FAIR WORK COMMISSION

Matter No: AM2024/11

Application by Australian Nursing and Midwifery Federation

WITNESS STATEMENT OF ILONA RYAN

DATED 26 MAY 2026

I, Ilona Ryan of [redacted], state as follows:

INTRODUCTION

1. This statement is made from my own knowledge and belief, unless otherwise stated. Where statements are not made from my knowledge, they are made to the best of my knowledge, information and belief and I have set out the sources of my knowledge, information and belief.

BACKGROUND

2. I am currently employed as an Education Manager at St Vincent's Private Hospital Melbourne (**SVPH**).

3. In this role, I am responsible for managing education across the four acute care sites in Victoria operated by **SVPH**.

4. I oversee and lead a team of nurse and midwifery clinicians, ensuring the effective delivery of education programs and professional development initiatives across the organisation.

5. My responsibilities include oversight of all education programs, including:

   (a) Registered Nurse (**RN**), Registered Midwife (**RM**), and Enrolled Nurse (**EN**) graduate programs;

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(b) in-house specialty programs; and

(c) postgraduate education pathways.

6. I am also responsible for the governance of mandatory training requirements and managing student placement agreements across the organisation.

7. I have held this role for approximately two years and have been employed by SVPH for the same period.

8. Prior to my current role, I held a number of senior education and workforce development positions with Healthscope, including:

(a) National Early Careers Program Manager;

(b) Learning and Student Experience Lead;

(c) National Career Pathway Specialist / Student Coordinator; and

(d) Education and Graduate Program Coordinator.

9. I have over 25 years' experience working in the heath sector.

10. In addition to these roles, I have experience in clinical teaching within tertiary education, including on-campus teaching, assessment and marking, and simulation-based education for the Bachelor of Nursing program.

11. I hold a Bachelor of Nursing and a Post Graduate Diploma in Critical Care Nursing.

SVPH SITES IN VICTORIA

12. SVPH has four hospital sites in Victoria:

(a) 59 Victoria Parade Fitzroy VIC 3065 (**Fitzroy**);

(b) 159 Grey Street East Melbourne VIC 3002 (**East Melbourne**);

(c) 5 Studley Avenue Kew VIC 3101 (**Kew**); and

(d) Hoppers Lane Werribee VIC 3030 (**Werribee**).

13. Each site includes operating theatres, with the following capacity:

    (a) Fitzroy – 11 operating theatres and 3 cardiac catheterisation laboratories (**Cath lab**);

    (b) East Melbourne – 11 operating theatres;

    (c) Werribee – 4 operating theatres and 1 Cath lab; and

    (d) Kew – 5 operating theatres.

14. Cath labs are used to perform interventional procedures, such as angiography, which are less invasive than traditional open surgical approaches, as they do not require procedures such as opening the chest.

Fitzroy

15. The Fitzroy site is a full-service private hospital. It offers inpatient and outpatient services including orthopaedics, maternity, gynecology, critical care (cardiac services, intensive care, cath labs), neurosciences, opthamology, gastrointestinal and hepatobiliary, plastics and reconstructive, urology, oncology/ haematology, thoracics, vascular and allied health (physiotherapy, occupational therapy).

16. It is a 273-bed facility. All patient rooms provide single private accommodation equipped with ensuite bathrooms, bedside telephones, TV and fridge.

17. The facilities at Fitzroy include:

    (a) a day procedure unit;

    (b) two cardiac catheter laboratories;

    (c) intensive care unit; and

    (d) one endovascular laboratory.

East Melbourne

18. The healthcare services provided at East Melbourne include Orthopaedics, ENT, Otolaryngology, Plastic and Reconstructive Surgery, Paediatrics, Oncology, General

surgery, Ophthalmology, Respiratory and Sleep Medicine, Rehabilitation, Urology, High Dependency Unit and Breast Cancer Surgery.

19. It is 164-bed facility, with both private and shared rooms with en suite bathrooms. There are 11 general operating rooms onsite.

Kew

20. The Kew site is a 54-bed facility, that includes both private and shared rooms with ensuite bathrooms. There are five general operating rooms onsite.

21. The healthcare services offered include Orthopaedics, Ophthalmology, paediatrics and Plastic and Reconstructive Surgery, including Hand Surgery.

Werribee

22. The healthcare services provided at Werribee include Orthopaedics, general surgery, ear, nose and throat (**ENT**), paediatrics, cardiac, neurosurgery and bariatrics. Werribee includes four operating theatres.

LEADERSHIP AT SVPH

23. The organisational structure at SVPH is hierarchical. At the top sits the Chief Executive Officer (**CEO**) for SVPH in Victoria.

24. Reporting to the CEO are General Managers or Directors of Clinical Services, with one assigned to each hospital site. Currently, those roles are held by:

    (a) [redacted], General Manager – Director of Clinical Services Fitzroy;

    (b) [redacted], General Manager – Director of Clinical Services Kew;

    (c) [redacted], General Manager – Director of Clinical Services East Melbourne;

    (d) [redacted], General Manager – Director of Clinical Services Werribee;

25. At three of the four sites, there are also Assistant Directors of Clinical Services.

NURSING STAFF

26. At the ward level, Nurse Unit Managers (**NUMs**) and Associate Nurse Unit Managers (**ANUMs**) are responsible for the management of clinical areas. These positions are held by RNs and RMs.

27. Supporting NUMs and ANUMs are Clinical Nurse Specialists (**CNS**), who are also RNs or RMs and who provide advanced clinical expertise within their respective specialty areas.

28. ENs form part of the clinical workforce. ENs have varying levels of experience, from those starting in our graduate programs, all the way to the *"EN3"* classification, which represents the highest level for ENs with SVPH.

29. Across the organisation, the nursing workforce comprises approximately:

    (a) 740 RNs;

    (b) 30 RN graduates;

    (c) 50 RMs;

    (d) 142 ENs;

    (e) 9 EN graduates; and

    (f) 1 Nurse Practitioner (**NP**).

HOSPITAL ENVIRONMENT AND PATIENT COHORT

Clinical Specialties

30. SVPH operates within a private, predominantly surgical healthcare setting.

31. The majority of patients are admitted for elective or planned procedures, although there is a wide range of clinical specialties represented across the four hospital sites. These specialties include:

    (a) maternity and gynecology;

    (b) neuroscience;

(c) cardiology / cardiac services;

(d) intensive care and high dependency care;

(e) upper gastrointestinal surgery;

(f) hepatobiliary

(g) orthopaedics and plastics;

(h) paediatrics;

(i) ear, nose and throat (**ENT**);

(j) rehabilitation;

(k) gynaecology;

(l) haematology and oncology;

(m) thoracics and vascular;

(n) ophthalmology;

(o) respiratory;

(p) sleep medicine; and

(q) ophthalmology.

32. There is one NP within SVPH who is based in the Day Oncology Unit at the East Melbourne site.

Patient Demographic

33. The patient demographic varies significantly by reference to age, acuity, and clinical complexity.

34. Certain clinical areas, including day procedure unit, orthopaedics, paediatrics, maternity, and gynaecology, generally involve shorter lengths of stay and higher patient turnover, particularly where postoperative recovery is uncomplicated.

35. In contrast, other areas such as neuroscience and critical care environments care for more complex patients, which typically involves longer hospital admissions and higher acuity care requirements.

WORKFLOW AND ALLOCATION

36. SVPH operates on a 24-hour shift model across all clinical areas, with nursing staff rostered to morning, afternoon and night duty shifts.

37. There is an organisational focus on increasing the number of ENs across the hospital network. ENs do not work within high dependency units, intensive care or maternity services within the organisation.

38. Most wards will allocate a patient load to individual nurses, although some areas do operate a team nursing model, where two nurses work together and share responsibility for a larger group of patients. This team model is common at the Fitzroy branch.

Handover

39. At the start of each shift, there is a structured handover process.

40. This usually begins with a general handover between outgoing and incoming staff, where there is an overview of all patients on the ward, including why they are admitted and any key risks or issues.

41. After that, nurses receive their patient allocations from the RN in-charge and then go on to complete a more detailed bedside handover. This is done at the patient's bedside and involves a more thorough discussion of each patient's care and current condition. There has been a strong focus on bedside handover in recent years as part of supporting patient-centred care.

42. ENs participate in handover in the same way as RNs and are responsible for handing over the patients allocated to them. However, decision-making or changes to care, still sits under the direction and delegation of the RN.

Daily Workflow

43. The daily workflow on the wards is fairly structured around key clinical activities.

44. Medication administration is a major component of the day, with set medication rounds occurring at different times. The morning medication round is typically the busiest, with this occurring at around 8:00am.

45. Doctors also conduct ward rounds, generally in the morning, although this can vary depending on the doctor and their schedules. During these rounds, treatment plans may change, and nursing staff then implement those changes.

46. There is also a focus on discharge planning, with the aim of having patients ready for discharge at around mid-morning where possible.

ENROLLED NURSES AT SVPH

47. All ENs employed by SVPH hold a Diploma of Nursing with medication endorsement.

48. ENs work within a defined scope of practice.

49. Consistent with that scope of practice, they are required to check in with or escalate to a RN when:

    (a) there are changes in a patient's condition;

    (b) there is uncertainty;

    (c) something has arisen that falls outside their scope.

50. How often an EN is checking-in or escalating matters to an RN depends on a few matters:

    (a) the patient cohort (i.e. where the patient is located within the hospital, which is determined by the healthcare services being provided);

    (b) the acuity of the patient; and

    (c) the experience of the EN.

51. Over the course of a shift, the majority of an EN's time is spent in direct patient care.

52. Direct patient care includes the following activities:

    (a) personal care;

    (b) observations;

    (c) post-operative care; and

    (d) supporting patient recovery.

53. I would estimate that an EN spends around 65–70% of their shift providing direct patient care, with the remaining time spent on documentation, medication preparation and coordination tasks.

54. The scope of practice for ENs does not materially expand with experience and remains consistent across all stages of their career.

55. ENs do not work in intensive care, high dependency, maternity or interventional cardiology environments and do not manage patients requiring those levels of care.

56. ENs are also not permitted to act in charge of a ward or take on that level of responsibility; those duties are strictly for RNs and RMs.

57. Accordingly, while ENs become more confident and capable over time, they remain working within a defined scope and under the supervision and delegation of RN throughout their careers.

Training and Development

58. ENs receive structured support through the SVPH education framework. This includes:

    (a) the graduate program, which involves induction, orientation, and competency-based training across the relevant clinical areas;

    (b) in-house specialty practice programs such as perioperative specialty practice programs and orthopaedic specialty programs, which support the development of skills relevant to those clinical areas.

(c) mandatory training across the organisation which is centrally coordinated by the education team, and staff are required to complete both theoretical and practical components.

(d) As with all clinical staff, ENs are encouraged to consult the Education SharePoint intranet page which has growing library of on-demand training resources, education resources and an events calendar with both internal and external education and training related events of interest.

59. In addition to that, ENs may complete further competency-based training depending on the clinical area they are working in, for example in relation to specific devices or medications.

Emergency Responses and Patient Deterioration

60. There are clear escalation pathways if a patient deteriorates, including the use of a Medical Emergency Team (**MET**) call, which can be activated by anyone, including an EN. This triggers a specialised team response to come assess and treat the patient.

61. In emergency situations, including a Code Blue, ENs are encouraged to be involved in the care of the patient, particularly if it is their patient, within the scope of their practice.

62. All our nursing staff at SVPH are trained and assessed in basic life support, and once completed, they are able to perform CPR and use a defibrillator, which is essentially taking it, applying it to the patient and following the prompts.

63. This means our ENs can:

(a) perform chest compressions;

(b) administer certain medications within their scope; and

(c) use a defibrillator.

64. ENs can also provide other immediate interventions such as administering oxygen. However, if the situation progresses and more advanced life support measures are required, there are certain medications and more advanced interventions that fall outside

of the EN scope and would be undertaken by more appropriately trained staff. ENs are not trained in advanced life support measures.

Nature of the Work and Skills Development

First 12 Months – Early Practice Within Graduate Year

65. In the first six to twelve months, ENs are still in the early stage of their graduate program. In my experience of overseeing this program, this is very much where they are finding their feet in the clinical environment. During this time, ENs seek out and are provided a higher level of support from the RNs.

66. Within the first 12 months, they are exposed to a broad range of tasks, such as:

(a) medication administration (including, for example, but not limited to intravenous (IV) antibiotic medications);

(b) personal hygiene care;

(c) assisting with activities of daily living;

(d) wound management;

(e) device management;

(f) pre-operative and post-operative care;

(g) documentation; and

(h) involvement in admissions and discharges.

67. Generally, their confidence levels to complete tasks within their scope without asking or checking with a RN would be very low in this period.

68. This remains the case even where an EN may come in with prior experience, for example, working as a personal care assistant in aged care. This is because the acute care environment is very different. The acute care environment at SVPH is fast-paced, with the potential for more complex care needs in certain patients.

69. The areas that ENs require the most support early on, medications are a key example. ENs at this stage typically take longer with medications and have significantly less confidence in administering them independently. They will often need to look up medications in detail, including the dosage, indications, contraindications, method of administration, and any preparation requirements, particularly where the medication is unfamiliar to them.

70. Another area where ENs lack confidence at this stage is recognising clinical deterioration or changes in a patient's condition.

71. They also have limited ability to prioritise tasks. This reflects the fact that their critical thinking is still developing, and they do not yet have the experience to identify what is most important or what needs to be done first when there are competing demands or when patient conditions change. In these situations, ENs depend significantly on the guidance and direction of an RN.

72. ENs also require significant assistance at time management. Prioritising care across their patient cohorts can be challenging to manage especially if they have immediate post-operative patients with varied and complex post -operative care required. When situations change for example due to clinical deterioration of one of their patients, they usually require significant support from the RN to 'get them back on track' and re-prioritise patient care on their time planner (tool that all clinical staff are encouraged to use to manage and adjust time / required patient care tasks).

73. In practice, this means ENs will check in with the RN regularly throughout a shift. The frequency of that will depend on the patient cohort and the clinical area. For example, it would be more frequent where they are caring for immediate post-operative patients, or in higher acuity areas such as neuroscience or cardiology.

74. They will also check in with the RN where there are changes in a patient's treatment, such as where a doctor has reviewed the patient and altered medications or added new orders, to ensure that what they are doing is appropriate and within their scope.

75. The first 12 months can be best described as a consolidation year for ENs, during which they are still building confidence and familiarity, including with medications. As previously explained, given the volume of medications and the fact that new ones are continually introduced, ENs will still need to look up medications during this time.

76. During this stage of their careers, ENs are still developing their ability to recognise and respond to what is happening with patients, including both clinical and non-clinical cues.

77. An example of an area of skill development that is generally too early to see at this stage is interpreting patient presentation in a more nuanced way. For example, in relation to pain assessment, pain can present very differently between patients. Some patients may report very high levels of pain but appear quite comfortable, while others may present in a much more obvious way. The detailed elements of a thorough pain assessment on a patient is lacking at this stage and generally the EN require need support from the RN in this scenario to properly assess, prioritise care and recognise if further assessment is needed (MET call).

78. At this early stage, an EN may not yet have the insight or experience to recognise that variation. For example, they may not act on a patient reporting significant pain if that patient does not outwardly look distressed, because they have not yet developed the understanding that pain can present differently in each individual.

79. This reflects that their ability to interpret non-verbal cues and assess patient presentation is still developing.

80. By contrast, an example of an emotional or interpersonal skill that ENs at this level often demonstrate well is their ability to connect with patients and build rapport. Because of their recent placement experience, they often take the time to sit with patients, listen, and engage with them, which supports the development of therapeutic relationships.

Up to 24 months – Second Year

81. Even after working 12 months, ENs are still continuing to find their feet in their second year, particularly as they no longer have the same level of structured educator support provided

during the graduate program. While they are working more independently, they still need to actively build their knowledge and clinical judgment in practice.

82. It is generally not until around two years onwards that ENs start to feel more grounded and more confident in what they are doing, including with medications. However, this can vary depending on whether an EN remains in the same clinical area. Where an EN stays in the same department, they will generally build confidence more quickly. If they move into a different specialty, it can feel like starting again, as they need to become familiar with different ward culture, teams, procedures, medications, sometimes documentation and patient care requirements.

83. After around 6-12 months, some ENs may begin to take on additional competency-based skills, depending on the clinical area they are working in. This can include things such as managing patient-controlled analgesia (**PCA**) involving more advanced IV medication monitoring and management.

84. For example:

    (a) In relation to PCA, generally this is not something an EN would undertake in their early months, as it involves specific observations and advanced medication management requirements. It is something that would generally be undertaken from around six months to one year onwards, once they have completed the relevant competency.

    (b) The ability to insert IV cannulas or manage more complex IV-related care like PCAs would develop over time, once they have gained experience and completed the necessary competencies.

85. ENs at this stage may begin to have exposure to mentoring EN students or graduate ENs. However, this is quite limited and informal. We try not to give ENs in their first 12 months responsibility for EN students or new EN graduates, however due to skillmix and staffing this can be unavoidable depending on the needs of the ward. After they have completed

their graduate year, they may be allocated an EN student to work alongside them, essentially shadowing their work.

86. Even in those situations, the EN is not solely supervising the student EN with all patient care needs. They are still required to work under RN delegation and supervision, with specific patient care requirements still to be checked with the RN in the same way as it would be otherwise. For example, any variation in patient condition like increased pain would need to be made aware of to the RN for oversight and support of required monitoring and further patient care.

87. The more significant change after working for around 2 years as an EN concerns their confidence and how they engage in the clinical environment. ENs tend to develop confidence in the ward, their colleagues and their role first, and that then supports the development of their clinical skills and decision-making.

88. In the earlier months, the focus is very much on getting comfortable with the team and understanding how the ward operates. Beyond that point, once they have had that intensive initial support, they begin to consolidate their skills.

89. This includes becoming more confident in recognising when something is not quite right with a patient and escalating that appropriately, although they will still generally seek confirmation or direction from a RN before acting. They do have capacity to initiate appropriate escalation protocols at all year levels of experience, generally they would be more confident at this stage to initiate.

90. From around six months to two years, there is a noticeable shift in how ENs engage with both patients and the clinical environment.

91. As I explained, in the earlier period they are focused on becoming comfortable with the team and understanding how the ward operates. After that, once they have had that initial support, they begin to consolidate their skills and work more independently within their scope.

92. An emotional or communication skill that develops at this stage is their confidence in engaging with the team. They become more comfortable asking questions and seeking support, including asking questions they may previously have been hesitant to raise.

93. For example, ENs become more confident in recognising when something is not quite right and in seeking clarification. If an EN notices a change in a patient's indicators, such as a significant increase or decrease in blood pressure, they are more likely to raise this and ask the RN for input, for example by saying, "I've noticed this, what should I do?" As stated previously they do have capacity to initiate escalation protocols, generally they become more confident at doing this once settled into their role and ward however still may consult an RN initially for an independent assessment on what to do next.

94. This reflects an improvement in situational awareness and confidence, although they still rely on the RN to guide the next steps.

After 24 months – Third Year Onwards

95. From around two years onwards, the types of tasks that ENs perform do not materially change.

96. It is a fair description to say that ENs are generally performing the same skills but advancing in their confidence and how they carry out those skills, rather than moving into a different or expanded scope of work.

97. Unless an EN moves into a different clinical area, there is not typically a significant change in the range of tasks they perform. They continue undertaking the same tasks I identified in relation to their first and second year as an EN.

98. The key development at this stage is in how the work is performed. ENs become more confident, more consistent and more efficient in carrying out their duties.

99. They are better able to organise their workload, manage the demands of a shift, and respond appropriately to changes in patient condition, as expected of more experienced

ENs especially if they either stay within the same ward environment or same clinical speciality.

100. Despite this increased confidence and capability, ENs continue to practise within the same scope and remain subject to the delegation and supervision of a RN. Depending on the task being performed, supervision may be direct or indirect, and ENs continue to engage with RNs regarding patient care and report on their allocated patients.

101. ENs at this stage still do not take on formal supervisory responsibilities, although they may continue to provide informal support to less experienced ENs or students in the course of their work.

102. As ENs gain further experience, their confidence in managing situations continues to develop. Their critical thinking improves, and they are better able to make decisions within their scope and identify when escalation is required. An example of an expected skill at this stage is the ability to recognise an issue, take appropriate initial steps within their scope, and escalate as required.

103. For example, I refer back to the blood pressure example, in a situation where a blood pressure reading is significantly higher than expected, a more experienced EN, with at least two years' experience for example, would be expected to take additional steps within their scope.

104. In that situation, I would expect them to recognise that the result is not right, repeat the blood pressure manually to confirm the reading, and, if it remains high, identify that it meets escalation criteria and proceed to initiate appropriate action, such as a MET call.

105. By contrast, an EN with less experience, such as twelve months or less, may still be able to recognise that the reading is abnormal, but may not take those intermediate steps. They may either go directly to the RN for review or alternatively call a MET, rather than first checking the reading manually and progressing through those steps themselves.

106. It is also important to note that the development of these skills can vary between individuals.

107. Some ENs develop these capabilities more quickly than others. This can depend on a range of factors, including the clinical area they are working in, the acuity of patients, their personality and level of initiative, and the level of support they receive from their colleagues and the organisation. It can also depend on whether they have had any role in healthcare prior to receiving their registration and commencing as an EN (familiarity with healthcare environment and exposure to processes and tasks) and also if they have had a clinical placement as part of their Diploma in the same clinical area or healthcare facility.

108. For example, working in a more complex or acute clinical area may accelerate development, while a supportive ward environment and strong education support also play a significant role in building confidence.

109. There is also an increasing expectation as ENs gain experience that they will demonstrate stronger critical thinking, problem solving and communication skills, particularly in how they engage with patients and respond to clinical situations.

110. However, this development remains within the EN scope of practice and does not change the requirement for RN delegation and oversight.

Non-Linear Development

111. The development of ENs is not linear.

112. As I have explained above, in the early stages there is a strong focus on ENs finding their feet and finding their place in the ward. Particularly in the first 12 months, the emphasis is on becoming comfortable in the environment, while from around 1 to 2 years onwards they start to become more confident in their clinical ability and decision-making, once they have become more grounded in their environment and more comfortable with their colleagues.

113. In that sense, development does not occur in a straight progression of skills. Early on, ENs tend to develop confidence in their relationships with patients and with their team first, before they develop confidence in their clinical skills.

114. I would say that it is not a situation where all ENs progress at the same rate or in the same way. Development will depend on a range of factors (as also mentioned above at paragraph 107), including:

(a) the individual and their personality;

(b) the ward or clinical area they are working in, including the staff on the ward; and

(c) the level of exposure they have to different types of patients and clinical situations.

115. Movement between clinical areas (or facilities) can also impact development. Where an EN changes ward or specialty, they may need to become familiar with new procedures, medications and patient cohorts, and this can temporarily affect their confidence.

116. As an example, it would be common for an EN to stay in the same ward for a number of years and then decide to move into a different specialty area, such as perioperative nursing. Where that occurs, the new area is effectively a completely different environment, with different procedures, patient cohorts and medications. In such circumstances, even though the EN may have several years of experience, they may require additional support and supervision while they become familiar with that new area. Their confidence may reduce temporarily, and in some respects, it can feel similar to an earlier stage of development, as they are required to learn new skills and adapt to a different clinical setting, patient cohort and team.

117. As a result, ENs with a similar length of experience may present quite differently in terms of their confidence and skills capability at any given time.

NP ROLE

118. Within SVPH, there is one NP, who is based at the East Melbourne site in the Day Oncology Unit.

119. In order to become a NP, an individual must first be qualified and working as a RN, which requires completion of a Bachelor of Nursing. In addition to that, NPs are required to have

significant clinical experience in a particular specialty area before they are eligible to undertake NP training.

120. As I explained, NPs are trained within a specific specialty. For example, an individual may become an oncology NP or an emergency NP, and their practice is then based within that specialty area.

121. While I cannot confirm the precise qualifications held by the Nurse Practitioner in our organisation, they would hold a Bachelor of Nursing as a minimum, as well as a relevant postgraduate qualification, such as oncology or cancer nursing, before progressing to the NP qualification.

122. NPs have a higher level of autonomy in clinical decision-making compared to RNs for their chosen clinical speciality.

