehensive Result		**(1,233)**	**(3,782)**

Note 8.15: Glossary of terms and style convention

Actuarial gains or losses on superannuation defined benefit plans

Actuarial gains or losses are changes in the present value of the superannuation defined benefit liability resulting from:

a. experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and
b. the effects of changes in actuarial assumptions.

Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset.

Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

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'.

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:

a. cash;
b. an equity instrument of another entity;
c. a contractual or statutory right:
   - to receive cash or another financial asset from another entity; or
   - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
d. a contract that will or may be settled in the entity's own equity instruments and is:
   - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
   - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is:

a. A contractual obligation:
   i. to deliver cash or another financial asset to another entity; or
   ii. to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
b. A contract that will or may be settled in the entity's own equity instruments and is:
   i. 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
   ii. a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

A complete set of financial statements comprises:

a. A statement of financial position as at the end of the period;
b. A statement of profit or loss and other comprehensive income for the period;
c. A statement of changes in equity for the period;
d. A statement of cash flows for the period;
e. Notes, comprising a summary of significant accounting policies and other explanatory information;
f. Comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial Statements; and
g. A statement of financial position at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes. Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Interest expense

Costs incurred in connection with the borrowing of funds includes interest on bank overdrafts and short-term and long-term liabilities, amortisation 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.

Joint ventures

Joint ventures are contractual arrangements between the Hospital and one or more other parties to undertake an economic activity that is subject to joint control. Joint control only exists when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

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) recognised for the period, excluding those that are classified as 'other comprehensive income'.

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, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

Payables

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

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 the Hospital.

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

(xxx.x) negative numbers

200x year period

200x-0x year period

ST VINCENT'S ACKNOWLEDGES

the traditional owners of this land, the wurundjeri people and all the members of the kulin nations.

We pay our respects to their Elders, past and present. St Vincent's is Victoria's largest metropolitan provider of Aboriginal and Torres Strait Islander healthcare. We continue to develop our relationship with the Koori community and are proud to be acknowledged as a centre of excellence in healthcare for Indigenous Australians.

ST VINCENT'S HOSPITAL
MELBOURNE

PO Box 2900 Fitzroy
VIC 3065 Australia
(03) 9231 2211
www.svhm.org.au