123. At a general level, they have the capacity within their scope of practice to direct patient care in a more independent way, including prescribing certain medications and ordering certain diagnostic tests, such as pathology or radiology and referring patients on to specialists, according to their scope pf practice, state/territory legislation and AHPRA-registered endorsement (Australian Health Practitioner Regulation Agency) . They are the most senior independent nurses in their designated area and do not operate under direct supervision or medical guidance of doctors. They are authorised to practice independently and collaboratively.

124. It is my understanding that NPs also have the ability to diagnose certain conditions and prescribe certain medications, again, within the limits of their defined scope of practice and clinical speciality.

125. NPs do not necessarily operate under the same direct supervision model as ENs or RNs, although their practice remains constrained by their scope of speciality.

126. More generally, NPs represent a more advanced level of nursing practice, with additional responsibilities and clinical authority compared to both RNs and ENs.

CLASSIFICATIONS AND PAY RATES

ENs

127. ENs within SVPH are classified in accordance with the applicable Enterprise Bargaining Agreement, being the *St Vincent's Private Hospitals Ltd Victoria and the Australian Nursing and Midwifery Federation Nurses and Midwives Enterprise Agreement 2024* (**EBA**).

A COPY OF THE SVPH EBA IS ANNEXED AND MARKED "IR-1".

128. Entry into the organisation as an EN graduate is classified as EN 2.3, referred to in the EBA as the *"Diploma Entry"* point. At this level, an EN is paid in accordance with the rates set out in the EBA. This is $1,447.78 per week at entry level.

129. From that point, ENs progress annually through the classification structure, with incremental increases occurring on the anniversary of their commencement date. ENs can be employed at SVPH at levels above the EN2.3, dependent on where they are in their career (year of practice / AHPRA registration). These increments take place within the EN Level 2 classifications, progressing from EN 2.3 through to EN 2.7.

130. The EN 2.7 classification represents the highest level available within that incremental progression.

131. Once an EN reaches the EN 2.7 level, there is no further automatic progression within that scale unless they apply for and are appointed to an EN Level 3 classification. The EN3 is not an entry point for newly employed ENs.

132. The EN3 classification is the highest classification available to ENs at SVPH. Progression to EN3 is not automatic and is not achieved through years of service alone. It requires a formal application process, where the EN must demonstrate that they meet the criteria for that level.

133. I source the following information about EN pay rates from the attached EBA:

Classification	From 1 February 2026 (Current Rates)	From 1 July 2026
EN 2.3 (Diploma Entry)	$1,447.78	$1,483.98
EN 2.4	$1,478.71	$1,515.68
EN 2.5	$1,509.57	$1,547.31
EN 2.6	$1,548.66	$1,587.38
EN 2.7	$1,556.00	$1,594.90
EN3	$1,702.90	$1,745.48

NPs

134. NPs are classified separately under the EBA and are remunerated at a higher level reflecting the advanced nature of their role. The NP is a Masters level advanced, post graduate qualification. There is an additional 'Masters – Certificate (per week)' allowance as per the EBA; $122.49 from 1 July 2026.

135. The applicable weekly pay rates for Nurse Practitioners at the operative dates of 1 February 2026 and 1 July 2026 are set out below:

Classification	From 1 February 2026 (Current Rates)	From 1 July 2026
Nurse Practitioner/Midwife Practitioner Year 1	$2,831.60	$2,902.39
Nurse Practitioner/Midwife Practitioner Year 2	$2,885.44	$2,957.57

Signed:

[redacted]

Ilona Ryan

Dated: 26 May 2026

"IR-1"

DECISION

Fair Work Act 2009
s.185—Enterprise agreement

St Vincent's Private Hospitals Ltd Trading AS St Vincent's Private Hospitals
(AG2025/933)

ST VINCENT'S PRIVATE HOSPITALS LTD VICTORIA AND THE AUSTRALIAN NURSING AND MIDWIFERY FEDERATION NURSES AND MIDWIVES ENTERPRISE AGREEMENT 2024

Health and welfare services

DEPUTY PRESIDENT O'NEILL MELBOURNE, 15 APRIL 2025

Application for approval of the St Vincent's Private Hospitals Ltd Victoria and the Australian Nursing and Midwifery Federation Nurses and Midwives Enterprise Agreement 2024

[1] An application has been made for approval of an enterprise agreement known as the *St Vincent's Private Hospitals Ltd Victoria and the Australian Nursing and Midwifery Federation Nurses and Midwives Enterprise Agreement 2024* (**the Agreement**). The application was made pursuant to s.185 of the *Fair Work Act 2009* (**the Act**). It has been made by St Vincent's Private Hospitals Ltd trading as St Vincent's Private Hospitals. The Agreement is a single enterprise agreement.

[2] I am satisfied that each of the requirements of ss. 186, 187, 188 and 190 as are relevant to this application for approval have been met. St Vincent's Private Hospitals and the Australian Nursing and Midwifery Federation (**ANMF**) have both expressed a view that the Agreement passes the better off overall test. I have given primary consideration to this common view in accordance with s.193A(4) of the Act.

[3] The Australian Nursing and Midwifery Federation (**ANMF**) being a bargaining representative for the Agreement, has given notice under s.183 of the Act that it wants the Agreement to cover it. In accordance with s.201(2) I note that the Agreement covers the organisation. The ANMF supports approval of the Agreement.

[4] The Agreement is approved and, in accordance with s.54 of the Act, will operate from 22 April 2025. The nominal expiry date of the Agreement is 30 June 2027.



[5]

DEPUTY PRESIDENT

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<AE528668 PR786110>

ST VINCENT'S PRIVATE HOSPITALS LTD VICTORIA

AND

AUSTRALIAN NURSING AND MIDWIFERY FEDERATION

NURSES & MIDWIVES ENTERPRISE AGREEMENT

2024

ENTERPRISE AGREEMENT

ARRANGEMENT

The Agreement is arranged as follows:

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Part 1 – Application and Operation of the Agreement

1. NAME OF THE AGREEMENT

This Agreement shall be called the *St Vincent's Private Hospitals Ltd Victoria and the Australian Nursing and Midwifery Federation Nurses and Midwives Enterprise Agreement 2024* ('the Agreement').

2. DEFINITIONS

In this Agreement unless the contrary intention appears:

(a) **Act** shall mean the *Fair Work Act 2009* (Cth), as amended or replaced from time to time.

(b) **Agreement** means the *St Vincent's Private Hospitals Ltd Victoria and the Australian Nursing and Midwifery Federation Nurses and Midwives Enterprise Agreement 2024*.

(c) **Employee** means a person employed by the Employer in any of the classifications listed in Schedule 1 of the Agreement.

(d) **Employer** means St Vincent's Private Hospitals Ltd (ACN 083 645 505).

(e) **FWC** means the Fair Work Commission, the statutory body established under the Act or any successor organisation established under Commonwealth legislation which performs the functions of conciliation and arbitration.

(f) **Family and Domestic Violence** means violent, threatening or other abusive behaviour by a close relative of an employee (being a member of the employee's Immediate Family or is related to the employee according to Aboriginal or Torres Strait Islander kinship rules per the NES), a member of an employee's household, or a current or former intimate partner of an employee, that:

(i) seeks to coerce or control the Employee; and

(ii) causes the employee harm or to be fearful.

(g) **Immediate family** of an Employee means:

(i) a spouse, de facto partner, child, parent, grandparent, grandchild or sibling of the Employee; or

(ii) a child, parent, grandparent, grandchild or sibling of a spouse or de facto partner of the Employee.

(1) spouse includes a former spouse.

(2) de facto partner of an Employee:

(A) means a person who, although not legally married to the employee, lives with the employee in a relationship as a couple on a genuine domestic basis (whether the employee and the person are of the same sex or different sexes); and

(B) includes a former de facto partner of the employee.

(3) ***Child*** includes a child under s.17 of the Act and a foster child under a formal foster parent arrangement, adopted child or a child under Aboriginal or Torres Strait Islander kinship care arrangements

(h) **Superannuation Law** means any requirement under the Superannuation Industry

(Supervision) Act 1993 (Cth), Superannuation Industry (Supervision) Regulations 1994 (Cth), Superannuation Guarantee (Administration) Act 1992 (Cth), Superannuation Guarantee (Administration) Regulations 1993 (Cth), Superannuation Guarantee Charge Act 1992 (Cth), and any other present or future legislation which the Employer must comply with to satisfy its superannuation obligations to the Employees.

(i) **NES** means the National Employment Standards being the legislated minimum standards for workplace conditions set out in the Act.

(j) **AHPRA** means Australian Health Practitioner Regulation Agency.

(k) **Ordinary rate of pay** means the rate of pay set out in Appendix 1 as applicable to an Employee's classification, as adjusted in accordance with clause 19 and does not include overtime, penalty rates, allowances, loadings, shift penalties, incentives, bonuses and other ancillary payments of a like nature.

(l) **Registered Nurse** means a practitioner registered with the Nursing and Midwifery Board of Australia (**NMBA**) through AHPRA under the provisions of the *Health Practitioner Regulation National Law (Victoria) Act 2009* (**HPRNL Act**), as amended, as a Registered Nurse (**RN**).

(m) **Registered Midwife** means a practitioner registered with the NMBA through AHPRA under the provisions of the HPRNL Act, as amended, as a Midwife (**RM**). The RM has a NMBA approved qualification in midwifery. RMs work with women during pregnancy, labour and birth and provide care to the mother and baby during the post-natal period.

(n) 'Registered undergraduate students of nursing or midwifery' ('**RUSON**' or '**RUSOM**') means an employee currently enrolled in a Bachelor of Nursing degree; Nursing and Midwifery Double degree or; Master of Nursing (that will lead to registration with AHPRA as a Registered Nurse), as applicable, and having completed at least 12 months of their degree (together with at least one clinical midwifery placement for a RUSOM). RUSON/Ms support the nursing team in delivering safe, effective care. RUSON/Ms work under Registered Nurses/Midwives' supervision within clearly defined role.

(o) A **Registered Enrolled Nurse Student** or **RENS** means an employee currently enrolled to undertake Diploma nursing study, who is registered with AHPRA as a student nurse. RENS support the nursing team in delivering safe, effective care, working under a nurses' supervision within clearly defined role.

(p) **Registered Health Practitioner** means a health practitioner registered with AHPRA under the provisions of the HPRNL Act, as amended.

(q) **Enrolled Nurse** means a nurse enrolled with or without notation as such with the NMBA, through AHPRA, under the provisions of the HPRNL Act, as amended, as an enrolled nurse (**EN**).

(r) **Experience** means service and experience following registration in a grade or sub-grade at least equal to that in which the Employee is employed (or to be employed). Where an Employee has previously been employed in a higher grade or sub-grade, service and experience in that higher grade or sub-grade will count as service and experience in the lower grade or sub-grade for the purposes of determining an Employee's Experience. Provided that an employee shall, prior to commencing employment with the Employer or within 3 months of commencing employment, provide suitable documentary evidence to the Employer of their experience. Where an employee fails to provide such evidence to

the Employer, until such time as the employee provides such evidence to the Employer, the employee shall be paid at the level for which documentary evidence was provided. No back payment will be made based on documentary evidence provided after the first 3 months from commencement of employment.

(i) Provided that in relation to an internationally trained nurse (**ITN**):

(1) granted registration with conditions, previous experience will not be counted whilst the conditions are in place;

(2) granted registration subject to successful completion of a bridging program, previous experience will not be counted until the completion of that bridging course;

(3) required by the Australian professional registration body to undertake an outcome-based assessment (**OBA**), previous experience will not be counted until the completion of that OBA.

(ii) Once full registration has been attained then previous experience overseas will be taken into account in assigning the nurse to the appropriate year or pay point in the classification structure. Payment at the appropriate year of pay point will be from the first full pay period after full registration has been obtained.

(s) **A Year of Experience** means Experience gained from working an average of three shifts (minimum shift length of 7.5 hours) or more per week in a year. If the Employee averages less than three shifts per week or 48 hours per fortnight (whichever is the lesser), the Employee will need to complete an additional year to advance. Where in this Agreement there is a reference to a number of Years of Experience greater than one, then each such Year of Experience must be calculated by reference to the definition of one Year of Experience in order to determine whether an Employee has attained the requisite number of Years of Experience. Where an employee has not been regularly employed as a Registered Nurse or Midwife, or has not actively nursed for a period of five years or more, such employee's prior service and experience shall not be taken into account.

(t) **Hospital Certificate** does not include an Employee's base qualification.

3. COVERAGE

(a) The Agreement shall cover:

(i) St Vincent's Private Hospitals Ltd (ACN 083 645 505) – the Employer; and

(ii) Employees employed by the Employer as at or after the date this Agreement comes into operation.

(b) This Agreement is made under section 172 of the Act. The Employer will take the necessary steps to seek approval of this Agreement under section 186 of the Act.

(c) The Employer will formally advise the Australian Nursing and Midwifery Federation ('ANMF') that the Agreement is made in order for the ANMF to apply under section 183 of the Act to be covered by the Agreement.

(d) It is the intention of this Agreement that the ANMF will be covered by this Agreement.

4. DATE AND PERIOD OF OPERATION

(a) This Agreement shall commence operation from the 7th day after the Agreement is approved by FWC and shall remain in force until 30 June 2027 and thereafter in

accordance with the Act.

(b) The parties agree that negotiations shall commence for a new Agreement no later than six months prior to the expiry date of the Agreement.

5. POSTING OF THE AGREEMENT

A copy of this Agreement shall be displayed in a conspicuous and convenient place at the workplace so as to be easily read by all employees.

6. SCOPE OF THE AGREEMENT

This Agreement contains all the terms and conditions of employment for Employees covered by the Agreement.

7. RELATIONSHIP TO NATIONAL EMPLOYMENT STANDARDS

Entitlements in accordance with the NES are provided for under the Act. Where this Agreement also has provisions regarding matters dealt with under the NES and the provisions in the NES set out in the Act are more favourable to an Employee in a particular respect than those provisions, then the NES will prevail in that respect and the provisions dealing with that matter in this Agreement will have no effect in respect of that Employee. The provisions in this Agreement otherwise apply.

8. TRANSFER OF BUSINESS

Where a business is transferred from the old employer to the new employer, as set out in the Act, the period of continuous service that the employee had with the old employer is deemed to be service with the new employer and taken into account when calculating notice of termination. However, an employee shall not be entitled to notice of termination or payment in lieu of notice for any period of continuous service in respect of which notice has already been given or paid for.

Where an employee of the old employer remains in the service of the new employer a qualifying or probationary period, however titled, shall not apply.

9. FLEXIBILITY ARRANGEMENTS

(a) The Employer and an Employee covered by this enterprise agreement may agree to make an individual flexibility arrangement to vary the effect of terms of the Agreement if:

(i) the arrangement deals with 1 or more of the following matters:

(1) arrangements about when work is performed;

(2) overtime rates;

(3) penalty rates;

(4) allowances;

(5) leave loading; and

(ii) the arrangement meets the genuine needs of the Employer and employee in relation to 1 or more of the matters mentioned in paragraph (i); and

(iii) The Employer and the individual employee must have genuinely made the agreement without coercion or duress.

(b) The Employer must ensure that the terms of the individual flexibility arrangement:

(i) are about permitted matters under section 172 of the Act; and

(ii) are not unlawful terms under section 194 of the Act; and

(iii) result in the employee being better off overall than the employee would be if no arrangement was made.

(c) The Employer must ensure that the individual flexibility arrangement:

(i) is in writing; and

(ii) includes the name of the Employer and employee; and

(iii) is signed by the employer and employee and if the employee is under 18 years of age, signed by a parent or guardian of the employee; and

(iv) includes details of:

(1) the terms of the Agreement that will be varied by the arrangement; and

(2) how the arrangement will vary the effect of the terms; and

(3) how the employee will be better off overall in relation to the terms and conditions of their employment as a result of the arrangement; and

(v) states the day on which the arrangement commences.

(d) The Employer must give the employee a copy of the individual flexibility arrangement within 14 days after it is agreed to.

(e) The Employer or employee may terminate the individual flexibility arrangement:

(i) by giving no more than 28 days written notice to the other party to the arrangement; or

(ii) if the Employer and employee agree in writing — at any time.

10. FLEXIBLE WORKING ARRANGEMENTS

(a) The NES provides particular Employees with an entitlement to request a flexible working arrangement.

(b) Employees who have worked for the Employer for at least 12 months can request flexible working arrangements if they:

(i) are the parent, or have responsibility for the care, of a child who is school aged or younger;

(ii) are a carer (under the *Carer Recognition Act 2010* (Cth));

(iii) have a disability;

(iv) are 55 years of age or older;

(v) are pregnant;

(vi) are experiencing family and domestic violence; or

(vii) provide care or support to a member of their household or immediate family who requires care or support because the member is experiencing family and domestic violence.

(c) The Employee is not entitled to make the request unless:

(i) for an Employee other than a casual employee – the Employee has completed at least 12 months of continuous service with the Employer immediately before making the request; and

(ii) for a casual Employee – the Employee:

(1) is a long term casual Employee of the Employer immediately before making the request; and

(2) has a reasonable expectation of continuing employment by the Employer on a regular and systematic basis.

(d) The request must:

(i) be in writing; and

(ii) set out details of the change sought and of the reasons for the change.

(e) The Employer must give the Employee a written response to the request within 21 days, stating whether the Employer grants or refuses the request. If the request is refused, the written response must include details of the reasons for the refusal.

(f) The further details of flexible working arrangement requests, including the process for the Employer to follow for considering and before responding to a flexible working arrangement request, and the requirements for the Employer's written response if the request is refused or if a different change in working arrangement is agreed, will be in accordance with the NES.

(g) A dispute relating to a refusal by the Employer to a flexible working arrangement request made by an Employee under s.65(1) of the Act, or a failure by the Employer to provide a written response under s.65A of the Act within 21 days of the Employee making the request, will be handled in accordance with clause 58 (Dispute Resolution Procedure).

11. EMPLOYEE RIGHT TO DISCONNECT

(a) This clause provides for the exercise of an Employee's right to disconnect under section 333M of the Act.

Note: The right to disconnect under the Act provides that an employee may refuse to monitor, read or respond to contact, or attempted contact, from an employer (or third party relating to their work) outside of the employee's working hours unless the refusal is unreasonable.

(b) The Employer must not directly or indirectly prevent an Employee from exercising their right to disconnect under the Act.

(c) However, subclause (b) does not prevent the Employer from:

(i) requiring an Employee to monitor, read or respond to contact, or attempted contact, from the Employer outside of the Employee's working hours where the Employee is being paid the on-call allowance under clause 31, and the Employer's contact is to notify the Employee that they are required to attend or perform work or give other notice about the on call;

(ii) contacting, or attempting to contact, an Employee outside of the Employee's working hours, in circumstances including, but not limited to, notifying them of:

(1) an emergency roster change under clause 17(e);

(2) a recall to work under clause 31;

(3) an available additional shift for their voluntary acceptance.

Part 2 – Types of Employment and Related matters

12. FULL-TIME EMPLOYMENT

(a) A full-time Employee is one who is employed and who is ready, willing and available to work a full week of 38 hours at the times and during the hours as may be mutually agreed upon or in the absence of such agreement as prescribed by the Employer.

(b) Except during periods of unpaid leave, such Employee shall be paid the weekly salary appropriate to the Employee's classification, irrespective of the number of hours worked not exceeding 38, or an average of 38 hours per week.

13. PART-TIME EMPLOYMENT

(a) A part-time Employee is one who is employed and who is ready, willing and available to work on a regular basis any number of hours less than an average of 38 hours per week.

(b) Before commencing part-time employment, the Employer and employee will agree, in writing, to the guaranteed minimum number of hours to be worked and the rostering arrangements which will apply to those hours. The terms of the agreement may be varied by agreement.

(c) The provisions of this Agreement in respect to annual leave, personal leave and holidays shall apply on a pro rata basis to part-time employees.

(d) At the written request of a part time employee, the hours worked by the employee will be reviewed six monthly. Where the employee is regularly working more than their specified contract hours then such contract hours shall be adjusted by the Employer, to reflect the hours regularly worked. The hours worked in the following circumstances will not be incorporated in the adjustment:

(i) if the increase in hours is as a direct result of an employee being absent on leave, such as for example, annual leave, long service leave, parental leave, workers compensation; and

(ii) if the increase in hours is due to a temporary increase in hours only due, for example, to the specific needs of patients.

14. CASUAL EMPLOYMENT

(a) A casual Employee is an Employee employed in accordance with the meaning at section 15A of the Act.

(b) Casual loading

(i) Unless otherwise prescribed elsewhere in this Agreement, for each ordinary hour worked a casual employee must be paid:

(1) the minimum ordinary hourly rate of pay applicable to the classification and pay point in which they are employed; and

(2) a loading of 25% of the ordinary hourly rate of pay.

(c) Casual Employees are paid a casual loading in compensation for not having entitlements under the NES and this Agreement to paid annual leave, paid personal leave, paid compassionate leave, payment for public holidays not worked, payment in lieu of notice of termination and redundancy pay. A casual Employee is not entitled to paid leave

entitlements set out in this Agreement unless expressly provided otherwise.

(d) Minimum engagement for a casual Employee is four hours.

(e) Casual Employees will be entitled to overtime penalty rates in accordance with clause 37 in relation to hours of work that are in excess of:

(i) 10 hours per day, or 12 hours per day where the casual employee works 12-hour shifts in a ward / unit with a 12-hour roster arrangement; or

(ii) 76 hours per fortnight.

(f) In applying the applicable penalty rate in clause 37 the casual loading will be added on to the overtime penalty rate – meaning that 'time and a half' will equate to a total penalty rate of 75% for a casual employee.

(g) Casual Conversion

(i) A casual employee may have a pathway to permanent employment by way of written notification in accordance with the NES.

(ii) A casual Employee may give the Employer written notification if the Employee (in summary):

(1) believes they no longer meet the definition of a casual employee (noting as per subclause (a) this is defined in the Act);

(2) is not in dispute with the Employer about their status as a casual Employee under the Act;

(3) has been employed by the Employer for a period of at least 6 months; and

(4) has not, in the last 6 months prior to the written notification being given, received a response from the Employer under s. 66AAC the Act not accepting a previous notification made under this section; or had a dispute with the Employer relating to the operation of Division 4A of Part 2-2 of the Act resolved under s. 66M or s.739 of the Act.

(iii) The Employer must give the Employee a written response to a written notification (given in accordance with the Act) within 21 days after the notification is given to the Employer. The information that must be included in the response, the obligation to consult with the Employee and the grounds for non-acceptance of the notification are set out in the Act.

(iv) Where the Employer accepts the notification, the Employee is taken to be a full-time or part-time employee (as the case may be) beginning on the day specified in the response (being the first day of the Employee's first full pay period that starts after the day the Employer response is given – unless the Employee and Employer agree to another day).

(h) A casual registered nurses' entitlement to long service leave is in accordance with the *Long Service Leave Act 2018* (Vic), as amended from time to time.

15. LETTER OF APPOINTMENT

(a) The Employer agrees to the adoption of a standard employment letter, Appendix D refers.

Part 3 – Hours of Work and Rostering

16. HOURS OF WORK

(a) The hours for an ordinary week's work will not exceed:

(i) 38 per week, or

(ii) 76 hours in a fortnight; or

(iii) 152 hours over 28 days to be worked as 19 shifts of 8 hours each (or by mutual agreement a five-week period in the case of an Employee working 10-hour shifts).

(b) (Subject to the arrangements set out at subclause (d), the shift length or ordinary hours per day will be not more than 8 hours or by mutual agreement a maximum of 10 hours (or 12 hours in accordance with subclause (d)), exclusive of meal breaks.

(c) For the purposes of this clause the working week shall commence at midnight on a Sunday.

(d) 12 Hour Shift Roster Arrangements

(i) Participation in 12-Hour Shift Roster

(1) An employee may elect to participate, or not to participate, in the 12 Hour Shift Roster subject to the provisions of this clause. Participation in the 12 Hour Shift Roster is at the sole discretion of the individual employee. Pressure or coercion to participate or not to participate in the 12 Hour Shift Roster is strictly prohibited.

(2) An employee who wishes to participate in the 12 Hour Shift Roster shall advise their Nurse or Midwife Unit Manager in writing that they wish to do so. The employee shall then be entitled to commence working 12-hour shifts in the next roster period, provided that a minimum of 8 weeks' notice is given to the Nurse Unit Manager. Earlier commencement to work 12-hour shifts may occur by agreement between the employee and Nurse Unit Manager.

(3) A student, with the agreement of the NUM/NUM, who wishes to participate in the 12 Hour Shift Roster shall advise their Nurse or Midwife Unit Manager in writing that they wish to do so and will be rostered a minimum of two 12-hour shifts per week. Additional 12-hour shifts may be accommodated at the student's request and in accordance with roster needs, or they may opt to work the 7.5 and 9.5 hours part time and 7.6 hours full time roster.

(4) An employee may cease working 12-hour shifts by advising the Nurse or Midwife Unit Manager to that effect in writing. A full roster period of notice to cease working 12-hour shifts should be provided to the MUM or MUM except in unusual or exceptional circumstances. If less than a roster period of notice is given, the Nurse or Midwife Unit Manager shall endeavour to accommodate the employee's request, with agreement not to be unreasonably withheld.

(5) Any employee ceasing 12-hour shifts shall revert to the shift arrangements that applied to that employee immediately prior to commencing 12-hour shifts, unless otherwise mutually agreed. An employee without an alternative shift arrangement to 12-hour shifts, and who ceases working 12-hour shifts, will work a roster consistent with the shift length referred to in this Agreement

and their contracted hours, unless otherwise mutually agreed.

(ii) Maintenance of Manageable Workloads.

(1) The Hospital shall comply with the Agreement workload provisions at all times.

(2) To preclude roster gaps and to maintain staffing to ensure continuity of care, the 12 Hour Shift Roster (except in exceptional circumstances) shall as far as is practicable, ensure that employees hand over to employees working like shift lengths. For example, an employee working a shift shorter than 12 hours to hand over their patients to an employee working a shift shorter than 12 hours and an employee working a 12-hour shift to hand over to an employee working a 12-hour shift.

(iii) 12 Hour Shift Roster

The roster shall comply with this Agreement and be acceptable to the parties.

(iv) Roster Guidelines

(1) The 12-hour roster must provide for the following:

(A) No more than four consecutive shifts in a row;

(B) No more than three consecutive night shifts;

(C) No more than three consecutive day shifts;

(D) where a nurse elects to work a 12-hour shift, payment for overtime is on hours worked in excess of 12 hours;

(E) Day shifts shall not commence before 0700 hours;

(F) There shall be a reasonable distribution of days off between block shifts;

(G) Shifts shall not be compacted to produce long breaks;

(H) The roster cycle shall be planned over a period of four weeks; and

(I) Comply with the Daylight Savings Clause of the Agreement.

(v) Monitor and Review

(1) A Monitoring Committee will continue to monitor and review the 12 Hour Shift Roster at 3-6 monthly intervals, or as agreed, commencing from the date of commencement of 12-hour shifts. The parties agree the operation of this clause may be reviewed. The Unit Monitoring Committee shall consist of:

(A) Director of Clinical Services;

(B) The Nurse or Midwife Unit Manager;

(C) Employee representative, which may at the employee's request be a Union Representative.

(vi) Hours of Work

(1) Maintenance of Contracted Hours

All employees shall have their hours of work protected and must be given the

opportunity to work their contracted hours. An employee wishing to reduce their hours may do so through agreement with the Nurse or Midwife Unit Manager. Employees who have voluntarily reduced their hours and who wish to return to their original hours may do so by forwarding a written request to the NUM or MUM. This request will be accommodated in the next full roster period, or as agreed, subject to operational requirements.

(2) Salary Maintenance

Any employee who wishes to maintain their contracted/rostered hours as a minimum and who is not given the opportunity to work their hours over a roster period will be salary maintained. By mutual agreement employees contracted hours will be renegotiated to be divisible by either, 7.5 or 12 hours (9.5 hours for night duty shifts).

(3) Adjustment in Hours

Any adjustment required in hours will be adjusted up rather than down unless otherwise requested by the employee.

(4) Shift Times

Day Duty:	0700-1930 hours
Night Duty:	1900-0730 hours

(5) Minimum Breaks Between Shifts

The minimum rostered break between shifts shall be at least 11.5 hours to allow sufficient time for rest and recuperation.

(6) Meals and Rest Intervals

All employees shall be given three thirty-minute meal intervals. Two of these meal intervals shall be counted as time worked.

OR

(7) All employees shall be given two thirty-minute meal breaks and three rest intervals of:

(A) Ten minutes between the time of commencing work and the first meal break,

(B) Ten minutes between the first meal break and the second meal break and

(C) Ten minutes between the second meal break and the time of ceasing work.

(D) The two thirty-minute meal breaks shall be counted as time worked

(8) Overtime

Subject to (iv)(7)(A) below, employees including bank or agency staff shall not work any overtime immediately following the completion of an ordinary 12-hour shift.

(9) Roster Absences

Any 12-hour roster absences will be replaced by bank or agency staff as

applicable.

(10) Additional Shifts

Except in exceptional circumstances the working of additional shifts by full time employees participating in the 12-hour roster is not permitted. In exceptional circumstances only, a full-time employee may, by agreement between the Employer and the employee, work up to one additional shift in any 4-week period to cover for unplanned employee absences, provided always that the roster guidelines at are not breached. Any such shift shall be regarded as overtime with all of the overtime provisions of the Agreement observed.

(11) Payment Of Salaries

(A) Ordinary Hours Full-time Employees (12 hours)

Employees shall be paid for the hours worked in each fortnight.

(B) Shift Allowances and Payment for Saturday and Sunday Work shall be consistent with this Agreement.

(C) Shift Penalties

Employees working 0700-1930 hours shall be paid the afternoon shift penalty

Employees working 1900-0730 hours shall be paid the night shift penalty

(D) Leave Provisions

Annual leave and sick leave shall be in accordance with this Agreement.

(E) Professional Development Leave Arrangements

For the purpose of taking Professional Development Leave, Day or Occasion will mean - the ordinary shift length for employees working 12-hour shifts. For example, on days leave for professional development leave and/or study/ conference/ seminar leave shall mean 12 hours leave.

17. ROSTER OF HOURS

(a) The ordinary hours of duty of full-time and part-time employees shall be worked according to a roster or rosters which shall be exhibited at some reasonably convenient place accessible to employees to whom it applies, where it may be seen by such employees.

(b) A roster of at least fourteen days duration, setting out employees' daily ordinary working hours, commencing and finishing times shall be posted at least fourteen days before it comes into operation in each work location.

(c) Seven days' notice will be given of a change in a roster. However, a roster may be altered at any time to enable the functions of the hospital to be carried on where another employee is absent from duty pursuant to an entitlement under this Agreement to take unplanned leave (such as personal / carer's leave), or in an emergency.

(d) The roster or rosters shall be drawn up so as to provide at least eight hours off duty

between successive ordinary shifts Employees will be entitled to at least one day off per week. A full-time employee will normally work their scheduled hours over 5 days per week. An employee's scheduled ordinary hours shall not ordinarily exceed 76 per 2-week period.

(e) Where the employer requires an employee without seven days' notice and outside the excepted circumstances prescribed in (c), to perform ordinary duty at other times than those previously rostered, the employee shall be paid in accordance with the hours worked, with the addition of a daily allowance as set out in Appendix 1.

(i) Provided that variations to a roster by way of mutual agreement, including a part-time employee who agrees to work shift(s) in addition to those already rostered, will not be entitled to the above specified allowance for the additional shift(s) worked.

(f) An employee, by making a request in writing to the employer, may have their roster fixed, in lieu of (a) to (e).

(g) Rosters shall be fixed by mutual agreement, subject to the other provisions of this part.

(h) An employee may repudiate the request referred to in (g) at any time, by giving written notice to the employer. In such a case the roster for that employee shall be fixed according to the provisions of (a) to (e), from the commencement of the next full roster period being not less than five clear days after such repudiation is received in writing by the employer.

(i) All employees shall be rostered for a minimum shift length of four hours.

(j) Notwithstanding any other provision of this part, this clause shall not apply to casual employees, Directors of Nursing and Deputy Directors of Nursing.

18. MEAL AND REST BREAKS

(a) Employees for shifts greater than five hours, shall be granted an unpaid meal interval of 30 minutes. The meal interval is to be taken no earlier than two hours and no later than six hours after commencing the day's shift. Provided that, by agreement of an individual employee, an employee who works shifts of six hours duration or less may forfeit the meal break.

(b) Meal break interrupted

(i) In accordance with (a) above, an Employee will be entitled to an unpaid meal break of not less than 30 minutes and not more than 60 minutes.

(ii) Employees are entitled to leave the ward / unit area during their meal break.

(iii) All efforts shall be made to ensure Employees are provided a meal break in accordance with clause (a) above. In the event an Employee is not relieved of their responsibility in order to take a meal break, the relevant in-charge person will be notified, and in the circumstances that appropriate arrangements cannot be made to relieve the Employee, the relevant in-charge person shall approve the Employee to work through their meal break. When an in-charge person therefore directs an Employee in this situation to work through their meal break, the meal break only will be paid as time worked at their ordinary rate plus 50%.

(c) Employees shall be entitled to one paid ten minute rest interval per four hours worked.

(d) Where an employee is working a 12 hour shift such employee shall be entitled to meal intervals in accordance with subclause 16(d)(vi)(6).

Part 4 – Wages, Allowances and Related Matters

19. WAGES

(a) The ordinary rates of pay per week shall be as set out in Appendix 1 and are applied from the first full pay period on or after the dates specified.

(b) The allowances shall be as set out in Appendix 1.

(c) The wage increases referred to in subclause (a) of this clause shall be absorbed into any payment made to the Employee beyond the minimum rates contained within this Agreement.

(d) Any further wage increase shall be at the discretion of the Employer, unless the ordinary rate of pay falls below the Modern Award rate, in such circumstances the rate of pay shall default to the minimum rate prescribed in accordance with the relevant Modern Award rate.

(e) The loadings for casual employees shall be calculated and paid in accordance with Appendix 1 of the Agreement.

20. PAYMENT OF WAGES

(a) Wages must be paid fortnightly unless otherwise mutually agreed up to a monthly maximum period.

(b) Employees will be paid by electronic funds transfer into the bank or financial institution account nominated by the employee.

(c) When notice of termination of employment has been given by an employee or an employee's services have been terminated by the Employer, payment of all wages and other monies owing to an employee will be made to the employee in accordance with the Act, provided that payment is made by no later than the next pay after the date of termination.

21. DAYLIGHT SAVING

(a) If an employee works on a shift during which time changes because of the introduction of, or cessation to, daylight saving, that employee shall be paid for the actual hours worked at the ordinary rate of pay plus any applicable shift penalties or allowances ordinarily payable in respect of this shift.

(b) No overtime is payable for the additional hour worked because of daylight saving.

22. SUPERANNUATION and SALARY PACKAGING/SACRIFICE

(a) Superannuation

(i) The Employer will pay compulsory superannuation contributions to Employees, in accordance with and subject to Superannuation Law (subject to the statutory minimum and maximum contribution base). The Employer will make the compulsory superannuation contributions in accordance with trust fund deeds.

(ii) Voluntary superannuation contributions may be made from either pre-tax or after-tax remuneration in accordance with the Salary Sacrifice arrangements set out in this clause.

(iii) For the purposes of superannuation payments, employees may nominate a

complying superannuation fund that offers a MySuper product.

(iv) In the absence of a complying nomination, or a 'stapled' fund per Superannuation Law, the Employer will direct payments to its default fund, being HESTA (ABN: 64 971 749 321) which is MySuper compliant.

(v) Where an Employee salary packages or salary sacrifices their wages in accordance with this Agreement, superannuation shall be paid on the pre-packaged or pre-sacrificed wages.

(vi) The Employer will also make a superannuation contribution on the paid parental leave at subclauses 40(c)(i) or 40(c)(ii) equivalent to that required by relevant legislation if such payments were deemed ordinary time earnings.

(b) Salary Packaging and Salary Sacrifice

(i) By agreement with the Employer, an Employee may choose to take part of their remuneration under this Agreement as salary packaging or sacrifice benefits (including by making additional pre-tax contributions into their chosen complying superannuation fund). If an Employee makes this choice, the remuneration which would otherwise be payable to the Employee will be reduced by the value of such benefits (including associated costs, charges and taxes).

(ii) Without limiting the Employer's discretion as to whether or not it will agree to any particular salary packaging arrangement, the Employer may issue guidelines through policies and procedures from time to time as to what salary packaging arrangements are acceptable to the Employer including the chosen provider.

(iii) In the event that changes in legislation, ATO rulings or determinations remove or alter the Employer's capacity to maintain the salary packaging arrangements pursuant to this Agreement, the Employer will be entitled to withdraw from these arrangements by giving reasonable notice to each affected Employee.

(iv) It is the responsibility of the Employee regarding their tax obligations and liabilities resulting from any salary packaging or other payments they choose to make.

23. VEHICLE ALLOWANCE

(a) An employee required and authorised to use their own motor vehicle in the course of their duties will be paid an allowance of $0.99 per kilometre. The allowance will be adjusted in line with the Nurses Award 2020 from time to time.

(b) When an employee is involved in travelling on duty, if the Employer cannot provide the appropriate transport, all reasonably incurred expenses in respect to fares, meals and accommodation will be met by the Employer on production of receipted account(s) or other evidence acceptable to the Employer.

(c) Provided further that the employee will not be entitled to reimbursement for expenses referred to in clause (b) which exceed the mode of transport, meals or the standard of accommodation agreed with the Employer for these purposes.

24. UNIFORM AND LAUNDRY ALLOWANCE

(a) Where uniforms are not provided by the Employer the employee shall be paid a uniform allowance per week as set out in Appendix 1, or pro-rata per day on duty, whichever be the lesser amount. Where such employee's uniforms are not laundered by or at the

expense of the hospital, the employee shall be paid a laundry allowance per week as set out in Appendix 1, or pro-rata per day on duty, whichever be the lesser amount.

(b) The uniform allowances but not the laundry shall be paid during all absences on leave, except absence on long service leave and absence on sick leave beyond 21 days. Where, prior to taking leave, an employee was paid a uniform allowance other than at the weekly rate, the rate to be paid during absence on leave shall be the average of the allowance paid during the four weeks immediately preceding the taking of leave.

(c) Where an Employer provides an employee with uniforms, all articles so provided remain the property of the hospital.

(d) The above allowances as increased are set out in Appendix 1.

25. TRAINING AND ASSESSMENT ALLOWANCE

(a) An allowance per Appendix 1 will be payable where the Employer requires the employee to hold a current Certificate IV in Training and Assessment. This allowance will not apply to an employee who is paid a qualification allowance under this Agreement.

26. QUALIFICATION ALLOWANCE

(a) A Registered Nurse will be entitled to a qualification allowance set out below, subject to the following:

(i) a Registered Nurse holding more than one qualification is only entitled to one qualification allowance, being the allowance for the highest qualification held having regard to sub-clause (a)(ii).

(ii) it must be demonstrated that at least one component of the qualification is applicable to the relevant Employee's current area of practice. In situations where a component of a postgraduate qualification is relevant to that Employee's current area of practice an allowance is payable. In considering whether a component of the qualification is relevant, the nature of the qualification and the current area of practice of the qualification holder are the main criteria. Other considerations may include:

(1) the clinical or other area of work of the Registered Nurse;

(2) the classification and position description of the Registered Nurse;

(3) whether the qualification would assist the Registered Nurse in performing her or his role and/or assist in maintaining quality patient care and/or assist in the administration of the ward/unit/area in which the Registered Nurse is employed.

(iii) An Employee claiming entitlement to a qualification allowance must provide to the Employer appropriate evidence that the Employee holds the qualification for which the entitlement is claimed or has qualified for the award of the qualification.

(iv) An Employee will meet the evidence requirements when they have provided the Employer with evidence from the education / training provider that would satisfy a reasonable person that the Employee has obtained the qualification or has satisfied the academic requirements for the award of the qualification.

(v) For the avoidance of doubt, a qualification allowance cannot be claimed by a Registered Nurse in respect of that Employee's base qualification leading to

registration as a Registered Nurse, with the exception of:

(1) A double degree

(2) A four year degree

(3) An honours degree

(4) A Masters degree

*Where a nurse holds a double degree or a Masters degree at registration they will not be paid the relevant qualification allowance until they have achieved 12 months of experience (as defined).

(vi) Certificates obtained from training or education facilities (eg. infection control certificates from the Mayfield Centre) shall be recognised provided that the programmes are equivalent to a University/Graduation certificate and the training/education facility verifies that in writing.

(b) Registered Nurse who holds a Hospital Certificate or Graduate Certificate (or equivalent) shall be paid an allowance as per Appendix 1.

(c) A Registered Nurse who holds a Post-Graduate Diploma or a Degree (or equivalent) or a double degree (other than a nursing undergraduate degree), shall be paid an allowance as per Appendix 1.

(d) A Registered Nurse who holds a Masters (excluding a Masters degree that leads to registration), shall be paid an allowance as per Appendix 1.

(e) A Registered Nurse who holds a Doctorate, shall be paid an allowance as per Appendix 1.

(f) The above allowances are to be paid during all periods of leave except personal leave beyond 21 days and long service leave.

(g) The allowance is to be paid on a pro-rata basis for casual and part-time Employees.

(h) Where an employee fails to provide evidence to the Employer of the qualification until such time as the employee provides such evidence to the Employer, the employee shall not be entitled to payment of a qualification allowance. Payment of the qualification allowance shall be made on and from the date that evidence is provided.

27. QUALIFICATION ALLOWANCE - ENROLLED NURSES

(a) An enrolled nurse who holds a certificate or qualification (which is in addition to the minimum qualification held by the nurse for registration) and who is required by the Employer to use such a certificate in connection with their duties shall be paid an allowance of 4% of their weekly wage as per Appendix 1 of this Agreement:

(i) a certificate or qualification for a course of six months duration (excluding medication endorsement).

(b) An enrolled nurse claiming entitlements to a qualification allowance must provide the Employer with evidence of that enrolled nurse holding the qualification for which the entitlement is claimed. The course undertaken must result in a certificate or qualification being awarded, and not simply completion of certain subjects. Provided that only one allowance is payable to each eligible enrolled nurse, being the allowance for the highest qualification held.

(c) Where an employee fails to provide evidence to the Employer of the qualification until such time as the employee provides such evidence to the Employer, the employee shall not be entitled to payment of a qualification allowance. Payment of the qualification allowance shall be made on and from the date that evidence is provided.

(d) For the avoidance of doubt, a qualification allowance cannot be claimed by an enrolled nurse:

(i) in respect of that person's base qualification leading to registration; and

(ii) where the education provided at pre or post registration level to enable endorsement with the NMBA to administer medications.

(e) The above allowances are to be paid during all periods of leave except paid personal leave beyond 21 days and long service leave.

28. HIGHER DUTIES

(a) An Employee engaged in any one day or shift for more than two hours on duties carrying a higher rate than the classification in which the Employee is ordinarily employed shall be paid for the full day or shift at the minimum rate for that higher classification but if so engaged for two hours or less only the time so worked shall be paid for at that higher rate.

(b) Notwithstanding the provisions of (a) the following provisions shall apply to employees who are appointed to relieve a Nurse Unit Manager:

(c) Off duty shifts

(i) Where a work unit involves shift work, Associate Nurse Unit Managers (**ANUM**) or Associate Midwife Unit Managers (**AMUM**) may be appointed to undertake in-charge functions during the off-duty periods of the Nurse Unit Manager (**NUM**) or Midwife Unit Manager (**MUM**). The rate, once appropriately set, shall be deemed to include the performance of the in-charge function during the off duty periods of the NUM or MUM.

(ii) Where an employee, other than an ANUM/AMUM, is required to act in charge during the off duty period of a NUM/MUM (which event shall be the exception to the rule), such employee shall be paid at the minimum rate applicable to the ANUM or AMUM position which would normally be in charge on that shift.

(iii) Provided that where no ANUM/ AMUM position has been appointed with respect to the relevant shift, the provisions of (a) shall apply.

(d) Periods of absence

(i) The provisions of (b)(i) to (iii) shall apply to all periods of absence of a NUM up to and including five days. For absences in excess of five days, the relieving ANUM or AMUM shall be paid at the minimum rate for the NUM or MUM for the entire period of relief and other employees who consequently act in a higher position shall be similarly remunerated at the minimum rate of that higher position for the entire period of relief.

(e) A Deputy Director of Clinical Services, a Deputy Principal Nurse or Midwife Educator or a Principal Nurse of Midwife Educator who is called upon to relieve an employee in a higher classification for a period in excess of five days, shall be paid at the minimum of that higher classification for the entire period of relief.

29. OVERTIME MEAL ALLOWANCE

(a) When an Employee is required to undertake overtime work (Monday to Friday inclusive) which exceeds one hour, the Employee will:

(i) be supplied with an adequate meal by the Employer; or

(ii) be paid a **Meal Allowance A** as set out in Appendix 1;

in addition to any overtime payment.

(b) In addition to the allowance provided for at (a)(ii), where such overtime work exceeds four hours a further **Meal Allowance B**, set out at Appendix 1, will be paid.

(c) When an Employee is required to undertake overtime work on a Saturday or Sunday (or is work undertaken by a shiftworker on an RDO) which exceeds five hours, the Employee will:

(i) be supplied with an adequate meal by the Employer; or

(ii) be paid a **Meal Allowance A** as set out in Appendix 1;

in addition to any overtime payment.

(d) In addition to the allowance provided for at (c), where such overtime work exceeds nine hours a further **Meal Allowance B**, set out at Appendix 1, will be paid.

(i) These foregoing provisions shall not apply when an employee could reasonably return home for a meal within the period allowed.

(e) Where an employee is on call under a close call arrangement, such employee shall be entitled to payment of **Meal Allowance A** for each 4-hour period within a 12 hour on call period (noting a maximum of 3 Meal Allowance A payments in any 12-hour period). A close call arrangement, for the purposes of this clause, is where an employee is on call at a location designated by the Employer (not being the employee's residence or chosen location).

30. CLINICAL NURSE SPECIALIST, CLINICAL MIDWIFE SPECIALIST or ENROLLED NURSE L3 - ADVANCED

(a) The CNS/CMS classification shall be available to all Registered Nurses whether employed full time or part time who:

(i) meet the Agreement definition; and

(ii) meet the criteria as stated in Appendix B.

(b) The EN Advanced Level 3 (**EN 3 - Advanced**) classification is available on appointment by the Employer for an Enrolled Nurse who holds a NMBA approved qualification in administration of medicines with an Administration of Medication Scope of up to five routes and who meets the criteria set out in Appendix C.

31. ON CALL ALLOWANCE / RECALL

(a) Peri Operative Suite (Theatre) and Cardiac Catheter Lab will be subject to the following:

(i) An employee rostered to be on call outside the employee's rostered hours of duty shall be paid an amount listed in Appendix 1 per 12-hour period or part thereof.

(ii) An employee rostered on call who is recalled to duty shall be paid a minimum of

three (3) hours at overtime rates on each occasion that the Employee is recalled.

(iii) An employee who is rostered on call and whose on call period commences immediately following the rostered conclusion time of their shift, shall be paid at the on call rate if required to perform duties after the rostered conclusion time of their shift.

(b) In all other areas

(i) An employee rostered to be on call outside the employee's rostered hours of duty shall be paid the rate specified in Appendix 1 per 12-hour period or part thereof.

(ii) An employee rostered on call who is recalled to duty shall be paid a minimum of three (3) hours at overtime rates on each occasion that the Employee is recalled.

(iii) No employee shall be rostered on call within the 48-hour period immediately preceding any period of approved annual leave greater than three days.

(iv) The minimum period which an employee may be rostered 'on call' shall be four (4) hours.

(c) Where an employee is recalled to duty:

(i) in addition to the minimum recall payment, the employee will be entitled to be paid an allowance equivalent to 30 minutes at the ordinary rate of pay for travelling from home to the workplace for the recall attendance;

(ii) and works in excess of three hours of recall work (whether in a single recall or the aggregate of multiple recalls), the employee will be entitled to be paid an allowance equivalent to 30 minutes at the ordinary rate of pay for travelling home from any such recall attendance. For the avoidance of doubt, such employee will also be entitled to a rest break in accordance with clause 22(c) from the conclusion of the recall work.

(d) Close On Call

(i) Employees required to undertake on call will not be directed by the Employer to undertake “close on call”, being on call that requires the Employee to reside away from their home during the on-call period.

(ii) Where an Employee elects to undertake “close on call”, the employee will be paid an allowance of $120 per 12-hour period in addition to any other allowances in the Agreement (including the standard on call allowance).

(e) Telephone attendance

(i) A nurse who is required to be on call and is required to perform work by the Employer via telephone away from the workplace will be paid at the appropriate overtime rate for such attendances with a minimum payment of 15 minutes pay. Multiple telephone attendances made and concluded within the same 15-minute period shall be compensated within the same 15 minutes overtime payment. Time worked beyond 15 minutes will be rounded to the nearest 15 minutes.

32. LEAD APRON ALLOWANCE

(a) From the first full pay period on or after 1 July 2025, an Employee who is required as part of their usual duties to wear a lead apron, is to be paid the Lead Apron Allowance in Appendix 1 for each shift or part thereof on which the lead apron is worn.

33. REDEPLOYMENT ALLOWANCE

(a) Where an Employee is rostered and employed to work at one Hospital campus of the Employer and is redeployed by the Employer to perform work at an alternate Hospital campus, the Employee will be paid a redeployment allowance set out in Appendix 1 for each occasion of redeployment.

34. ACCIDENT PAY

(a) Any reference to the Workplace Injury Rehabilitation and Compensation Act 2013 (WIRA) in this clause shall be deemed to include a reference to the Accident Compensation Act 1985.

(b) Definitions

(i) The words hereunder shall bear the respective definitions set out herein.

(ii) Total Incapacity

In the case of an Employee who is or deemed to be totally incapacitated within the meaning of the WIRA and arising from an injury covered by this Clause means a weekly payment of an amount representing the difference between the total amount of compensation paid under the Act for the week in question and the total 38 hour weekly rate and weekly over Agreement payment for a day employee which would have been payable under this part for the employee's normal classification of work for the week in question if they had been performing her/his normal duties provided that such latter rate shall exclude additional remuneration by way of shift premiums, overtime payments, special rates or other similar payments.

(iii) Partial incapacity

In the case of an employee who is or deemed to be partially incapacitated within the meaning of the WIRA and arising from an injury covered by this Clause means a weekly payment of an amount representing the difference between the total amount of compensation paid under the WIRA for the period in question together with the average weekly amount the employee is earning or is able to earn in some suitable employment or business (as determined expressly or by implication by the Accident Compensation Conciliation Service (as it is currently known) or as agreed between the parties) and the total 38 hour weekly rate and weekly over-agreement payment for a day employee which would have been payable under this part for the employee's normal classification of work for the week in question if he had been performing his normal duties provided that such latter rate shall exclude additional remuneration by way of shift premiums, overtime payments, special rates or other similar payments.

(1) The total 38 hour weekly agreement rate and weekly over-agreement payment abovementioned shall be the same as that applying for a total incapacity provided that where an employee receives a weekly payment under this section and subsequently such payment is reduced pursuant to the WIRA such reduction will not increase the liability of the employer to increase the amount of accident pay in respect of that injury.

(2) For the purposes of the calculation of the total 38 hour weekly agreement rate and weekly over-agreement payment in (a)(i) and (a)(ii) payments made to an employee arising from a production incentive earnings scheme

(whether arising from a payment by results, task or bonus scheme or however titled) shall not be taken into account.

(iv) Payment for part of a week

Where an employee receives accident pay and such pay is payable for incapacity for part of the week the amount shall be direct pro rata.

(v) Injury shall be given the same meaning and application as applying under the WIRA, as amended from time to time and no injury shall result in the application of accident pay unless an entitlement exists under the WIRA.

(c) Qualification for payment

(i) Always subject to the terms of this clause, an employee covered by this part shall upon receiving payment of compensation and continuing to receive such payment in respect of a weekly incapacity within the meaning of the WIRA be paid accident pay by their employer who is liable to pay compensation under the WIRA, which said liability by the employer for accident pay may be discharged by another person on his behalf, provided that:

(1) Accident pay shall only be payable to an employee whilst such employee remains in the employment of the employer by whom the Employee was employed at the time of the incapacity and then only for such period as the Employee receives a weekly payment under the WIRA. Provided that if an employee on partial incapacity cannot obtain suitable employment from hers/his employer but such alternative employment is available with another employer than the relevant amount of accident pay shall be payable.

(A) Provided further that in the case of the termination of employment by an employer of an employee who is incapacitated and who except for such termination would be entitled to accident pay, accident pay shall continue to apply subject to the provisions of this clause except in those cases where the termination is due to serious and/or wilful misconduct on the part of the employee.

(B) In order to qualify for the continuance of accident pay on termination an employee shall if required provide evidence to the Employer of the continuing payment of weekly employees compensation payments.

(d) Accident pay shall not apply to any incapacity occurring during the first two weeks of employment unless such incapacity continues beyond the first two weeks and then subject to (d) and to the maximum period of payment prescribed elsewhere herein, accident pay shall apply only to the period of incapacity after the first two weeks.

(i) Provided that as to industrial diseases contracted by a gradual process or injuries subject to recurrence, aggravation or acceleration as provided in the WIRA such injuries or diseases shall not be subject to accident pay unless the employee has been employed with the employer at the time of the incapacity for a minimum period of one month

(e) Accident pay shall not apply in respect of any injury during the first five normal working days of incapacity.

(i) Provided however that in the case of an employee who contracts an infectious

disease in the course of duty and is entitled to receive workers compensation therefore shall receive accident pay from the first day of the incapacity.

(f) Maximum period of payment

The maximum period or aggregate of periods of accident pay to be made by an employer shall be a total of 39 weeks for any one injury as defined in (a)(iv)

(g) Absences on other paid leave

An employee shall not be entitled to payment of accident pay in respect of any period of other paid leave of absence.

(h) Notice of injury

An Employee upon receiving an injury for which they claim to be entitled to receive accident pay shall give notice in writing of the said injury to her/his employer as soon as reasonably practicable after the occurrence thereof provided that such notice may be given by a representative of the employee.

(i) Medical examination

(i) In order to receive entitlement to accident pay an employee shall conform to the requirements of the WIRA as to medical examination.

(ii) Where in accordance with the WIRA a medical referee gives a certificate as to the condition of the employee and her/his fitness for work or specifies work for which the employee is fit and such work is made available by the employer and refused by the employee or the employee fails to commence the work. accident pay shall cease from the date of such refusal or failure to commence the work.

(j) Cessation of weekly payments

Where there is a cessation or redemption of weekly compensation payments under the WIRA the employer's liability to pay accident pay shall cease as from the date of such cessation or redemption.

(k) Civil damage claims

(i) An employee receiving or who has received accident pay shall advise their employer of any action they may institute or any claim they may make for damages. Further the employee shall, if requested, provide an authority to the employer entitling the employer to a charge upon any money payable pursuant to any judgement or settlement on that injury.

(ii) Where an employee obtains a judgement or settlement for damages in respect of an injury for which they have received accident pay the employer's liability to pay accident pay shall cease from the date of such judgement or settlement provided that if the judgement or settlement for damages is not reduced either in whole or part by the amount of accident pay made by the employer the employee shall pay to her/his employer any amount of accident pay already received in respect of that injury by which the judgement or settlement has not been so reduced.

(iii) Where an employee obtains a judgement or settlement for damages against a person other than the employer in respect of an injury for which the Employee has received accident pay the employer's liability to pay accident pay shall cease from the date of such judgement or settlement provided that if the judgement or

settlement for damages is not reduced either in whole or part by the amount of accident pay made by the employer the employee shall pay to her/his employer any amount of accident pay already received in respect of that injury by which the judgement or settlement has not been so reduced.

(l) Insurance against liability

Nothing in this part shall require an employer to insure against her/his liability for accident pay.

(m) Variations in compensation rates

Any changes in compensation rates under the WIRA shall not increase the amount of accident pay above the amount that would have been payable had the rates of compensation remained unchanged.

(n) Death of an employee

All rights to accident pay shall cease on the death of an employee.

35. STAFFING

(a) Staffing arrangements (including DCS, NUM/MUM and NUM/AMUM), the allocation of additional shifts over the life of the Agreement and the operation of the Nursing and Midwifery Consultative Committee (NMCC) are set out in Appendix A.

Part 5 – Penalty Rates and Overtime

36. SATURDAY AND SUNDAY WORK

All rostered time of ordinary duty performed between midnight on Friday and midnight on Sunday shall be paid for at the rate of time and a half.

37. OVERTIME

(a) Overtime is paid in the following circumstances:

(i) Where a full-time Employee is required by the Employer to:

(1) work in excess of their ordinary rostered hours; or

(2) work in excess of 10 ordinary hours per shift (or 12 hours in accordance with clause 16(d);

(ii) Where a part-time Employee:

(1) works in excess of the rostered daily ordinary full-time hours– subject to:

(A) such hours being in excess of the Part-time Employee's rostered ordinary shift; and

(B) a Part-time Employee may request or agree to work a rostered ordinary shift of up to 10 hours (or up to 12 hours in accordance with 16(d)).

(2) work in excess of 76 hours in a fortnight.

(iii) Where a casual Employee is required by the Employer to:

(1) work in excess of 10 hours per shift or 12 hours per day where the casual employee works 12-hour shifts in a ward / unit with a 12-hour roster arrangement; and/ or

(2) work in excess of 76 hours in a fortnight.

(b) Overtime for full-time or part-time Employees will be paid as follows:

Monday to Friday	will be paid at 150% of the ordinary rate of pay for the first 2 hours and the 200% of the ordinary rate of pay thereafter
Saturday and Sunday	will be paid at 200% of the ordinary rate of pay
Public Holiday	will be paid at the rates set out at clause 43(e)(i)

(c) Overtime for casual Employees (in lieu of the casual loading) will be paid as follows:

Monday to Friday	will be paid at 175% of the ordinary rate of pay for the first 2 hours and 225% of the ordinary rate of pay thereafter
Saturday and Sunday	will be paid at 225% of the ordinary rate of pay

Public Holiday	will be paid at the rates set out at clause 43(e)(ii)

(d) For the purposes of this Clause, in accruing or calculating payment of overtime, each period of overtime shall stand alone.

(e) Rest periods - affected by overtime (including Saturdays and Sundays)

(i) When overtime work (including recall to duty) is necessary it shall, wherever reasonably practicable, be so arranged that employees have at least ten hours continuously off duty between the work of successive shifts.

(ii) An Employee (other than a casual employee) who works so much overtime between the termination of her/his last previously rostered ordinary hours of duty and the commencement of her/his next succeeding rostered period of duty that the Employee would not have had at least ten hours continuously off duty between those times, shall subject to this subclause, be released after completion of such overtime worked until the Employee had ten hours continuously off duty without loss of pay for rostered ordinary hours occurring during such an absence.

(iii) If on the instructions of the Employer such an Employee resumes or continues work without having had such ten hours continuously off duty they shall be paid at the rate of double time until they are released from duty for such rest period and they will be entitled to be absent until they have had ten hours continuously off duty without loss of pay for rostered ordinary hours occurring during such an absence.

(iv) In the event of any Employee finishing any period of overtime or recall at a time when reasonable means of transport are not available for the employee to return to their place of residence the Employer shall provide adequate transport free of cost to the employee.

(f) Time off in lieu of overtime

(i) An Employee maybe required to work overtime and the option of 'Time Off in Lieu' (TOIL) of overtime payment may be utilised by all employees in accordance with the following requirements:

(1) Time off in lieu may only be taken in cases where prior approval by the Department Head/Manager has been obtained;

(2) Time off in lieu will be for a period of time equivalent to the overtime worked, plus a period of time equivalent to the overtime penalty incurred – therefore one hour of overtime worked on a Saturday would equate to two hours of time off in lieu;

(3) Time off in lieu of overtime must be taken within four (4) weeks of being worked (unless agreed by the Employer that a longer period would apply) and if not the employer must pay the employee for the overtime in the next pay period following those four weeks at the overtime rate applicable to the overtime when worked.

(4) If, on the termination of the employee’s employment or as otherwise agreed between the employee and employee during the employment time off for overtime worked by the employee has not been taken, the employer must pay the employee for the overtime at the overtime rate applicable to the

overtime when worked.

(5) Any overtime worked or time off in lieu of overtime must be recorded on an employee's time sheet as payment of overtime or time off in lieu of overtime will not be substantiated and recognised for payment purposes by the Employer.

(g) Reasonable Overtime

(i) The Employer may require an Employee to work "reasonable overtime" at overtime rates.

(ii) In determining whether overtime is "reasonable overtime" for the purposes of (i), the following must be taken into account:

(1) Any risk to Employee health and safety from working the additional hours;

(2) The Employee's personal circumstances, including family responsibilities;

(3) The needs of the workplace in which the Employee is employed;

(4) Whether the Employee is entitled to receive overtime payments, penalty rates or other compensation for, or a level of remuneration that reflects an expectation of, working additional hours;

(5) Any notice given by the Employer of any request or requirement to work the additional hours;

(6) Any notice given by the Employee of their intention to refuse to work the additional hours;

(7) The unusual patterns of work in the industry, or part of the industry, in which the Employee works;

(8) The nature of the Employee's role, and the Employee's level of responsibility;

(9) Any other relevant matter.

(iii) An Employee may refuse to work overtime, if the request is unreasonable.

38. SHIFT ALLOWANCES

(a) Early Morning / Afternoon Shift Allowance

In addition to any other rates prescribed elsewhere in this part of this Agreement an employee whose rostered hours of ordinary duty finish between 6.00p.m. and 8.00a.m. or commence between 6.00p.m. and 6.30a.m. shall be paid an amount as set out in Appendix 1 per rostered period of duty.

(b) Night Shift Allowance

The Night Shift Allowance as set out in Appendix 1 shall be payable per rostered period of duty where an employee works rostered hours of ordinary duty that finishes the day after commencing duty or commences after midnight and before 5.00 am.

(c) Provided further that this Clause shall not apply to Director of Clinical Services and Deputy Director of Clinical Services or equivalent.

39. CHANGE OF SHIFT ALLOWANCES

(a) This clause shall only apply to permanent (non-casual) enrolled nurses that have been in

receipt of a change of shift allowance in the 12 months prior to 20 September 2012.

(b) In the case of a permanent enrolled nurse who changes from working on one shift to working on another shift, the time of commencement of which differs by four hours or more than from that of the first, the Employee will be paid an amount equal to 4% of the allowance rate on the occasion of each such change in addition to any amount payable under the preceding provisions of this clause. The change of shift allowance provided for under this Agreement is not payable to employees in the following circumstances:

(i) Where an employer agrees to a request in writing made on behalf of one or more employees for changes in shifts. That request may be expressed to include specified periods representing work cycles up to three months in advance;

(ii) Where a part-time employee agrees to work shift(s) in addition to those worked regularly otherwise;

(iii) Where changes in shift occur within the performance of an agreed self-rostering system;

(iv) Where there is an intervening period of more than 48 hours off duty, inclusive of all leave, weekend, accrued days off and public holidays.

Part 6 – Leave and Public Holidays

40. PARENTAL LEAVE

(a) Employees are entitled to parental leave in accordance with the provisions of the *Act,* as amended from time to time.

(b) For the purposes of this clause adoption leave includes the permanent placement of a child with the employee until the age of 18 by order of a court.

(c) Permanent employees eligible for parental leave in accordance with subclause (a) shall be entitled to one type of the following paid parental leave paid at the ordinary rate of pay:

(i) 14 weeks paid birth related leave/adoption leave; or

(ii) two weeks paid partner leave. The partner leave will be increased to three weeks of paid leave from the first full pay period on or after 1 July 2026.

(d) The payment provided in this Agreement shall not be reduced in terms of its monetary value by the Commonwealth Government's scheme of publicly funded paid parental leave (however titled or styled).

(e) In accordance with S.73 of the Act, a pregnant employee shall be entitled to work until their estimated date of birth. If requested by the Director of Clinical Services or nominee, the employee shall provide a statement from their medical practitioner or midwife to the effect that continuing employment until the date of birth is not a risk to the employee or the unborn child.

(f) In addition, the employee may take all accrued annual leave prior to a return to work from parental leave.

(g) Right to request

(i) An employee entitled to parental leave pursuant to the provisions of clause 40 may request the Employer to allow the employee:

(1) to extend the 52 weeks of unpaid parental leave by a further continuous period of leave not exceeding 12 months;

(2) to return from a period of parental leave on a part-time basis until the child reaches school age;

to assist the employee in reconciling work and parental responsibilities.

(ii) The Employer shall consider the request having regard to the employee's circumstances and, provided the request is genuinely based on the employee's parental responsibilities, may only refuse the request on reasonable grounds related to the effect of the workplace or the employer's business. Such grounds might include cost, lack of adequate replacement staff, loss of efficiency and the impact on customer service.

(iii) Employee's request and the employer's decision to be in writing

(iv) The employee's request and the Employer's decision made under paragraphs (i) and (ii) of this subclause must be recorded in writing

(v) Request to return to work part-time

Where an employee wishes to make a request under 40(g)(i)(2), such a request

must be made as soon as possible but no less than seven weeks prior to the date upon which the employee is due to return to work from parental leave.

(h) Personal Leave and special parental leave

(i) Where the pregnancy of an employee not then on birth related leave terminates other than by the birth of a living child, the employee may take leave for such periods as a registered medical practitioner certifies as necessary, as follows:

(1) Where the pregnancy terminates during the first 20 weeks, during the certified period/s the employee is entitled to access any paid and/or unpaid sick leave entitlements in accordance with the relevant personal leave provisions;

(2) Where the pregnancy terminates after the completion of 20 weeks or the baby dies after birth, during the certified period/s the employee is entitled to paid special parental leave not exceeding the amount of paid birth related leave available under subclause 40(c)(i) and thereafter, to unpaid special parental leave.

(i) Pre-natal appointments

If an employee is required to attend pre-natal appointments or parenting classes and such appointments or classes are only available or can be attended during the ordinary working hours of the employee, then on production of satisfactory evidence of attendance at such appointment or class, the employee may utilise their accrued carer's leave credit as defined above. The employee must give the employer a minimum of one (1) week prior notice of the employee's intention to take such leave.

(j) Undertaking paid work while on a period of parental leave

(i) For the removal of doubt, an Employee is not prevented from seeking additional paid casual work with the Employer during a period of parental leave, subject to the Employer and Employee reaching agreement on the terms under which that work will be performed.

(ii) Where the Employee seeks additional paid work in accordance with subclause 40(j)(i), the performance of such work is without prejudice to any benefits to which the Employee is entitled under this Agreement in respect of their substantive employment.

Note: Employees should be aware that undertaking work during a period of paid parental leave may affect their eligibility to receive benefits under the Commonwealth Government paid parental leave scheme.

41. ANNUAL LEAVE

(a) Employee's entitlement to leave

(i) Employees shall be entitled to 5 weeks annual leave in respect of any 12 months service. This leave entitlement is inclusive of the base NES annual leave entitlement and the additional week for a 'shiftworker' as defined. A shiftworker for the purposes of this clause and the NES is an Employee who is regularly rostered over seven days of the week and regularly works weekends.

(ii) Such annual leave accrues progressively during a year of service according to the employee's ordinary hours of work and accumulates from year to year.

(b) Additional Annual Leave

(i) A full time Nurse or Midwife who during the yearly period in respect of which their annual leave accrues shall be entitled to one (1) additional week's annual leave (calculated on average ordinary hours) in addition to the leave prescribed in this clause if the employee.

(1) is required to work and has worked a minimum of ten (10) or more weekends for four (4) hours or more on each occasion; Work completed on weekends which shall be counted when calculating an employee's entitlement to additional leave shall include:

(A) Rostered hours worked;

(B) Hours worked on a re-call basis between 7:00pm Friday evening and 7:00am Monday morning; or

(C) is rostered as 'on call' for a minimum of 240 hours in the yearly period between 7:00pm Friday evening and 7:00am Monday morning, irrespective of any hours actually worked on a recall basis

(ii) For periods of service on and from the first full pay period on or after 1 June 2027, a part-time employee will be entitled to accrue one week of additional annual leave, in addition to the entitlement set out at subclause 41(a)(i), for each year of service where they satisfy the requirements set out at 41(b)(i)(1) above.

(c) Employee taken to not be on paid annual leave at certain times

(i) If the period during which an employee takes paid annual leave includes a day or part-day that is a public holiday in the place where the employee is based for work purposes, the employee is taken not to be on paid annual leave on that public holiday.

(ii) Where other periods of leave occurs (other than unpaid parental leave), or a period of absence from employment for community service leave, the employee is taken not to be on paid annual leave for the period of that other leave or absence.

(d) Effect of termination on annual leave

If, when the employment of an Employee ends, the Employee has a period of untaken accrued annual leave, the Employer must pay the Employee the amount that would have been payable to the Employee had the Employee taken that period of leave, including leave loading.

(e) Taking of leave

(i) An Employee with an accrued annual leave entitlement is entitled to apply to take annual leave at any time and the Employer shall not unreasonably refuse such an application.

(ii) Annual leave requests will be approved/denied within 20 business days of the employee’s application. Exceptions may occur where an application is for a high demand holiday period (Christmas and Easter). However, decisions on all leave applications will not be unreasonably withheld.

(iii) Where the Employee has accrued more than double their annual entitlement to annual leave, the Employer may direct the Employee to take some or all of that

accrued annual leave, provided that

(1) the employee has been given a reasonable opportunity to submit a plan to reduce the leave to 5 weeks within six months;

(2) the Employer will not unreasonably refuse to agree to a leave reduction plan which includes saving leave for an extended vacation within 12 months;

(3) the employee cannot be required to take annual leave of less than one week; and

(4) in directing that the employee take leave the Employee cannot be directed to reduce the accrued leave to less than 5 weeks.

(f) Payment for leave

(i) Employees shall receive their ordinary pay during all periods of annual leave. Employees may request that before going on leave, such leave be paid in advance, otherwise the leave will be paid in the normal pay fortnights for the period of such leave.

(ii) Ordinary pay means remuneration for the Employee's number of ordinary hours of work in the leave period calculated at the ordinary rate of pay.

(iii) In addition to the ordinary pay as prescribed in (f)(i) all employees shall receive an annual leave loading being the higher of (1) or (2) below:

(1) a loading of 17.5% calculated on the prescribed rate of salary provided that such loading shall be on a maximum of 152 hours in respect of any year of employment; provided further than an Employee whose weekly salary is or exceeds the weekly rate provided for in this Agreement for a Registered Nurse, Grade 5, 51-200 beds (Threshold Rate) shall receive, in lieu of the 17.5% loading, an amount equal to: Threshold Rate x 17.5% x 4 (weeks), in respect of a period of 152 hours or a proportionate amount in respect of a lesser period or periods;

or

(2) in respect of each week of leave granted an amount comprising the following:

(A) all payments for ordinary hours of work;

(B) shift work premiums according to roster or projected roster;

(C) Saturday, Sunday premiums according to roster or projected roster;

(D) in-charge allowances;

(E) allowances prescribed in the uniform and laundry allowance clause of this Agreement

(g) Pay in lieu of an amount of annual leave

(i) Upon receipt of a written request by an Employee, the Employer may, in writing, authorise the Employee to receive pay in lieu of an amount of annual leave.

(ii) Paid annual leave must not be cashed out if the cashing out would result in the employee's remaining accrued entitlement to paid annual leave being less than 4 weeks; and

(iii) Where an Employee forgoes an entitlement to take an amount of annual leave, the employee must be paid at least the full amount that would have been payable to the employee had the employee taken the leave that the employee has forgone.

(h) Utilisation of annual leave

(i) The parties agree all staff shall have the option to utilise a portion of their accrued annual leave in the following circumstances:

(1) Periods of low occupancy

(2) During renovations or refurbishments

42. PURCHASED LEAVE (48/52)

(a) The Employer and an Employee (other than a casual Employee) may agree to a purchased leave arrangement to fund up to 4 weeks of leave that would have otherwise been unpaid (**Purchased Leave**). Approval for Purchased Leave requests are subject to operational needs.

(b) Purchased Leave will operate by way of an Employee authorising the Employer to make deductions from the Employee's fortnightly pay, in equal instalments, in a 12-month period (the **Period**), to fund the agreed Purchased Leave.

(c) Subject to subclause (e), Purchased Leave must be taken within the Period, at times agreed with the Employer.

(d) Purchased Leave will not include payment of penalty rates, loadings, allowances or other like payments.

(e) Where an Employee seeks a variation to an agreed Purchased Leave arrangement, the variation is subject to the prior approval of the Employer. If approval is granted, the Employer and the Employee will agree in writing to the applicable adjusted deduction authorisation.

(f) An Employee may cancel a Purchased Leave arrangement by giving the Employer no less than 4 weeks written notice prior to the period of Purchased Leave. Upon cancellation of a Purchased Leave arrangement or the termination of the Employee's employment, the Employer will pay any accrued and unused Purchased Leave money to the Employee.

43. PUBLIC HOLIDAYS

(a) An Employee shall be entitled to paid time off (or penalty payments for time worked) in respect of public holidays in accordance with this clause.

(b) Subject to (c), the public holidays to which this clause applies are the days determined under Victorian law as public holidays in respect of the following occasions

(i) New Year's Day, Australia Day, Christmas Day and Boxing Day; and

(ii) Good Friday, the Saturday immediately before Easter Sunday, Easter Sunday, Easter Monday, Anzac Day, King's Birthday and Labour Day; and

(iii) Melbourne Cup Day, or in lieu of Melbourne Cup Day, some other day as determined under Victorian law for a particular locality; and

(iv) any additional public holiday declared or prescribed in Victoria or a locality in respect of occasions other than those set out in (b)(i) to (iii).

(v) If a day or days are not determined in respect of any of the occasions (b)(i), (ii) or (iii) under Victorian law in any year, the public holiday for that occasion will be the day or date upon which the public holiday was observed in the previous year.

(c) Applicability of penalty payments for some public holidays falling on a weekend

When Christmas Day, Australia Day, Boxing Day, or New Year's Day (**Actual Day**) is a Saturday or a Sunday, and a substitute or additional holiday is determined under Victorian law on another day in respect of any of those occasions (**Other Day**):

(i) Weekend Workers (defined in sub-clause (h) below) and casual Employees shall receive penalty payments pursuant to clause (e) for time worked on the Actual Day or on the Other Day if the employee does not work ordinary hours on the Actual Day; and

(ii) all other Employees will receive penalty payments pursuant to clause (e) for time worked on the Other Day.

(d) Substitution of one public holiday for another

(i) The Employer and an Employee may agree to substitute another day for any prescribed in this clause (other than Christmas Day, Boxing Day and New Year's Day).

(ii) An agreement pursuant to paragraph (i) shall be recorded in writing

(e) Penalty Payments in respect of public holidays worked

(i) An Employee, other than a casual, who performs work (including overtime work) on a public holiday (or where Christmas Day, Boxing Day, New Year's Day or Australia Day fall on a weekend, the day to which penalty rates apply pursuant to clause (c)) shall be entitled to be paid;

(1) 200% (based on 1/38th of the weekly salary set out in Appendix 1) for the time worked on a public holiday Monday to Friday; or

(2) 250% (based on 1/38th of the weekly salary set out in Appendix 1) for the time worked on a public holiday on a Saturday or Sunday (which is in substitution of the rates in clause 36 – Saturday and Sunday Work).

(ii) A casual Employee who performs work (including overtime work) on a public holiday (or where Christmas Day, Boxing Day, New Year's Day or Australia Day fall on a weekend, the day to which penalty rates apply pursuant to clause (c)) shall be entitled to be paid inclusive of the casual loading;

(1) 250% (based on 1/38th of the weekly salary set out in Appendix 1) for time worked on a public holiday Monday to Friday; or

(2) 312.5% (based on 1/38th of the weekly salary set out in Appendix 1) for time worked on a public holiday on a Saturday or Sunday (which is inclusive of the rates in clause 36).

(f) Public holidays occurring on rostered days off

(i) Subject to (f)(ii) and (iii), a full-time Employee shall receive a sum equal to a day's ordinary pay for public holidays that occur on their rostered day off.

(ii) Subject to clause (f)(iii), if a public holiday falls on Saturday or Sunday then (f)(i)

will only apply to Weekend Workers.

(g) Where on each occasion that Christmas Day, Boxing Day, New Year's Day or Australia Day falls on a weekend, and under Victorian law an additional day or substitute day (**Other Day**) applies as a public holiday in respect of that occasion, and:

(i) the Employee is rostered off for both the actual day and the Other Day, then only one day's payment will be made under (f)(i); or

(h) the Employee works only on one of either the actual day or the Other Day, and receives penalty rates for the day worked, the Employee will not receive a payment under (f)(i) in respect of the day not worked.

(i) Part-time employees

(i) A part-time employee who is ordinarily not required to work on the day of the week on which a particular public holiday is observed shall not be entitled to any benefit for any such public holiday unless he/she is required to work on the public holiday, notwithstanding the following

(1) In determining whether a part-time employee who works a variable roster is entitled to receive public holiday penalty rates for a particular public holiday not worked, the Employer will determine this by reviewing the roster pattern of the individual over the preceding six months. If the rosters show that the employee has worked 50% or more of the days on which a particular public holiday falls, the employee shall be entitled to receive the 'rostered off' benefit for that public holiday.

(2) For the purposes of this clause the 'rostered off' benefit shall be calculated by adding together the hours worked by the employee on the particular day of the week on which the public holiday falls over the immediately preceding six months and averaging those hours in respect of those days worked by the employee.

(j) For the purpose of this clause only, a Weekend Worker is an employee who works ordinary hours on a Saturday or Sunday.

44. PERSONAL/CARERS LEAVE

(a) The provisions of this clause apply to full-time and part-time employees (on a pro rata basis) but do not apply to casual employees, excepting unpaid carers leave.

(b) Definitions

(i) The term **immediate family** is as defined in Clause 2– Definitions of this Agreement.

(c) Access to paid personal leave

(i) Paid personal leave at the ordinary rate of pay is available to an employee, when they are absent:

(1) due to personal illness or injury; or

(2) for the purposes of providing care or support for an immediate family or household member who is ill or injured or who requires care or support due to an unexpected emergency.

(d) Amount of paid personal leave

(i) The amount of paid personal leave to which a full-time employee is entitled depends on how long they have worked for the employer and accrues progressively in accordance with the NES as follows:

(1) up to 7 hours and 36 minutes, for each month of service in the first year of service (12 days);

(2) up to 106 hours and 24 minutes, in each year in the second, third and fourth years of service (14 days);

(3) up to 159 hours and 36 minutes, in the fifth and following years of service (21 days).

(ii) In respect of part-time employees, the entitlement shall be on a pro rata basis of ordinary time worked.

(e) Accrual of Personal Leave

(i) In accordance with the NES, such untaken leave accumulates from year to year.

(f) Notice and evidence requirements

(i) Where an Employee is unfit to attend for work by reason of personal injury or illness or is absent by reason of carer's leave in accordance with clause (c), the Employee must notify the Employer:

(1) at least two hours prior to the Employee's rostered starting time on the day of absence; or

(2) where notification in accordance with (i)(1) is not possible, as soon as practicable thereafter (which may be a time after the commencement of personal leave):

of the period or, expected period, of the absence.

(ii) Where the Employee has given notice of the taking of personal/carer's leave under this clause, the Employee is required to provide evidence of the absence in the form of a certificate from a registered Health Practitioner of the absence excepting:

(1) five (5) single days of personal/carer's leave in any 12-month period of employment do not require provision of evidence to the Employer;

(2) three single days of personal/carer's leave in any 12-month period of employment may be evidenced by provision of a statutory declaration signed by the Employee and provided to the Employer.

(3) Notwithstanding subclause 44(f)(ii)(1) and (2) the Employee is required to provide evidence of the absence where the absence abuts a public holiday. Such reasonable evidence must be provided to the Employer within 10 working days of the Employee's return to work.

(iii) Payment of personal leave shall not be withheld by an Employer until all reasonable steps have been taken to investigate the employee's lack of timely advice regarding their absence from duty. Such an investigation must provide the employee with an opportunity to give reasons as to why notification was not given.

(iv) The Employer shall provide and inform employees of a procedure for notification by

employees of their inability to attend work due to illness or injury. All such notifications shall be registered, detailing the time of notification and the name of the employee.

(v) When taking carer's leave due to an unexpected emergency, the Employee must, if required by the Employer, establish by production of documentation acceptable to the Employer or a statutory declaration the nature of the emergency and that such emergency resulted in the person concerned requiring care or support by the employee.

(g) Unpaid Carers Leave

(i) All Employees, including casual Employees, are entitled to two days' unpaid carer's leave per occasion in the event an Immediate Family member or member of the Employee's household requires care or support because of:

(1) a personal illness, or injury, of the member; or

(2) an unexpected emergency affecting the member.

(ii) The two days' unpaid carer's leave do not need to be taken consecutively.

(iii) Permanent Employees are only entitled to unpaid carer's leave if they have exhausted their accrued paid personal leave entitlements.

(h) Personal Leave to Attend Appointment

Where an employee is required to attend a chiropodist/podiatrist, chiropractor, dentist, optometrist, osteopath, physiotherapist or psychologist, the employee shall be granted out of sick leave entitlements leave of absence for a period not exceeding five working days in aggregate in any personal leave year.

(i) Termination of Employment while on Personal Leave

The Employer will not terminate the services of an Employee during the currency of any period of personal leave, with the object of avoiding obligations under this subclause.

(j) Pre-natal appointments

An Employee is entitled to use personal / carer's leave for the purposes of attending pre-natal appointments or parenting classes in accordance with clause 44(f).

(k) Where an employee concludes employment with the Employer and then recommences employment with the Employer within the "allowable period of absence" (as defined), continuity of service shall be deemed to be unbroken.

(l) The term **allowable period of absence** means five weeks in addition to the total period of paid annual, long service or personal leave which the employee actually receives on termination or for which they are paid in lieu.

45. COMPASSIONATE LEAVE

(a) An employee is entitled to 5 days of compassionate leave for each occasion (a *permissible occasion*) when:

(i) a member of the employee's immediate family, or a member of the employee's household:

(1) contracts or develops a personal illness that poses a serious threat to their

life; or

(2) sustains a personal injury that poses a serious threat to their life; or

(3) dies.

(ii) a child is stillborn, where the child would have been a member of the Employee's immediate family, or a member of the Employee's household, if the child had been born alive.

(iii) the Employee, or the Employee's spouse or de facto partner, has a miscarriage.

(b) An employee may take compassionate leave for a particular permissible occasion if the leave is taken:

(i) to spend time with the member of the employee's immediate family or household who has contracted or developed the personal illness, or sustained the personal injury, referred to in subclause (a); or

(ii) after the death of the member of the employee's immediate family or household or the stillbirth of a child referred to in subclause (a).

(iii) after the employee, or the employee's spouse or de facto partner, has the miscarriage referred to in subclause (a).

(c) An employee may take compassionate leave for a particular permissible occasion as a single continuous 5 day period; or 5 separate periods of 1 day each; or any separate periods to which the employee and the employer agree.

(d) If the permissible occasion is the contraction or development of a personal illness, or the sustaining of a personal injury, the employee may take the compassionate leave for that occasion at any time while the illness or injury persists.

(e) If, in accordance with this Clause, an employee, other than a casual employee, takes a period of compassionate leave, the employer must pay the employee at the employee's ordinary rate of pay for the employee's ordinary hours of work in the period. For casual employees, compassionate leave is unpaid leave.

(f) The employee, if required by the Employer, shall supply relevant evidence of the requirement for such leave. Such evidence may include a requirement to supply a medical certificate.

46. LONG SERVICE LEAVE

(a) Entitlement

(i) Employees shall be entitled to long service leave with pay in respect to continuous service with the Employer as provided in this clause 46.

(ii) Long service leave shall accrue at the *rate* of 6 months long service leave per fifteen years of continuous service (which is equivalent to 1.7333 weeks per year of service). However, an employee will have a long service leave entitlement when they have continuous service of 7 years or more.

(b) Service entitling to leave

(i) Subject to this subclause service shall also include all periods during which an employee was serving in Her Majesty's Forces or was made available by the employer for National Duty.

(ii) Where a business is transferred from one employer (the **old employer**) to another employer (the **new employer**) an employee who worked with the old employer and who continues in the service of the new employer shall be entitled to count her/his service with the old employer as service with the new employer for the purposes of this clause.

(iii) For the purposes of this Clause service shall be deemed to be continuous notwithstanding:

(1) the taking of any annual leave or long service leave; or other paid leave approved in writing by the employer and not covered by subclause 46(b)(iii)(2) to 46(b)(iii)(4).

(2) any absence from work of not more than fourteen days in any one year on account of illness or injury or if applicable such longer period as provided in the Personal / Carer's Leave clause of this Agreement;

(3) any interruption or ending of the employment by the employer if the interruption or ending is made with the intention of avoiding obligations in respect of long service leave or annual leave;

(4) any absence on account of injury arising out of or in the course of the employment of the employee for a period during which payment is made under the Accident pay clause of this Agreement.

(5) any leave of absence of the employee where the absence is authorised in advance in writing by the employer to be counted as service;

(6) any interruption arising directly or indirectly from an industrial dispute;

(7) the dismissal of an employee, but only if the employee is re-employed within a period not exceeding two months after the dismissal;

(8) any absence from work of an employee from work for a period not exceeding twelve months or longer as agreed under the parental leave clause of this Agreement in respect of any pregnancy or adoption;

(9) in the case of a Registered Nurse, any unpaid absence of not more than 24 months for the sole purpose of undertaking a course of study related to nursing where the written approval of the employer is given;

(10) any other absence of an employee by leave of the employer, or on account of injury arising out of or in the course of their employment not covered by 46(b)(iii)(4)of this subclause

(iv) In calculating the period of continuous service of any employee, any interruption or absence of a kind mentioned in 46(b)(iii)(1) to 46(b)(iii)(5) shall be counted as part of the period of their service, but any interruption or absence of a kind mentioned in 46(b)(iii)(6)to 46(b)(iii)(10) shall not be counted as part of the period of service unless it is so authorised in writing by the employer.

(v) Notwithstanding clause 46(b)(iii)(8), any unpaid parental leave period of up to 12 months duration, which is taken on and from the date this Agreement comes into operation, will count as a period of continuous service for an employee for the purposes of this clause.

(vi) The employer shall keep or cause to be kept a long service record for each employee, containing particulars of service, leave taken and payments made.

(c) Payment in lieu of long service leave on the death of an employee

Where an employee who has a long service leave entitlement dies while still in the employment of the employer, the employer shall pay to such employee's personal representative the long service leave entitlement.

(d) Payment for period of leave

(i) Payment to an employee in respect of long service leave shall be made in one of the following ways

(1) in full in advance when the employee commences their leave; or

(2) at the same time as payment would have been made if the employee had remained on duty; or

(3) in any other way agreed between the employer and the employee.

(ii) Where the employment of an employee is for any reason terminated before the employee takes any long service leave to which the Employee is entitled or where any long service leave accrues to an employee pursuant to 46(a)(ii) hereof the employee shall, subject to the provisions of 46(d)(iii), be entitled to pay in respect of such leave as at the date of termination of employment.

(iii) Where any long service leave accrues to an employee pursuant 46(a)(ii)hereof the employee shall be entitled to pay in respect of such leave as at the date of termination of employment.

(iv) Where an increase occurs in the ordinary time rate of pay during any period of long service leave taken by the employee, the employee shall be entitled to receive payment of the amount of any increase in pay at the completion of such leave.

(e) Taking of leave

(i) When an employee becomes entitled to long service leave such leave shall be granted by the employer within six months from the date of the entitlement, but the taking of such leave may be postponed to such a date as is mutually agreed.

(ii) Any long service leave shall be inclusive of any public holiday or accrued day off occurring during the period when leave is taken.

(iii) If the employer and an employee so agree:

(1) the first six months long service leave to which an employee becomes entitled under this Agreement may be taken in two or three separate periods; and

(2) any subsequent period of long service leave to which the employee becomes entitled may be taken in two separate periods, but save as aforesaid long service leave shall be taken in one period. or

(3) where it is taken as part of a transition to retirement arrangement agreed with the Employer, it may be taken as agreed including as single day periods

(f) Definitions

(i) For the purposes of this Clause the following definitions apply:

(1) "Pay" means remuneration for an employee's normal weekly hours of work calculated at the employee's ordinary time rate of pay provided in Appendix 1 hereof at the time the leave is taken or (if the employee dies before the completion of leave so taken) as at the time of their death; and shall include the amount of any increase to the employee's ordinary time rate of pay which occurred during the period of leave as from the date such increase operates.

(2) "Month" shall mean a calendar month.

(g) Requests for alterations to payment and quantum of leave

(i) At the request in writing of the employee, and then by agreement of the Employer, Long Service Leave entitlements may be taken as double the quantum of leave at half pay.

(ii) Where the employee is considering making such a request, the employer recommends that the employee seek independent financial advice as to the relevant taxation implications, if any, prior to making such a request.

(iii) The Employer will provide to the employee in writing an indication of the payment and the tax payable as a result of the employee choosing either double the leave at half pay, or double the pay for half the leave option prior to the request by the employee being finalised.

(h) Transition to Retirement/ Workforce Transition

(i) An Employee may make a written request to preserve accrued long service leave (*i.e. x weeks of LSL*) at the EFT fraction they are working at the time of making the request in two circumstances only:

(1) where the nurse who is 55 years of age or more wishes to transition to retirement within the next five years; or

(2) where the nurse is proceeding on primary carers leave and wish to return to work on a part-time basis for a prolonged period after maternity leave

(ii) A request may only be made after an Employee has confirmed in writing with their Employer that they have received financial advice and understand the impact that any flexible work arrangement may have on their superannuation and other entitlements.

(iii) An arrangement proposed pursuant to this clause by an Employee and, then agreed by the Employer must be in writing.

(iv) A nurse will only be able to so elect to preserve long service leave entitlements (at the fraction worked at the time of entering a transition arrangement) twice in respect to service with the Employer.

47. PROFESSIONAL DEVELOPMENT

(a) The Employer has traditionally ensured that operating budgets make reasonable provision for the ongoing professional development of employees. The Employer will encourage all employees to attend relevant seminars and conferences on a regular basis. Costs will either be shared or paid for in total by the Employer when appropriate.

(b) The Employer further agrees that full-time and part-time (four shifts or more per fortnight)

employees will be entitled to 5 days of professional development/conference leave per year.

(i) This leave is in addition to other leave entitlements in the Agreement. To access the benefits of this provision it is the responsibility of the employee to make an application for this leave. This leave is to be taken within each calendar year and is not cumulative.

(c) To access the benefits of this provision it is the responsibility of the employee to make an application for this leave.

(d) The application, which may be for research, attendance at seminars or conferences, shall be made in writing at least six weeks prior to the requested dates and shall be approved by the DCS/Nurse Manager. The application shall not be unreasonably refused and a response to the application must be made no later than two weeks after it is submitted.

(e) The Nurse will be required to report on the seminar/conference to the DCS.

(f) All absences resulting from approved leave under clauses 47 (professional development leave), 49(study leave) and 50 (examination leave) will be back-filled in clinical areas where that Employee would ordinarily have a patient allocation.

(g) An employee employed as a Nurse Practitioner will be entitled to an additional 10 hours of professional development / conference leave per year.

(h) Professional Development/Conference Leave will not be used for the Employer's mandatory education

(i) A day for the purposes of professional development/conference leave is the Employee's normal shift length.

48. TRAINING, COMPETENCY AND EDUCATION

(a) All employees are required to undertake and successfully complete training and competency assessments which minimise risk and support a safe working environment for themselves, their colleagues and patients.

(b) Employees are required to recognise their professional responsibilities and be professionally accountable for successfully completing all training and competency assessments relevant to their role.

(c) The Employer provides support for employees to achieve their training and competency requirements in paid time, through the provision of in-service education, competency assessment sessions and short courses.

49. STUDY LEAVE FOR POST GRADUATE STUDIES

(a) Full time employees shall be entitled to four hours paid Study Leave (pro rata for part-time employees) per week for twenty-six weeks per annum for approved post graduate study in any one year for the purposes of attending courses and/or undertaking or preparing for examinations in a relevant post graduate course of study (whether by thesis, research, coursework, or a combination of these). Part time employees shall be entitled to Study Leave in accordance with this clause on a pro rata basis.

(b) Leave entitlements pursuant to this clause shall not accumulate from year to year.

(c) Entitlement to Study Leave shall be granted for studies which are relevant to employment at the Employer (and include and Enrolled Nurse pursuing post registration studies (e.g.

Advanced Diploma) or a nursing degree).

(d) Entitlement to Study Leave shall be taken at a time or times that is/are mutually agreed between the Employer and the employee. Study leave can be accessed over the course of study or on a week to week basis as may be mutually agreed. The employer shall not unreasonably withhold approval for such leave.

50. EXAMINATION LEAVE

(a) Employees shall be entitled to five days paid leave in any one year for the purposes of undertaking and/or preparing for examinations in a course of study. Leave entitlements pursuant to this Clause shall not accumulate from year to year.

(b) Entitlement to leave pursuant to subclause (a) shall be available to full-time and part-time employees who are employed to work on average for three shifts or 24 hours per week.

(c) Entitlement to leave pursuant to subclause (a) shall be subject to an employee having been employed by the Employer for twelve months immediately prior to taking of examination leave.

(d) Entitlement to leave pursuant to subclause (a) shall be granted for studies which are related to the employee's classification or relevant to advancement through the career structure and would normally be undertaken in a Tertiary Institution.

(e) Entitlement to leave pursuant to subclause (a) shall be taken at a time that is mutually agreed between the Employer and the employee. The Employer shall not unreasonably withhold approval for such leave.

(f) A day for the purposes of examination leave is the Employee's normal shift length.

51. SPECIAL LEAVE

(a) Full-time employees shall be entitled to Special Leave paid at the ordinary rate of pay in the following circumstances:

(i) Witness Summons

(1) An employee required to attend court to provide evidence as a witness during ordinary working hours shall be reimbursed up to two (2) days per annum by the Employer. The amount reimbursed shall equal the difference between the amount paid for attending court as a witness and the amount of the employee's ordinary rate of pay for the hours not worked due to attending court.

(2) An employee shall notify the Employer in advance and as soon as possible of the date on which he/she is required to attend court to provide evidence as a witness. A copy of the summons should accompany the request.

(3) The employee shall provide the Employer with proof of their attendance at the court, duration of attendance and the amount received for attendance at court as a witness.

(4) If the employee is dismissed from providing evidence before the end of their normal workday, they must report to work for instructions on whether to return for work for the rest of the workday.

(ii) Defence Forces Reserve

(1) The Employer actively supports staff involvement in the Defence Forces Reserve. Leave not exceeding two (2) weeks in any one year will be granted to staff who are members of the Defence Forces Reserve for the purpose of undergoing training and equivalent continuous duty.

(2) An employee, after providing proof of attendance, will be reimbursed an amount equal to the difference between military earnings and the ordinary salary paid by the Employer. This leave will normally be additional to Annual Leave.

(iii) Blood Donation

(1) The Employer encourages employees to donate blood. Employees will be paid at the ordinary rate of pay for normal working time spent donating blood, provided that a registered blood collection service is located on or adjacent to the premises. Time off allowed for donating blood shall not exceed 1 hour per calendar month, and will be granted through mutual negotiation between the employee and the Employer.

(iv) Community Volunteering

(1) The Employer will support staff member involvement in volunteering for the Country Fire Authority (CFA) and/or State Emergency Services (SES). Leave not exceeding two (2) weeks in any one year will be granted to employees who are members of the above services for the purpose of continuous duty.

52. LEAVE WITHOUT PAY

(a) The Employer recognises that there may be certain times where an employee requires time off from work due to personal circumstances. The Employer may grant Leave Without Pay where:

(i) the employee has had more than 6 months service with the Employer

(ii) the employee has exhausted all other leave entitlements (except for sick leave in non-illness circumstances)

(iii) other factors such as performance, ability to be released and reasons for the request are satisfactory.

(b) A written Application for Leave is required for all absences and approval will depend upon the reason for absence, the length of employment, performance record, attendance and punctuality record, budget constraints and the work scheduled for the area.

(c) The Employer cannot guarantee to hold a particular position open during any period of absence without pay of longer than 30 days, unless negotiated prior to leave. Employees returning from a longer absence shall be entitled to the first available opening for which they are qualified, if their former position has been filled during their absence.

53. JURY SERVICE

(a) An employee other than a casual employee, required to attend for jury service during their ordinary working hours shall be reimbursed by the Employer an amount equal to the difference between the amount of remuneration paid by the Court in respect of their attendance for such jury service and the amount that the Employee could reasonably expect to have received from the Employer as earnings for that period had they not been

performing jury service.

(b) An employee shall notify the Employer as soon as possible of the date upon which they are required to attend for jury service. Further the employee shall give the Employer proof of their attendance at the court, the duration of such attendance and the amount received in respect of such jury service.

54. DELEGATES RIGHTS

(a) This cause provides for the exercise of the rights of workplace delegates set out in section 350C of the Act .

NOTE: Under section 350C(4) of the Act, the employer is taken to have afforded a workplace delegate the rights mentioned in section 350C(3) if the employer has complied with this clause.

(b) In this clause:

(i) **employer** means the employer of the workplace delegate;

(ii) **delegate's organisation** means the employee organisation in accordance with the rules of which the workplace delegate was appointed or elected; and

(iii) **eligible employees** means members and persons eligible to be members of the delegate's organisation who are employed by the employer in the enterprise.

(c) Before exercising entitlements under this clause, a workplace delegate must give the employer written notice of their appointment or election as a workplace delegate. If requested, the workplace delegate must provide the employer with evidence that would satisfy a reasonable person of their appointment or election.

(d) An employee who ceases to be a workplace delegate must give written notice to the employer within 14 days.

(e) **Right of representation**

A workplace delegate may represent the industrial interests of eligible employees who wish to be represented by the workplace delegate in matters including:

(i) consultation about major workplace change;

(ii) consultation about changes to rosters or hours of work;

(iii) resolution of disputes;

(iv) disciplinary processes;

(v) enterprise bargaining where the workplace delegate has been appointed as a bargaining representative under section 176 of the Act or is assisting the delegate's organisation with enterprise bargaining; and

(vi) any process or procedure within the enterprise agreement or policy of the employer under which eligible employees are entitled to be represented and which concerns their industrial interests.

(f) **Entitlement to reasonable communication**

(i) A workplace delegate may communicate with eligible employees for the purpose of representing their industrial interests under clause (e). This includes discussing membership of the delegate's organisation and representation with eligible

employees.

(ii) A workplace delegate may communicate with eligible employees during working hours or work breaks, or before or after work.

(g) Entitlement to reasonable access to the workplace and workplace facilities

(i) The employer must provide a workplace delegate with access to or use of the following workplace facilities:

(1) a room or area to hold discussions that is fit for purpose, private and accessible by the workplace delegate and eligible employees;

(2) a physical or electronic noticeboard;

(3) electronic means of communication ordinarily used in the workplace by the employer to communicate with eligible employees and by eligible employees to communicate with each other, including access to Wi-Fi;

(4) a lockable filing cabinet or other secure document storage area; and

(5) office facilities and equipment including printers, scanners and photocopiers.

(ii) The employer is not required to provide access to or use of a workplace facility under clause (g)(i) if:

(1) the workplace does not have the facility;

(2) due to operational requirements, it is impractical to provide access to or use of the facility at the time or in the manner it is sought; or

(3) the employer does not have access to the facility at the enterprise and is unable to obtain access after taking reasonable steps.

(h) **Entitlement to reasonable access to training**

The employer must provide a workplace delegate with access to up to 5 days of paid time during normal working hours for initial training and at least two days each subsequent year, to attend training related to representation of the industrial interests of eligible employees, subject to the following conditions:

(i) In each year commencing 1 July, the employer is not required to provide access to paid time for training to more than one workplace delegate per 50 eligible employees.

(ii) The number of eligible employees will be determined on the day a delegate requests paid time to attend training, as the number of eligible employees who are:

(1) full-time or part-time employees; or

(2) regular casual employees.

(iii) Payment for a day of paid time during normal working hours is payment of the amount the workplace delegate would have been paid for the hours the workplace delegate would have been rostered or required to work on that day if the delegate had not been absent from work to attend the training.

(iv) The workplace delegate must give the employer not less than 5 weeks' notice (unless the employer and delegate agree to a shorter period of notice) of the dates, subject matter, the daily start and finish times of the training, and the name of the

training provider.

(v) If requested by the employer, the workplace delegate must provide the employer with an outline of the training content.

(vi) The employer must advise the workplace delegate not less than 2 weeks from the day on which the training is scheduled to commence, whether the workplace delegate's access to paid time during normal working hours to attend the training has been approved. Such approval must not be unreasonably withheld.

(vii) The workplace delegate must, within 7 days after the day on which the training ends, provide the employer with evidence that would satisfy a reasonable person of their attendance at the training.

(i) **Exercise of entitlements**

(i) A workplace delegate's entitlements under this clause are subject to the conditions that the workplace delegate must, when exercising those entitlements:

(1) comply with their duties and obligations as an employee;

(2) comply with the reasonable policies and procedures of the employer, including reasonable codes of conduct and requirements in relation to occupational health and safety and acceptable use of ICT resources;

(3) not hinder, obstruct or prevent the normal performance of work; and

(4) not hinder, obstruct or prevent eligible employees exercising their rights to freedom of association.

(ii) This clause does not require the employer to provide a workplace delegate with access to electronic means of communication in a way that provides individual contact details for eligible employees.

(iii) This clause does not require an eligible employee to be represented by a workplace delegate without the employee's agreement.

NOTE: Under section 350A of the Act, the employer must not:

(1) unreasonably fail or refuse to deal with a workplace delegate; or

(2) knowingly or recklessly make a false or misleading representation to a workplace delegate; or

(3) unreasonably hinder, obstruct or prevent the exercise of the rights of a workplace delegate under the Act or this clause

55. CEREMONIAL LEAVE

(a) An Employee who is legitimately required by Aboriginal tradition to be absent from work for Aboriginal ceremonial or periods of mourning purposes will be entitled to up to ten working days unpaid leave in any one year, with the approval of the Employer.

(b) Where the Employer receives a request to substitute a public holiday in accordance with clause 43(d) of this Agreement for a day during NAIDOC week, the Employer will consider all the circumstances including:

(i) any reason identified by the Employee with respect to the request; and

(ii) the operational requirements of the Employer.

The Employer will not unreasonably refuse a request to substitute a public holiday under this subclause.

56. FAMILY VIOLENCE LEAVE

(a) This clause applies to all Employees, including casuals.

(b) For the purpose of this clause, family and domestic violence is defined at clause 2(f) and 'full rate of pay' has the meaning set out in the Act.

(c) Entitlement to leave

(i) An Employee is entitled to 20 days' paid leave to deal with family and domestic violence, as follows:

(ii) for Full and Part-time Employees, the leave is paid at the Employee's full rate of pay, calculated on what the Employee would have received had they worked the period rather than taken the leave;

(iii) for a Casual Employee, the leave is paid at the Employee's full rate of pay, calculated on what the Employee would have received had they worked the hours in the period for which they had been rostered. For clarity, a Casual Employee:

(1) is taken to have been rostered to work hours in a period if the Employee has accepted an offer by the Employer of work for those hours;

(2) may take a period of family and domestic violence leave in accordance with clause 56(c) that does not include hours for which the Employee is rostered to work, however such leave will be unpaid.

(iv) the leave is available in full at the start of each 12 month period of the Employee's employment; and

(v) the leave does not accumulate from year to year;

(vi) A period of leave to deal with family and domestic violence may be less than a day by agreement between the Employee and the Employer.

(vii) The Employer and Employee may agree that the Employee may take additional unpaid leave to deal with family and domestic violence.

(d) Taking leave to deal with family and domestic violence

(i) An Employee may take leave to deal with family and domestic violence if:

(1) the Employee is experiencing family and domestic violence; and

(2) the Employee needs to do something to deal with the impact of the family and domestic violence; and

(3) it is impractical for the Employee to do that thing outside their work hours.

(4) The reasons for which an Employee may take leave include arranging for the safety of the employee or a close relative (including relocation), attending court hearings, accessing police services, attending counselling and attending appointments with medical, financial or legal professionals.

(e) Service and continuity

(i) The time an Employee is on leave to deal with family and domestic violence, which

is:

(1) paid leave – does count as service for all purposes

(2) unpaid leave - does not count as service but does not break the Employee's continuity of service

(f) Notice and evidence requirements

(i) Notice

(1) An Employee must give the Employer notice of the taking of leave by the Employee under this clause. The notice:

(A) must be given to the Employer as soon as practicable (which may be a time after the leave has started); and

(B) must advise the Employer of the period, or expected period, of the leave.

(g) Evidence

(i) An Employee who has given the Employer notice of the taking of leave under this clause must, if required by the Employer, give the Employer evidence that would satisfy a reasonable person that the leave is taken for the purpose specified in clause 56(b).

(ii) Depending on the circumstances such evidence may include a document issued by the police service, a court or a family violence support service, or a statutory declaration.

(h) Confidentiality

(i) Employers must take steps to ensure information concerning any notice an Employee has given, or evidence an Employee has provided under clause 56(f), is treated confidentially, as far as it is reasonably practicable to do so.

(ii) Nothing in clause 56(h)(i) prevents the Employer from disclosing information provided by an Employee if the disclosure is required by an Australian law or is necessary to protect the life, health or safety of the Employee or another person.

Note: Information concerning an Employee's experience of family and domestic violence is sensitive and if mishandled can have adverse consequences for the Employee. The Employer may consult with such Employees regarding the handling of this information.

Part 7 – Consultation and Dispute Resolution

57. CONSULTATION REGARDING CHANGE

(a) This term applies if the Employer has made a definite decision to introduce a major change to production, program, organisation, structure, or technology in relation to its enterprise and the change is likely to have a significant effect on employees of the Employer or if the employer proposes to change the regular roster or ordinary hours of work of an employee.

(b) The Employer must consult the employees to whom the Agreement applies about:

(i) a major workplace change that is likely to have a significant effect on the employees; or

(ii) a change to their regular roster or ordinary hours of work.

(c) The relevant employees may appoint a representative, which may be a union representative from the ANMF, for the purposes of the procedures in this term.

(d) If:

(i) a relevant employee appoints, or relevant employees appoint, a representative for the purposes of consultation; and

(ii) the employee or employees advise the Employer of the identity of the representative;

the Employer must recognise the representative.

(e) As soon as practicable after making its decision, the Employer must

(i) discuss with the relevant employees:

(1) the introduction of the change; and

(2) the effect the change is likely to have on the employees; and

(3) measures the Employer is taking to avert or mitigate the adverse effect of the change on the employees; and

(ii) for the purposes of the discussion — provide, in writing, to the relevant employees:

(1) all relevant information about the change including the nature of the change proposed; and

(2) information about the expected effects of the change on the employees; and

(3) any other matters likely to affect the employees.

(iii) Subject to (e)(i) and (ii), for a change to the employees' regular roster or ordinary hours of work, the Employer is required to:

(1) to provide information to the employees about the change; and

(2) to invite the employees to give their views about the impact of the change (including any impact in relation to their family or caring responsibilities); and

(3) to consider any views given by the employees about the impact of the change.

(f) However, the Employer is not required to disclose confidential or commercially sensitive information to the relevant employees.

(g) The Employer must give prompt and genuine consideration to matters raised about the major change by the relevant employees.

(h) If a term in the Agreement provides for a major change to production, program, organisation, structure or technology in relation to the enterprise of the Employer, the requirements set out in subclauses (b), (c) and (e) are taken not to apply.

(i) In this term, a major change is likely to have a significant effect on employees if it results in the termination of the employment of employees; or major change to the composition, operation or size of the Employer's workforce or to the skills required of employees; or the elimination or diminution of job opportunities (including opportunities for promotion or tenure); or the alteration of hours of work; or the need to retrain employees; or the need to relocate employees to another workplace; or the restructuring of jobs.

(j) In this term, relevant employees means the employees who may be affected by the major change or a proposed change to the ordinary hours of work / regular roster.

58. DISPUTE RESOLUTION PROCEDURE

(a) In the event of a dispute in relation to a matter arising under this Agreement or the NES, in the first instance the parties will attempt to resolve the matter at the workplace by discussions between the employee or employees concerned and the relevant supervisor and, if such discussions do not resolve the dispute, by discussions between the employee or employees concerned and more senior levels of management as appropriate.

(b) A party to the dispute may appoint another person, organisation or association, which may include an ANMF representative, to accompany or represent them in relation to the dispute.

(c) If a dispute in relation to a matter arising under the Agreement or the NES is unable to be resolved at the workplace, and all agreed steps for resolving it have been taken, a party to the dispute may refer the matter to the FWC.

(d) FWC may deal with the dispute in two (2) stages:

(i) FWC will first attempt to resolve the dispute as it considers appropriate, including by mediation, conciliation, expressing an opinion or making a recommendation; and

(ii) if FWC is unable to resolve the dispute at the first stage, FWA may then:

(1) arbitrate the dispute; and

(2) make a determination that is binding on the parties.

If FWC arbitrates the dispute, it may also use the powers that are available to it under the Act. A decision that FWC makes when arbitrating a dispute is a decision for the purpose of Div 3 of Part 5.1 of the Act. Therefore, an appeal may be made against the decision.

(e) While the parties are trying to resolve the dispute using the procedures in this term:

(i) an employee must continue to perform their work as they would normally unless they have a reasonable concern about an imminent risk to their health or safety; and

(ii) an employee must comply with a direction given by the Employer to perform other

available work at the same workplace, or at another workplace, unless:

(1) the work is not safe; or

(2) applicable occupational health and safety legislation would not permit the work to be performed; or

(3) the work is not appropriate for the employee to perform; or

(4) there are other reasonable grounds for the employee to refuse to comply with the direction.

(f) The parties to the dispute agree to be bound by a decision made by FWC in accordance with this term.

Part 8 – Termination and Redundancy

59. DISCIPLINARY PROCEDURE

(a) Where disciplinary action may be necessary, the management representative shall notify the Employee of the issues in writing and the Employee will be given an opportunity to respond to these issues. In the event that the Employee's response is unsatisfactory, a first warning in writing may be issued. This warning will be recorded on the Employee's personnel file.

(b) If there are further performance or conduct issues, the Employee will again be notified in writing of the matter and a response requested from the Employee. If appropriate, a second warning in writing will be given to the Employee and recorded on the Employee's personnel file.

(c) In the event that there are further performance or conduct issues, the Employee will again be notified in writing of the matter and a response requested. If appropriate, a final written warning will be issued to the Employee and recorded on the Employee's personnel file.

(d) In the event of further performance or conduct issues, then the Employee may be terminated after the matters have been investigated and reasons sought from the Employee.

(e) Notwithstanding the above process, for serious matters pertaining to conduct or performance the Employer may also issue a "final warning" in the first instance. A "final warning" shall be such that the employee is notified that in the event that there are further performance or conduct issues the employee may be terminated. Further, termination or summary dismissal of an Employee may still occur for acts of serious misconduct.

(f) During all steps in the Disciplinary Procedure, the Employee has the right to representation of their choice, including the ANMF. The Employer may be represented by the representative of their choice. The Disciplinary Procedure may be delayed due to the unavailability of the Employee's chosen representative. However, in accordance with the principles of natural justice, disciplinary matters are to be dealt with in a timely manner and the process will not be unreasonably delayed on account of the unavailability of the Employee's chosen representative.

(g) Records relating to disciplinary procedures will be disregarded where a continuous period of 12 months elapses without further warning/s.

(h) This clause shall not apply until the Employee has completed a period of employment with the Employer of at least the minimum employment period as prescribed in the Act.

60. TERMINATION OF EMPLOYMENT

(a) Notice of termination by the Employer

(i) In order to terminate the employment of an employee the Employer shall give to the employee the following notice:

Period of continuous service	Period of notice
1 year or less	1 week
Over 1 year and up to the completion of 3 years	2 weeks
Over 3 years and up to the completion of 5 years	3 weeks
Over 5 years	4 weeks

(ii) In addition to the notice in (a)(i) hereof, employees over 45 years of age at the time of the giving of the notice with not less than two years' continuous service, shall be entitled to an additional week's notice.

(iii) Payment in lieu of the notice prescribed in (a)(i) hereof shall be made if the appropriate notice period is not given. Provided that employment may be terminated by part of the period of notice specified and part payment in lieu thereof.

(iv) The required amount of payment in lieu of notice must equal or exceed the total of all amounts that, if the employee's employment had continued until the end of the required period of notice would have been paid on the basis of:

(1) the employee's normal hours of work; and

(2) the amounts ordinarily payable to the employee in respect of those hours, including (for example) allowances, loading and penalties; and

(3) any other amounts payable under the employee's contract of employment.

(v) The period of notice in this clause does not apply:

(1) in the case of dismissal for serious misconduct;

(2) to employees engaged for a specific period of time or for a specific task or tasks;

(3) to trainees whose employment under a traineeship agreement or an approved traineeship is for a specified period or is, for any other reason, limited to the duration of the agreement; or

(4) to casual employees.

(vi) For the purposes of this clause, continuity of service shall be calculated in the manner prescribed in the Long Service Leave clause of this Agreement.

(b) Notice of termination by the employee

(i) The notice of termination required to be given by an employee shall be the same as that required of an Employer, save and except that there shall be no additional notice based on the age of the employee concerned.

(c) If the Employee fails to give the amount of notice required, the Employer may withhold from wages an amount equivalent to the amount the Employee would have been paid by the Employer had the Employee worked out the required notice period, less any period of notice actually given by the Employee, provided this is not to be more than the equivalent of one week's wages.

(d) Time off work during notice period

(i) Where an Employer has given notice of termination to an employee, an employee shall be allowed up to one day's time off without loss of pay for the purpose of seeking other employment. The time off shall be taken at times that are convenient to the employee after consultation with the Employer.

61. REDUNDANCY

(a) **'Redundancy'** occurs where the Employer has made a definite decision that the Employer no longer wishes the job the Employee has been doing done by anyone and that decision leads to the termination of employment of the Employee, except where this is due to the ordinary and customary turnover of labour (Redundant has a corresponding meaning).

(b) Transfer to lower paid duties

(i) Where an employee is transferred to lower paid duties by reason of Redundancy, the same period of notice must be given as the employee would have been entitled to if the employment had been terminated and the employer may, at the employer's option, make payment instead of an amount equal to the difference between the former ordinary time rate of pay and the ordinary time rate of pay for the number of weeks of notice still owing.

(c) Severance pay

(i) In addition to the period of notice prescribed for termination, an employee whose employment is terminated by reason of Redundancy shall be paid the following amount of severance pay in respect of a period of continuous service.

Period of continuous service	**Severance pay**
Less than 1 year	Nil
1 year and less than 2 years	4 weeks' pay
2 years and less than 3 years	6 weeks' pay
3 years and less than 4 years	7 weeks' pay
4 years and less than 5 years	8 weeks' pay
5 years and less than 6 years	10 weeks' pay
6 years and less than 7 years	11 weeks' pay
7 years and less than 8 years	13 weeks' pay
8 years and less than 9 years	14 weeks' pay
9 years and over	16 weeks' pay

(d) Definitions

(i) "Week's pay" means the ordinary rate of pay for the employee concerned.

(e) Employee Leaving During Notice Period

(i) An employee given notice of termination in circumstances of Redundancy may terminate their employment during the period of notice. The employee is entitled to receive the benefits and payments they would have received under this clause had they remained in employment until the expiry of the notice, but is not entitled to payment instead of notice.

(f) Alternative Employment

(i) Where the Employer obtains alternative employment for an Employee and the employee refuses such, no severance payment is payable, subject to an order of FWC.

(g) Time off Period of Notice

(i) An employee given notice of termination in circumstances of redundancy must be allowed up to one day's time off without loss of pay during each week of notice for the purpose of seeking other employment.

(ii) If the employee has been allowed paid leave for more than one day during the notice period for the purpose of seeking other employment, the employee must, at the request of the employer, produce proof of attendance at an interview or they will not be entitled to payment for the time absent. For this purpose a statutory declaration is sufficient.

(iii) This entitlement applies instead of clause 60(d).

(h) Employees with Less Than One Year's Continuous Service

(i) This clause does not apply to employees with less than one year's continuous service.

(i) Employees Exempted

(i) This clause shall not apply where employment has been terminated because the conduct of an employee justifies instant dismissal or in the case of casual employees, or employees engaged for a specific period of time or for a specified task or tasks, or in accordance with any exemption provisions of the *Act*

(j) Time off Period of Notice

(i) During the period of notice of termination given by the employer an employee shall be allowed up to one day's time off without loss of pay during each week of notice for the purpose of seeking other employment.

(ii) If the employee has been allowed paid leave for more than one day during the notice period for the purpose of seeking other employment, the employee shall, at the request of the employer, produce proof of attendance at an interview or they will not receive payment for the time absent.

(iii) For this purpose a statutory declaration will be sufficient.

SCHEDULE 1: EMPLOYMENT CLASSIFICATIONS

The definitions for RUSON/M, Registered Nurse, Registered Midwife and Enrolled Nurse are set out at clause 2.

RENS and RUSON/M

Day-to-day tasks include:

RENS and RUSON - assisting with activities of daily living, taking and recording patient observations, reporting and escalating patient care needs, and working as part of the nursing team.

RUSOM - assisting with mobility, personal hygiene, wound hygiene, supporting infant care and working as part of the multi-disciplinary team.

RUSON/RUSOM/RENS will be employed on a maximum term/ fixed term basis or engaged on a casual basis.

Registered Nurse/ Registered Midwife

Grade 2

Grade 2 Year 1 - A Registered Nurse or Registered Midwife in their first year of experience following registration as a nurse or midwife with the Nursing and Midwifery Board of Australia.

Grade 2 Year 2 and above - A Registered Nurse or registered Midwife in the second or subsequent years of experience as a Registered Nurse or Midwife and not elsewhere classified.

Clinical Nurse Specialist
A Registered Nurse appointed as a Clinical Nurse Specialist or Clinical Midwife Specialist and paid as such.

Grade 3B
A Registered Nurse or registered Midwife appointed as a Clinical Coach, Pre-admission Nurse or Midwife or Project Nurse or Midwife.

ANUM or AMUM
A Registered Nurse or Midwife appointed as an Associate Nurse Unit Manager or Associate Midwife Unit Manager, who within the guidelines and practices established by the Unit Manager, assists in the overall clinical and administrative management of a ward or unit and deputises for the Unit Manager when required within these limits.

Grade 4B 'Other'
A Registered Nurse or Midwife appointed as an Education Consultant and paid as such.

A Registered Nurse or Registered Midwife appointed as a Clinical Consultant B and paid as such. A Clinical Consultant B is a Registered Nurse appointed as such in either infection control or diabetes education or chemotherapy or stomal therapy who fulfils the clinical consultant role where more than 1.0 EFT Registered Nurse or Midwife is employed in the speciality, as a member of a staff team in the speciality in the hospital.

Grade 4B
A Registered Nurse or Midwife appointed as a Unit Manager who is in charge of a ward or unit and paid as such.

A Registered Nurse appointed as the Floor Coordinator in theatres and paid as such.

Grade 5
A Registered Nurse appointed as an in-charge nurse on PM/ Night/ Weekend shifts and paid as such. A Registered Nurse or Midwife appointed as a Clinical Consultant C and paid as such. A Clinical Consultant C is a Registered Nurse in either infection control or diabetes education or chemotherapy or stomal therapy and who is required to function as a sole nurse in the speciality at the hospital; or as a nurse or midwife in charge of a team in the speciality in the hospital.

Nurse Practitioner or Midwife Practitioner
A Registered Nurse or Midwife who has satisfactorily completed a course of study and undertaken clinical experience that, in the opinion of the NMBA, qualifies the nurse to use the title Nurse Practitioner or Midwife Practitioner.

Grade 6
A Registered Nurse or Registered Midwife appointed as a Deputy Director of Clinical Services and paid as such.

Grade 7
A Registered Nurse or Registered Midwife appointed as a Director of Clinical Services and paid as such.

Enrolled Nurse

Enrolled Nurse Level 1 (EN1)
EN1 applies to Enrolled Nurses who do not hold an NMBA approved qualification in administration of medicines. This level also applies to nurses formerly known as Mothercraft Nurses who are registered with the NMBA as ENs with notation, and to those who, while not registered as nurses, perform similar work with comparable underpinning education. Such nurses will be paid at the nearest (higher) pay point in the EN1 range to their current Mothercraft Nurse rate of pay, unless they are already paid above the maximum EN1 rate of pay, in which case they will retain their current rate of pay, adjusted only by annual pay increases applying under this Agreement.

Progression – An EN1 will progress through the increments on completion of a year of experience, including previous experience. There is no automatic progression for an EN1 with a medication administration notation to the EN2 classification.

Enrolled Nurse Level 2 (EN2)
Diploma Entry - EN Level 2.3 is the entry to practise rate for the first year of experience of an Enrolled Nurse who holds a NMBA approved Diploma of Nursing [HLT 51607] qualification without prior experience as an Enrolled Nurse. On completion of each year of experience thereafter the employee will progress to the next increment up to and including EN 2.7
EN 2.3 to 2.7 inclusive also apply to an Enrolled Nurse who holds a NMBA approved qualification in administration of medicines with an Administration of Medication Scope of all five routes. Experience includes experience as an Enrolled Nurse prior to holding the Administration of Medication qualification.

Progression – An EN2 will progress through the increments on completion of a year of experience, including previous experience. There is no automatic progression for an EN2 to the EN3 classification.

Enrolled Nurse Level 3 (EN3)

ENs at Level 2 may be appointed to an EN Level 3 position.

An EN Level 3 position is defined as being a dedicated independent position with an autonomous role requiring additional training and which requires the Employee to make independent decisions and to have a higher degree of accountability than is normally expected of another Employee who is a EN Level 1 or EN Level 2 in a similar area/s.

In this clause 'year of experience' has the meaning provided by clause 2.

APPENDIX 1 – WAGE RATE SCHEDULE

Classification	FFPPOA 1/2/2025	FFPPOA 1/07/2025	FFPPOA 1/02/2026	FFPPOA 1/07/2026
	4.50%	3.00%	1.50%	2.50%
Registered Nurse/Midwife				
RN/M Grade 2 YEAR 1 (GRAD YR)	$1,526.00	$1,571.78	$1,595.36	$1,635.24
RN/M Grade 2 YEAR 2	$1,564.70	$1,611.64	$1,635.82	$1,676.71
RN/M Grade 2 YEAR 3	$1,609.60	$1,657.89	$1,682.76	$1,724.83
RN/M Grade 2 YEAR 4	$1,658.90	$1,708.67	$1,734.30	$1,777.65
RN/M Grade 2 YEAR 5	$1,714.80	$1,766.24	$1,792.74	$1,837.56
RN/M Grade 2 YEAR 6	$1,783.82	$1,837.33	$1,864.89	$1,911.52
RN/M Grade 2 YEAR 7	$1,874.94	$1,931.19	$1,960.15	$2,009.16
RN/M Grade 2 YEAR 8 and thereafter	$1,950.83	$2,009.35	$2,039.49	$2,090.48
CNS / CMS	$2,030.10	$2,091.00	$2,122.37	$2,175.43
RN/M Grade 3A	$2,033.94	$2,094.96	$2,126.38	$2,179.54
RN/M Grade 3B	$2,092.05	$2,154.81	$2,187.13	$2,241.81
ANUM/AMUM Year 1	$2,185.25	$2,250.81	$2,284.57	$2,341.69
ANUM/AMUM Year 2	$2,258.72	$2,326.48	$2,361.37	$2,420.41
RN/M Grade 4BO Year 1	$2,245.45	$2,312.82	$2,347.51	$2,406.20
RN/M Grade 4BO Year 2	$2,290.03	$2,358.73	$2,394.12	$2,453.97
RN/M Grade 4B Year 1	$2,522.08	$2,597.75	$2,636.71	$2,702.63
RN/M Grade 4B Year 2	$2,535.60	$2,611.66	$2,650.84	$2,717.11
RN/M Grade 4B Year 3	$2,599.21	$2,677.19	$2,717.34	$2,785.28
RN/M Grade 5/50	$2,353.05	$2,423.64	$2,460.00	$2,521.50
RN/M Grade 5/200	$2,641.47	$2,720.72	$2,761.53	$2,830.57
RN/M Grade 5/400	$2,700.01	$2,781.01	$2,822.73	$2,893.30
RN/M Grade 5/600	$2,750.10	$2,832.60	$2,875.09	$2,946.97
Nurse Practitioner / Midwife Practitioner Year 1	$2,708.50	$2,789.76	$2,831.60	$2,902.39
Nurse Practitioner / Midwife Practitioner Year 2	$2,759.99	$2,842.79	$2,885.44	$2,957.57

Classification	FFPPOA 1/2/2025	FFPPOA 1/07/2025	FFPPOA 1/02/2026	FFPPOA 1/07/2026
	4.50%	3.00%	1.50%	2.50%
	Date of Operation of Agreement			
RENS	$1,243.70	$1,281.01	$1,300.23	$1,332.74
RUSON	$1,243.70	$1,281.01	$1,300.23	$1,332.74
RUSOM	$1,243.70	$1,281.01	$1,300.23	$1,332.74
Enrolled Nurse	**FFPPOA 1/2/2025**			
Enrolled Nurse (Level 1)				
EN 1.1	$1,254.05	$1,291.67	$1,311.05	$1,343.82
EN 1.2	$1,279.73	$1,318.12	$1,337.89	$1,371.34
EN 1.3	$1,305.42	$1,344.58	$1,364.75	$1,398.87
EN 1.4	$1,331.10	$1,371.03	$1,391.59	$1,426.38
EN 1.5	$1,382.30	$1,423.77	$1,445.13	$1,481.26
EN 1.6	$1,425.21	$1,467.96	$1,489.98	$1,527.23
Enrolled Nurse (Level 2)				
EN 2.1	$1,330.03	$1,369.94	$1,390.48	$1,425.25
EN 2.2	$1,356.74	$1,397.44	$1,418.40	$1,453.86
EN 2.3 (EN Diploma Entry)	$1,384.84	$1,426.39	$1,447.78	$1,483.98
EN 2.4	$1,414.42	$1,456.86	$1,478.71	$1,515.68
EN 2.5	$1,443.94	$1,487.26	$1,509.57	$1,547.31
EN 2.6	$1,481.34	$1,525.78	$1,548.66	$1,587.38
EN 2.7	$1,488.35	$1,533.00	$1,556.00	$1,594.90
Enrolled Nurse (Level 3)				
EN 3	$1,628.87	$1,677.74	$1,702.90	$1,745.48

'FFPPOA' = First Full Pay Period On or After

ALLOWANCES	FFPPOA 1/2/2025	FFPPOA 1/07/2025	FFPPOA 1/02/2026	FFPPOA 1/07/2026
	4.50%	3.00%	1.50%	2.50%
Meal Allowance A (per occasion)	$13.98	$14.40	$14.62	$14.98
Meal Allowance B (per occasion)	$11.17	$11.51	$11.68	$11.97
Uniform (per week)	$7.42	$7.64	$7.76	$7.95

ALLOWANCES	FFPPOA 1/2/2025	FFPPOA 1/07/2025	FFPPOA 1/02/2026	FFPPOA 1/07/2026
	4.50%	3.00%	1.50%	2.50%
Laundry (per week)	$2.04	$2.10	$2.13	$2.18
Lead Apron (FFPPOA 1/07/2025) (per shift)	-	$9.00	$9.14	$9.36
Registered Nurse / Midwife				
Morning (per shift)	$35.36	$36.43	$36.97	$37.90
Afternoon (per shift)	$35.36	$36.43	$36.97	$37.90
Night (per shift)	$99.62	$102.61	$104.14	$106.75
Change of Roster	$38.07	$39.21	$39.80	$40.80
Certificate (per week)				
Certificate IV TAE	$53.85	$55.46	$56.30	$57.70
Hosp/Grad Certificate	$60.95	$62.78	$63.72	$65.31
Post Grad Dip/Degree	$99.02	$101.99	$103.52	$106.11
Masters	$114.31	$117.73	$119.50	$122.49
Doctorate	$129.51	$133.39	$135.40	$138.78
Enrolled Nurse				
Afternoon (per shift)	$30.92	$31.85	$32.33	$33.13
Night (per shift)	$93.85	$96.66	$98.11	$100.56
Change of Roster	$30.92	$31.85	$32.33	$33.13
On Call				
Per 12 hr period	$72.91	$75.10	$76.22	$78.13
	Date of Operation of Agreement			
Redeployment Allowance	$40.00	$41.20	$41.82	$42.87
'FFPPOA' = First Full Pay Period On or After				

APPENDIX A: STAFFING, WORKLOAD and ESCALATION

(a) The Employer is committed to ensuring staffing levels are safe and appropriate in order to ensure the delivery of high quality and safe patient care.

(b) Based on the current collaborative model approach (on a shift-by-shift basis), the following will be considered when the nursing/midwife administration/ ward/ unit management are determining the staffing levels and/or arrangements required:

(i) clinical assessment of patient needs/ acuity;
(ii) occupancy of the ward/unit, including expected admissions;
(iii) the skill mix of registered nurses, midwives and enrolled nurses;
(iv) relevant guidelines and statutory obligations, including workplace health and safety legislation;
(v) nurse / midwife professional standards, applicable legislation or regulatory standards, including ACORN, ANZCA and ACPAN;
(vi) capacity to provide care to unplanned/ unexpected admissions where these occur, including applicable on call arrangements; and
(vii) reasonable and safe workloads.

Workload and Escalation Protocol

(c) The parties understand that the Employer may experience factors such as unplanned or unexpected increases in demand, patient acuity or absenteeism resulting in staffing levels being less than rostered. These factors may have an impact upon workload management and may be addressed via the assessments and decisions on a shift-by-shift basis set out at (b) and/ or via the resource escalation protocols. This workload escalation process operates in addition to the arrangements set out sub-clause (k).

(d) The Employer is committed to a timely, transparent and practical resource escalation protocol/ policy, addressing Hospital specific arrangements and/ or specialty areas (**Escalation Protocol**). The Escalation Protocol will be subject to consideration and intermittent review by the newly created Nursing and Midwifery Consultative Committee (**NMCC**) in accordance with this Appendix A of the Agreement. Communications will be issued by the Employer to encourage knowledge and awareness of the Escalation Protocol.

(e) Escalation Protocol

(i) Should an employee, (in a ward, unit or theatre), reasonably believe the workloads are unsafe or unreasonably heavy, they have a responsibility to discuss/escalate their concerns with the Employer.

(ii) Employees have a responsibility to raise their concerns promptly with their relevant manager particularly where the workload concern has arisen during the course of a shift or is foreseeable for the following shift.

(iii) The relevant manager may be any of the following, as appropriate in the circumstances:

(A) the Associate Nurse/ Midwife Manager (**ANUM/ AMUM**) or nominated in-charge;

(B) Nurse/ Midwife Unit Manager (**NUM/ MUM**), After-Hours Coordinator (**AH**

Coordinator), Assistant Director of Clinical Services (**ADCS**) or Maternity Services Manager (**MSM**), Perioperative Services Manager (**PSM**).

(iv) The AN/MUM, N/MUM, in-charge nurse, AH Coordinator, ADCS, MSM or PSM, as applicable, will take immediate and appropriate action to address the workload concerns within reasonable timeframes, either prior to the commencement of the shift or during the shift. This action may include adjusting staffing levels, or reallocating patients and/or available resources to resolve the issue.

(v) If appropriate action is not taken to address the workload concerns (and the employee/s concerned are not satisfied by the explanation provided by the relevant manager), the employee is expected and encouraged to discuss/escalate to the Director of Clinical Services (**DCS**) or General Manager (**GM**), as appropriate, and the parties to the Agreement.

(vi) The DCS or GM will provide a response to the relevant employee/s, including any proposed actions, within a reasonable timeframe.

(vii) If the matter remains unresolved, the employee/s may seek to resolve the matter using the Dispute Resolution Procedure or, subject to the nature of the workload matter, the NMCC.

<u>Staffing Structure</u>

(f) DCS/ AH Coordinator

(i) There must be one (1) EFT of DCS employed at each campus of the Employer.

(ii) A registered nurse will be appointed to be in charge at each campus of the Employer in all off-duty periods of the DCS.

(iii) The nurse so appointed will be the AH Coordinator or Hospital Coordinator and be classified at Grade 5.

(g) N/MUM

(i) There must be one (1) N/MUM appointed in each ward/unit of each campus of the Employer. The N/MUM will be a minimum of one (1) EFT except where an employee has sought a flexible work arrangement.

(ii) Two (2) or more part time N/MUM may be appointed in order to achieve one (1) EFT of N/MUM hours worked in the shared position.

(h) AN/MUM

(i) In all permanent 24 hours a day and seven days per week wards there must be four (4) EFT AN/MUM shift positions available for appointment, and three out of the four of the positions must be permanently appointed.

(ii) Nothing in any of these provisions prevents AN/MUM positions being either full-time or part-time.

(iii) If the AN/MUM position is advertised on, at a minimum of two (2) subsequent occasions within a 12-month period without permanent appointment, more than one temporary role will be allowed until a permanent appointment can be achieved.

(iv) The fourth EFT of AN/MUM may be permanently appointed to, or may be utilised to provide non-appointed nurses with experience as an AN/MUM.

(v) Where a minimum of three EFT of AN/MUMs are permanently appointed, and a Registered Nurse other than an AN/MUM is required to act in charge during the off-duty period of a N/MUM (which event shall be the exception to the rule), such

Registered Nurse/ Midwife shall be paid at the minimum rate applicable to an AN/MUM.

(i) The parties acknowledge:

(i) the N/MUM on weekday day shifts are not ordinarily rostered with an allocated patient load.

(ii) the AN/MUM or in-charge on weekday afternoon shifts (excluding public holidays) in acute surgical wards are not ordinarily rostered with an allocated patient load.

(iii) subclauses (i) and (ii) above are subject to specialist/ operational exceptions, including Special Care Nursery, Paediatrics, Day Oncology, DOSA, Short Stay, and both the acute surgical and rehabilitation wards at Werribee for afternoon shifts.

(iv) subject to subclauses (i) and (ii), the N/MUM or AN/MUM will, as part of their role, assist/ undertake patient care from time to time.

The allocated additional staffing set out at subclause (k) facilitates a nurse/midwife in-charge to be rostered without a patient load on the night shift (or afternoon shift in Paediatrics), in the five identified priority areas in Tranche 1 and then other areas in Tranche 2.

(j) Skill Mix

The Employer acknowledges its present staffing skill mix is weighted in favour of experienced registered nurses. Notwithstanding this, the Employer confirms, subject to any specialty and acuity requirements, it will not seek to implement standard roster arrangements across the Hospital sites that would give rise to the average proportion of enrolled nurses being more than one third of the total nursing staffing.

(k) Staffing

(i) The parties to this Agreement acknowledge and agree that the implementation of the staffing arrangements set out in this clause (k)(ii) and (iii) are:

(A) for the purposes of enhancing existing arrangements to maintain safe staffing levels. The additional staffing allocations set out in clause (k)(ii), Tranche 1, and clause (k)(iii), Tranche 2:

(1) are contingent on the continuation of identified services/wards/ units listed in Tranche 1 and/ or 2

(2) do not apply in low activity periods, being a total period of 8 weeks, applied on or about the last week of December to the end of the first week of February and one week of the Easter holiday period. The parties acknowledge the applied dates of low activity may vary subject to the respective Hospital's operational arrangements and will be subject to at least 4 weeks' notice by the Hospital;

(3) are intended for night shifts applied on shifts Monday to Friday (noting for paediatrics, the allocated additional shift is an afternoon shift);

(4) are to facilitate arrangements for the AN/MUM or in-charge to be rostered without a patient load;

(5) come into effect on the first full pay period on or after the dates specified herein;

(6) are subject to redeployment arrangements set out at subclause (k)(v).

(B) subject at all times to workforce availability; and

(C) early notification by staff of unplanned absences or circumstances which may trigger a workforce shortage.

(ii) **TRANCHE 1:** In the speciality areas identified below and subject to subclause (b), from 1 July 2025 an additional 19 shifts per week will be allocated as follows

TRANCHE 1: Ward/ Unit	**Additional Allocated Staffing**
Neuroscience	4 nights shifts per week, rostered on the following days: • Monday; • Tuesday, • Wednesday, and • Thursday.
Paediatrics	3 afternoon shifts per week, rostered on the following days: • Monday; • Thursday, and • Friday.
Maternity – Post natal	4 nights shifts per week, rostered on the following days: • Tuesday, • Wednesday, • Thursday, and • Friday.
Maternity – Birth Suite and Antenatal	5 night shifts per week, rostered on the following days: • Monday; • Tuesday, • Wednesday, • Thursday; and • Friday.
Kew	3 night shifts per week rostered on the following days: • Tuesday; • Wednesday, and • Thursday.

(iii) **TRANCHE 2:** Subject to the review and recommendations of the NMCC, from 1 February 2027, an additional 12 shifts will be allocated in three (3) or more of the following priority wards/ units:

(A) Level 6 (Orthopaedics Fitzroy), Theatre, Level 1 and 2 (Orthopaedics East Melbourne), Level 4 (East Melbourne), General Surgical ward Level 1 (Werribee), Level 7 and 8 (Fitzroy) and Special Care Nursery.

(iv) The quantum in Tranche 1 and 2 was determined by reference to the usual staffing as at February 2025.

(v) An employee allocated an additional shift in accordance with the arrangements set out at clause (k)(ii) and (k)(iii), may be redeployed to assist in another ward/ unit if not required in the original allocated ward/ unit, as determined by the Nurse or Midwife in charge of the ward/ unit, in conjunction with Hospital Coordinator. It is acknowledged in regard to allocated midwives:

(A) redeployment is subject to skill set and therefore limited to maternity services,

(B) birth suite may experience activity fluctuations on a given shift, noting if the activity or clinical need increases in birth suite, the midwife must be able to be redeployed back to birth suite.

(l) Unplanned absences

Where unplanned temporary leave occurs on any shift the default position is that those short-term absences will be filled by the commencement of the shift (or as soon as practicable thereafter) with a like-for-like replacement. This will be a priority matter for the previous shift - in-charge or After-Hours Coordinator. The decision regarding back-fill is subject to considerations of patient acuity, skill mix, occupancy levels and available staff.

(m) Theatre and PACU break coverage arrangements

The Employer recognises the varied activity that can arise in theatre/ perioperative services and its resultant impact on the capacity of employees to take their scheduled breaks. The Employer acknowledges the importance of break periods and their impact on employee health and safety., The Employer will determine, and roster sufficient staff to cover break periods during a shift for all in-service operating theatres and known activity. Importantly, this staffing is for break coverage and not for the purpose of covering unplanned absences. Where any employee has a concern regarding their capacity to take their break, the matter will be escalated in the first instance to the in-charge, team leader, floor coordinator or perioperative services manager (as applicable) to facilitate coverage arrangements to be instituted.

(n) NURSING & MIDWIFERY CONSULTATIVE COMMITTEE

(i) A Nursing & Midwifery Consultative Committee (the **NMCC**) will be established within 1 month of the Agreement coming into operation, to operate in accordance with single agreed terms of reference for all Victorian hospitals (developed between the parties as soon as this Agreement is approved).

(ii) The NMCC will comprise of an equal number of:

(1) employer representatives (of appropriate seniority and/ or may include employees of particular specialities nominated by the Employer); and

(2) employee representatives (being employees and workplace delegates nominated by the ANMF plus the relevant ANMF official for each hospital).

(iii) Delegates will be paid for attending meetings of the NMCC. The number of delegates for the NMCC, for their respective hospital site, is subject to the size of the hospital and will be a maximum of two each from Werribee and Kew, four from East Melbourne and five from Fitzroy.

(iv) Noting the NMCC incorporates representation from each of the respective hospitals, attendance may be facilitated by electronic means – eg: via Teams.

(v) The parties acknowledge that upon its inception, in the first month of operation, the NMCC will meet fortnightly. Thereafter, the NMCC will meet monthly or as otherwise agreed.

(vi) The role of the NMCC will include the following key activities/ projects:

(1) at agreed intervals, the NMCC will review the implementation and

effectiveness of Tranche 1 and make any associated recommendations, together with assessing the requirements of and making recommendations in regard to Tranche 2. Recommendations/ report back to be provided by September 2026;

(2) facilitate changes to additional shift allocations per Tranche 1 and/ or Tranche 2– by agreement (operationalise changes that may arise from time to time due to list changes or other impacting factors);

(3) collaboratively work on practical initiatives to reduce current agency usage (particularly in priority areas such as theatre), with transparency on sharing relevant data (enabling a transparent and informed process) – noting this is a recognised shared goal of the parties;

(4) review and make recommendations on the implementation and support for the new classifications of registered undergraduate student of nursing/ midwifery (RUSON/ RUSOM) and undergraduate enrolled nurse students (RENS);

(5) review and report back on the function and impact of ward clerks on nursing and midwifery workloads;

(6) systematic and regular reviews of workforce strain through data review including meal break compliance, overtime use, operation of on call, administration time for NUM/MUMs and recruitment initiatives, in a manner determined by the NMCC.

(vii) The NMCC will otherwise act as a consultative mechanism for “General Business” for emergent issues and particularly issues of workload management submitted to it, together with promoting the development and implementation of modern work practices. The NMCC will work proactively to improve the quality of care for patients and the working environment for nurses. SVHA will respond in a timely way to matters raised by NMCC members.

APPENDIX B: CNS PROVISIONS

CLINICAL NURSE SPECIALIST - CLASSIFICATION CRITERIA

Classification:	Clinical Nurse Specialist
Department / Division:	Nursing
Reports to:	Nurse Unit Manager
Review of Eligibility for CNS Classification:	Annually

Over-riding Principles

This classification is available to nurses employed as a Registered Nurse at Grade 2 level. It recognizes the importance of the role of specialist clinical nurse.

When considering the nurses who may be eligible for a Clinical Nurse Specialist (**CNS**) role, the following must be considered:

1. The classification of CNS must be considered in the light of the existence and role of the Associate Unit Manager and/or Clinical Nurse Consultant. It must also be understood that the primary focus of the position is clinical.

2. The CNS must have demonstrated higher skills and contributed beyond their expected role of a registered nurse with four (4) years' experience in a diversity of areas. However, it needs to be recognised that the level of clinical practice reflects the higher level of skill and responsibility than would be expected of other Grade 2 nurses but less than Grade 3 positions.

3. The fact that a nurse practices their profession in a narrow so-called "specialised" field does not qualify the nurse as a Clinical Nurse Specialist.

4. Care needs to be taken to ensure that the practice of new skills or the performance of any other tasks may merely reflect changes occurring to all levels of nursing care and treatment which is general change in the overall standard of nursing. These general changes to nursing care and standards do not qualify an employee to be paid as a Clinical Nurse Specialist. The fact that a nurse practices 'new' skills or highly technical skills does not make that nurse a Clinical Nurse Specialist.

5. The fact that a nurse may be able to undertake and perform some tasks better than other nurses or that they may be "all rounders" and therefore able to undertake all tasks competently does not justify the specialist status.

6. A registered nurse who does meet the definition and criteria as contained herein but has been out of the workforce for some time, could not appropriately be classified as a Clinical Nurse Specialist immediately upon entering the workforce.

7. A Clinical Nurse Specialist must satisfy the eligibility criterion outlined below in addition to fulfilling the requirements detailed in the Registered Nurse Position Description.

8. The term "unit" in the foregoing is synonymous with the terms "ward" and "department".

Selection Criterion

To qualify for the classification of a Clinical Nurse Specialist a nurse must demonstrate participation in the majority of the following areas:

- Demonstrate high levels of skill in clinical decision making in particular, problem identification, solution, analysis, and interpretation of clinical data.

- Contributes towards maintenance and improvements of clinical standards
- Contributes towards clinical governance by establishing and updating of policy, procedures and guidelines for clinical practice within the unit and maintains or exceeds the established standard of clinical practice for him/herself and other nurses.
- Always demonstrates positive role modeling.
- Support and contributes to quality improvement and research projects within the area of practice
- Participates in a hospital or unit portfolio.
- Provides expert advicein nursing care within the specialty
- Continually supports and leads staff in the event of clinical emergency.
- Contributes to discussions and policy formulation surrounding legal and ethical nursing issues within the Hospital
- Demonstrates an active involvement in relevant professional bodies and professional forums
- Positively contributes to the educational program of the specialty team
- Demonstrates the ability to recognise, support, develop and utilise the skills of other staff and to identify staff development needs.
- Demonstrates excellent communication skills with the ability to relate to all levels of staff within the Hospital and with patients and their carers
- Demonstrates knowledge of and compliance with Hospital policies and procedures.
- Appointed in a permanent capacity at a minimum of 45 hours per fortnight

Maintenance of Clinical Nurse Specialist Classification

To maintain the classification of Clinical Nurse Specialist, a nurse must annually provide evidence of the following:

1. Commitment to Hospital Mission and Values of the hospital through demonstration of behaviours consistent with the values of compassion, accountability, respect and excellence

2. Provision of a minimum of 3 education sessions within the unit/ward, eg:

- present and critique of relevant journal articles or a research article related to their area of practice
- present a teaching session to staff within the unit and/or develop a self-directed learning package
- Negotiate with your Nurse Unit Manager another educational option that is beneficial to the department.

3. Participation in the Preceptorship Program

- complete the Preceptorship training course
- perform role of Preceptor for graduate nurses, new members of staff or students.

4. Membership of a relevant interest group or clinical professional body (Preferred but not essential)

5. Evidence of portfolio management and/or contribution towards outcomes in any of the following areas: ACHS/Quality project; OH&S/Manual Handling; Infection Control; Clinical Risk or Policy Working Groups, representative on National Standards Committee.

6. Evidence of active participation in staff competency assessment program and completion of all yearly mandatory competency requirements

7. Must maintain a minimum of 45 hours per fortnight

PROCESS FOR APPLICATION FOR CNS

- Applications for CNS will be invited twice yearly.
- Written application to be made to the Nurse Unit Manager.
- Interview if required will be by Nurse Unit Manager or DCS.
- The successful applicant will be notified in writing within 7 days. The pay office will be informed of the new classification at the same time, with implementation to occur in the next pay period.
- If the applicant is unsuccessful, they are to be notified of the outcome within 7 days. An explanation will be given to the applicant as to the reasons for the decision.
- Each employer will implement an appeal process. The appeal has to be lodged by the applicant within 2 weeks of receiving the rejection letter and heard by the Appeal Committee within four weeks. The applicant may at this stage seek advice and assistance from a representative of their choice.
- Appeals will be directed to the Director of Clinical Services (DCS) or nominee. An independent panel will be convened, consisting of a DCS or nominee. Nurse Unit Manager, CNS or other nominee as appropriate, other than those involved in the original decision.

APPENDIX C: Enrolled Nurse Advanced– Level 3 Classification Criteria

Eligibility:

The EN Advanced Level 3 (**EN 3 - Advanced**) classification is available on appointment by the Employer for an Enrolled Nurse who holds a NMBA approved qualification in administration of medicines with an Administration of Medication Scope of up to five routes and who meets the criteria below. There is no cap applied as to the number of enrolled nurses who may be appointed to the EN 3- Advanced classification.

The EN 3 - Advanced classification acknowledges the clinical education, skills and experience of the eligible enrolled nurses.
For an enrolled nurse to be eligible for this classification, they must work at least an average of 22.5 hours a week/ 45 hours per fortnight; and:

- Satisfy at least four (4) of the eligibility criteria set out below, , in addition to fulfilling the requirements detailed in the Enrolled Nurse Position Description; and
- Either:
  (A) A minimum of four (4) years post-registration experience as an Enrolled Nurse;
  OR
  (B) A post registration qualification (of at least 6 months or 120 hours duration), a component of which is relevant to the role and a minimum of two (2) years post registration experience.

Selection Criteria:

1The following are examples of competency standards that meet the criteria in subclause above.
Note: SVHA recognises that additional opportunities may exist that are comparable in terms of skill or responsibility to those below. A lack of opportunity to meet sufficient standards is not to be used as a rationale for denying an Employee classification at EN3.

1. Contributes to the education of new graduate Enrolled Nurses and/or Trainee Enrolled Nurses. For example, the Advanced Enrolled Nurse may precept or mentor new graduate Enrolled Nurses, and/or Trainee Enrolled Nurses or contribute to the performance appraisal of less experienced Enrolled Nurses.
2. Is involved in committees and working parties within and/or beyond the work unit.
3. Assists in the coordination of delegated activities of other staff under the guidance and direction of the Registered Nurse or Registered Midwife. For example, guides and supports activities of other Enrolled Nurses.
4. Acts as a resource to others. For example, may take responsibility for a specific task, such as equipment maintenance schedules, budgets, rosters or stock control.
5. Contributes to quality improvement within their work area or the workplace and/or changes in enrolled nursing practice initiatives. For example, identifies risks and potential outcomes during assessments or identifies and implements harm minimisation strategies.
6. Practises using specialised or advanced knowledge and skills in a clinical area within the enrolled nursing scope of practice. For example, applies acquired knowledge in wound or continence management or dementia or child or family health care in the provision of care.
7. Modifies practice to accommodate patient/client health care needs of individuals and groups in different environments. For example, contributes to effective utilisation of nursing resources in the context of changing workloads or responds effectively to changes in clinical situations.
8. Undertakes an additional responsibility either individually or as part of a clinical / quality team e.g. resource nurse, occupational health and safety rep, infection control, falls prevention, pressure ulcer prevention, mental health portfolio, rehabilitation program co-ordination, or quality improvement activities.
9. Is aware of and functions in accordance with legislation, policies and procedures affecting enrolled nursing practice. For example, able to discuss the implications of Acts and legislation governing practice.
10. Actively participates in team leadership and decision making. For example, participates in quality improvement activities or orientates new staff to local practices.

Maintenance of EN 3 - Advanced classification

To maintain the classification of an EN 3 - Advanced, an enrolled nurse must provide evidence of the at least four of the following annually:

1. Demonstrated commitment to the Values and Code of Conduct of the hospital through practising behaviours consistent with the values of compassion, accountability, respect, and excellence.
2. Provision of a minimum of one education session within the unit/ward, e.g.:
    a. Present a critique of relevant journal articles or a research article.
    b. Present a professional development session to nursing staff – within the unit.
    c. Negotiate another of your choice with the Nurse Unit Manager.
3. Participation in the Preceptorship Program / Teaching and supporting learners' program:
    a. Complete the mandatory training
    b. Perform the role of clinical resource for graduate enrolled nurses, or other new members of nursing staff or diploma of nursing students.
4. Membership of a relevant interest group or clinical professional body (Preferred but not essential).
5. Evidence of portfolio management, and/or contribution towards outcomes in any of the following areas: National Standards/Quality project; WH&S/Manual Handling: Infection Control; Clinical Risk or Policy Working Groups.
6. Evidence of active participation in staff competency assessment program and completion of all mandatory competency requirements.
7. Must maintain a minimum of 45 hours per fortnight.

The evidence demonstrating at least four (4) of the above criteria must be presented in written form (or verbally in a meeting if agreed by the relevant NUM/MUM or manager) to the ward/unit NUM/MUM every year on or about the anniversary of appointment as an EN 3 - Advanced.
If there are concerns about whether an EN 3 - Advanced has completed the criteria to maintain the classification, then they will remain as an EN 3 - Advanced Level 3 while the issues are discussed and they are given an opportunity to rectify any demonstrated issues. In such cases a plan will be developed to identify what needs to be done and the timeframe.
The classification will be maintained, including where the EN moves wards/units within the hospital.

Process for application for EN 3 - Advanced

- Applications for EN 3 – Advanced will be invited twice yearly.
- Written applications are to be made to the NUM or MUM.
- Interviews may be required with the NUM or MUM.
- Interviews, if required:
    - will be held within 10 working days of the closure of applications;
    - will be conducted at the local level by the NUM/ MUM (or equivalent position) and may also include up to two other nursing staff such as an ANUM/AMUM or Nurse Educator; and
    - must relate directly to the EN 3 - Advanced criteria, and the supporting evidence within the application.
- The successful applicant will be notified within 7 days of the interview , with implementation to occur from the next pay period. If notification occurs more than 7 days after the interview then the successful candidate will be paid from the first full pay period on or after the interview.
- If the applicant is unsuccessful, they will be notified of the outcome within 7 days. An explanation will be given to the applicant as to the reasons for the decision. They will also be provided with a supportive development plan to be commenced to assist the Enrolled Nurse in any future application.
- Each employee may implement an appeal process, directing the appeal to the DCS for their clinical area. The appeal is to be lodged by the applicant within 2 weeks of receiving the

rejection letter and heard by an Appeal Committee (comprising a NUM/MUM other than one involved in the original interview and decision, the DCS for the clinical area and an ANUM/ AMUM or EN 3 - Advanced) within four weeks. The applicant may at this stage seek advice and assistance from a representative of their choice.

APPENDIX D: LETTER OF APPOINTMENT

The letter of appointment will contain the following information:

Name of employer.

Employee's classification (eg: Grade 2 Year 4).

The workplace/location where the person is to be situated.

The name of the Agreement which contains their terms and conditions of employment.

Their mode of employment, ie: whether full-time/part-time or casual.

Fortnightly hours will be ….. and for part-time (by mutual agreement) additional shifts may be added. Shifts will be worked in accordance with roster. Payment of additional shifts will not be at casual rates. If you agree to work regular additional shifts your letter of appointment will be varied accordingly.

Specified employment is ongoing unless a valid fixed term appointment is proposed.

Date of commencement.

Acknowledgment (where applicable) of prior service/entitlements to sick leave, long service, etc.

Other information as required depending on the nature of the position.

Relevant qualifications and allowances payable.

SIGNATURES

I am authorised to sign this Agreement on behalf of ST VINCENT'S PRIVATE HOSPITALS LTD



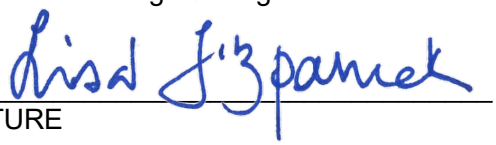
Tony Barr / Head of Workplace Relations

SIGNATURE

Address: Level 5, 340 Albert Street, East
Melbourne, 3002

Date **04/04/2025**

I am authorised to sign this Agreement as the nominated employee representative on behalf of ANMF



SIGNATURE

PRINT NAME AND TITLE / AUTHORITY

Lisa Fitzpatrick - Secretary

Address: **535 Elizabeth Street**
Melbourne Victoria 3000

Date **7 April 2025**

FAIR WORK COMMISSION

Matter No: AM2024/11

Application by Australian Nursing and Midwifery Federation

WITNESS STATEMENT OF KRIS SALISBURY

DATED 28 MAY 2026

I, Kris Salisbury, of [redacted], state as follows:

INTRODUCTION

1. This statement is made from my own knowledge and belief, unless otherwise stated. Where statements are not made from my knowledge, they are made to the best of my knowledge, information and belief and I have set out the sources of my knowledge, information and belief.

BACKGROUND

2. I am the Chief Nurse and Clinical Governance Officer at Calvary Health Care (**Calvary**). I have held the position of Clinical Governance Officer for 6 years, with the addition of Chief Nurse 18 months ago.

3. In my role, I am part of the National Executive Leadership Team at Calvary. I report to the Chief Executive Officer, [redacted].

4. I have been employed with Calvary for 15 years, and prior to my current position, I have worked in various roles such as a, Director of Nursing, General Manager and National Manager Clinical services

Lodged by: Catholic Health Australia	**Telephone:** Nigel Ward – [redacted]; Alana Rafter – [redacted]
Address for service: Australian Business Lawyers & Advisors Level 7, 8 Chifley Square, SYDNEY NSW 2000	**Email:** Nigel.Ward@ablawyers.com.au Alana.Rafter@ablawyers.com.au

5. Prior to commencing at Calvary I was the General Manager of an Aged Care Facility for 12 months.

6. Over the course of my career, I have obtained various qualifications including:

   (a) a Bachelor of Health Science (Nursing);

   (b) a Graduate Certificate in Cardiac; and

   (c) a Masters in Business Administration.

7. I have worked in health care for 30 years in a range of clinical, operational, and clinical governance roles. I have worked across public, private hospitals and aged care.

MY ROLE AT CALVARY

8. I am responsible for establishing, directing, and monitoring clinical governance to promote and support patient, client and resident safety, as well as ensuring clinical quality and outcomes across all Calvary services, including hospitals, aged care and home care.

9. This includes ensuring the effective identification, investigation, management, monitoring, and reporting of clinical safety risks and adverse events. As such, I oversee Calvary's incident reporting and complaints management systems, including the investigation of concerns or complaints relating to clinicians, and I work closely with service managers to facilitate fair, timely, and appropriate resolution.

10. I am also responsible for the design and implementation of the Calvary Clinical Governance Framework, which underpins the organisation's approach to safety and quality.

11. In carrying out my responsibilities, I work collaboratively with, and support, clinical staff to ensure rigorous review and audit of consumer outcomes, and to promote the effective implementation of safety initiatives.

12. I work closely with other members of the executive team to drive organisation-wide change programs aimed at improving the quality of care and outcomes for patients, residents, and clients across Calvary's services.

13. More broadly, I promote best practice, continuous quality improvement, and a culture of learning from errors in order to uphold and continually improve consumer safety.

CALVARY

14. Calvary is a national provider of health, aged care and home care services, operating across multiple sites throughout Australia.

15. At the time of making this statement, Calvary operates approximately:

    (a) 12 hospitals;

    (b) 57 residential aged care homes; and

    (c) 17 home care service centers.

Hospitals

16. Within each hospital setting, services typically include inpatient acute care, perioperative services (including operating theatres), and other clinical services delivered in various wards.

17. Within each hospital, the nursing and clinical structure generally consists of:

    (a) a Director of Clinical Services or Director of Nursing;

    (b) in some instances, Deputy Directors;

    (c) Nurse Unit Managers (or equivalent) who are responsible for specific wards, units, or theatres;

    (d) Clinical Nurses;

    (e) RNs;

    (f) Enrolled Nurses (**ENs**); and

    (g) Assistants in Nursing (**AINs**).

Residential Aged Care

18. Within residential aged care, Calvary provides nursing care, personal care, and clinical oversight to residents, with services varying depending on the size and acuity of each home.

19. The organisational structure generally includes:

    (a) a General Manager, who may oversee a number of homes and is often a RN;

    (b) a Home Manager, who is usually, but not always, a RN;

    (c) a Care Manager, depending on the size of the home, who is a RN;

    (d) a Clinical Care Coordinator, who is a RN;

    (e) RNs;

    (f) ENs; and

    (g) Personal Care Workers (**PCWs**).

Home Care

20. Calvary provides support to clients living in the community, including nursing care, personal care, and other in-home support services..

21. The organisational structure generally includes:

    (a) a General Manager, who may be clinically trained but is not always a nurse;

    (b) Care Managers, who are not always clinically trained;

    (c) RNs and ENs (depending on the services provided); and

    (d) Support Workers.

22. I understand that the specific titles and reporting lines may vary somewhat between individual sites, however the above reflects the general organisational and nursing structure across Calvary's services.

Nursing Employees

23. The number of nursing employees across our hospital sites is approximately:

    (a) 11 Nurse Practitioners (**NPs**);

    (b) 4,021 RNs;

    (c) 443 ENs (we do not have student ENs at the moment); and

    (d) 165 AINs.

24. The number of nursing and care employees working in aged care is approximately:

    (a) 1,530 RNs;

    (b) 673 ENs (we do not have student ENs at the moment); and

    (c) 218 AINs; and

    (d) 4,099 PCWs.

ENROLLED NURSES AT CALVARY

25. Based on my experience, the role of an EN is broadly consistent across the different settings in which Calvary operates: hospitals, aged care and home care.

26. While there may be differences in the environments in which ENs work, the core tasks that they perform are generally similar. In many respects, I would describe the role of an EN in similar terms to that of a RN, in that the nature of the work undertaken is largely the same, although naturally, the level of responsibility and oversight differs due to experience and qualifications.

27. ENs may develop greater experience and confidence over time but this does not fundamentally change the nature of the tasks they perform. Rather, they become more capable or confident in performing those tasks and managing particular situations.

28. In my view, the differences in the work performed by ENs arise more from the environment in which they are working, rather than any significant change in their core duties.

ENROLLED NURSES AT CALVARY – HOSPITAL SETTING

Core Duties

29. In a hospital setting, ENs perform a range of clinical and non-clinical duties as part of the delivery of patient care..

30. Tasks include:

(a) performing activities of daily living for patients (e.g. showering patients, assisting with mobilisation, supporting patients with feeding where required, and assisting with toileting);

(b) clinical observations;

(c) wound care;

(d) documentation and administration;

(e) medication administration;

(f) implementation of care plans; and

(g) providing support to consumers and their families.

Clinical Observations

31. ENs are also responsible for undertaking clinical observations. This includes taking vital signs such as pulse, respirations, blood pressure and temperature, and may also include more specialised observations such as neurological observations, including assessing pupil response, and neurovascular observations.

32. These observations are recorded either in paper-based or electronic systems, depending on the hospital.

A COPY OF A CALVARY NEUROLOGICAL OBSERVATIONS CHART IS ANNEXED AND MARKED "KS-1".

33. Observation charts include defined parameters or triggers which assist in identifying when escalation is required. ENs are trained to recognise when observations fall outside expected ranges, or where there is a change in a patient's condition, and in those circumstances are required to escalate concerns to a RN.

A COPY OF A CALVARY ADULT OBSERVATION CHART IS ANNEXED AND MARKED "KS-2".

34. By way of example, in a palliative care setting the nature of observations undertaken may differ having regard to the clinical context. In such a setting, observations may focus less on physiological measures, such as blood pressure, and more on matters such as a patient's level of pain or distress. While the type of observation may differ, the process remains the same, being that the EN documents those observations and escalates any concerns, such as unrelieved pain, to a RN.

Medication Administration

35. In relation to medication administration, ENs are generally medication competent and administer medications within their scope of practice. This typically includes oral medications, topical medications, and other similar treatments.

36. ENs may also assist with the administration of Schedule 8 medications in a secondary or supporting role to a RN.

Implementation of Care Plans

37. In the course of providing patient care, ENs are required to work within care plans developed by RNs. ENs are responsible for implementing those plans in accordance with the directions set and within the scope of their role.

Documentation

38. ENs undertake a range of documentation tasks. This includes:

    (a) recording clinical observations (described above);

(b) completing progress notes which summarise the care provided to a patient over the course of a shift; and

(c) completing risk assessment document during the patient admission process.

39. ENs may participate in clinical assessment processes, including completing admission documentation and risk screening tools, such as assessments relating to a patient's risk of falls. This task may be completed by ENs of any experience level (for example, an EN with 5 or more years' experience or an EN within their first 6 months would be assigned tasks such as this).

A COPY OF CALVARY ADMISSION RISK SCREENING TOOL IS ANNEXED AND MARKED KS-3.

Supporting Patients and their Families

40. ENs also play an important role in supporting patients and their families. This includes:

(a) responding to questions within their scope of knowledge;

(b) providing basic information about care and treatment, such as how to change a bandage; and

(c) offering reassurance and support to patients.

Variations across Clinical Areas

41. While the core duties performed by ENs are broadly consistent, the way in which those duties are carried out may vary depending on the clinical area in which they are working.

42. In medical and surgical wards within a hospital, ENs perform the range of duties described above, with differences arising primarily from the type of patients being cared for. Differences in this sense include patients that are admitted for surgery, where preparation and recovery from surgery is the main focus, to those that are admitted due to medical condition. Both types of patients will be monitored the same, using the same observations, but medications and the specifics of the treatment may differ.

43. I have observed nursing practice to become increasingly specialised over time. By that I mean it is common for ENs to develop experience in a particular ward or specialty area and remain working within that area, rather than moving across different clinical environments.

44. As a result of this specialisation, an EN who is experienced in one clinical area may find it challenging to move into another area, not because they lack the core skills or knowledge, but because of differences in workflow, pace, and the specific practices of that environment. This would not be unique to ENs, and I would say RNs experience the same thing.

45. There are also some clinical areas, particularly within perioperative services, where the role of an EN differs more significantly. For example, in a surgical theatre setting, an EN may work as:

    (a) a scrub nurse (supports the surgeon within the sterile field including handing the instruments to a surgeon);

    (b) a scout nurse (supports the team outside the sterile field); or

    (c) in anaesthetic support (assists the anaesthetist).

46. Each role involves more procedural work, and different documentation, than the work performed in ward-based settings.

47. However, even in these environments, I would still characterise the role as drawing on the same core nursing skills, knowledge and advocacy. The differences are really about the environment and the way the work is organised, rather than there being a completely different role.

Experience, Progression and Skill Development

48. ENs do not form a homogeneous group; meaning that their level of skill, confidence and competency can vary significantly depending on the individual.

49. While ENs may perform largely the same types of tasks over the course of their careers, they typically develop greater confidence, competence and independence over time. I

would say that this development is not solely influenced by their clinical experience or time in the role, but also by:

(a) their background (including life experience, prior work experience, social interactions);

(b) exposure to different situations; and

(c) their personal attributes.

50. For example, an 18-year-old EN who enters the workforce directly from school may have a different level of confidence and ability in areas such as communication and patient interaction compared to someone who comes into the role later in life with prior work or life experience. In my view, those differences can have a meaningful impact on how effectively an individual performs the role.

51. Generally, most ENs will be independent 2 to 3 years out. However, individual progress is personal and variable.

Emergency Response

52. When working in a hospital, ENs may be involved in responding to a range of emergency situations, including:

(a) patient deterioration;

(b) death (this can be more sudden and unexpected); and

(c) bleeds (including big bleeds, which are potentially a bit more traumatic).

53. In these situations, if the EN is the first identify the emergency, they are to call an emergency. There are different codes for different emergencies (e.g. “Code Blue” for cardiac arrest).

54. In hospitals, after making the call, a number of doctors and RNs will respond depending on the size of the facility. There is an established protocol that is followed and the EN role could

become quite peripheral simply because there are more senior people there (e.g. doctors and RNs).

A COPY OF THE CALVARY EMERGENCY MANAGEMENT PROCEDURE IS ANNEXED AND MARKED "KS-4"

WORKFLOW AND TYPICAL SHIFT STRUCTURE

Shifts

55. In a hospital setting, nursing care is provided on a 24-hour basis and is generally structured across three shifts:

    (a) morning shifts – 7:00am to approximately 3:30pm;

    (b) afternoon shifts – 3:30pm to approximately 10:30pm; and

    (c) night shifts – 10:30pm to approximately 7:00am.

Handover

56. At the commencement of each shift, there is a handover from the outgoing staff to the incoming staff. This will usually involve some form of general or "critical" handover, where key issues across the ward are discussed in a group setting. This will be led by the in charge RN.

57. There are also more detailed handover procedures at the patient's bedside. Again, this could be led by a RN, but if the patient was in the direct care of an EN, the EN would also participate in this process.

58. Immediately after handover, nursing staff will typically check charts, observations, intravenous fluids and other relevant documentation to ensure they understand what is occurring with the patients allocated to them, and what specific care needs to be undertaken during the shift.

59. An EN would typically be responsible for approximately four to six patients during a shift, although that may vary depending on the ward and clinical context.

Tasks Performed

60. The specific tasks performed by ENs during a shift will depend on:

    (a) the time of day; and

    (b) the particular ward.

61. As set out earlier, the tasks typically include conducting observation rounds, undertaking medication administration, wound care assisting patients with personal care such as showering and mobilisation, and supporting patient flow, including preparing patients for theatre or receiving them back following procedures.

SUPERVISION BY THE RN

62. In both hospital and in aged care settings, ENs work under the direction and supervision (direct or indirect) of RNs. While an EN may have responsibility for delivering care to allocated patients, the overall accountability for the delegated care remains with the RN. I would say that a good way of describing this working relationship would be, the responsibility of the patient sits with the EN, but the accountability sits with the RN. Put simply, a RN is expected to evaluate the care delegated to the EN.

63. The type of supervision an EN requires will vary depending on the experience of the EN. For example:

    (a) in the early stages of their career, ENs may require more direct supervision; and

    (b) as they gain experience and their skills and knowledge become better understood by their colleagues, that supervision typically becomes less direct and more indirect in nature.

64. There is no fixed point in time at which that change occurs. It really is an individual assessment. It is more of a judgment call made by the particular RN supervising the EN, which is based on their confidence in the ENs experience and skills.

65. The type of supervision required may also change depending on the clinical setting. For example, where an EN moves to the surgical ward after three years in the medical ward, they may require a higher level of supervision for a period of time until they become familiar with the new environment, even if they were previously working more independently in a different area.

66. As they progress through their career as an EN, they may provide guidance and informal support to more junior staff, including other ENs or AINs. However, they do not have the ability to re-delegate tasks that have been delegated to them by a RN. The delegation of clinical tasks remains the responsibility of the RN. More generally, experienced ENs often play an important supportive role within the team, including assisting less experienced staff to develop practical skills such as time management and the organisation of their work. However, this is not a formal supervisory role, and the accountability remains with the RN.

DIFFERENCES BETWEEN HOSPITAL AND AGED CARE SETTINGS

67. The differences between hospital and aged care settings include:

    (a) patient group;

    (b) nature of the care; and

    (c) the level of support.

Patient group

68. Patients in hospitals are generally more acutely unwell, but that does not necessarily mean they are more complex. In aged care, you are often dealing with high levels of cognitive impairment or dementia and complex medical needs and learn to manage that over time.

Nature of the care

69. In hospitals, the care is generally short term. People come in for treatment or an intervention and then they leave, so it is more, for want of a better word, transactional.

70. In aged care, it is different because that is where people live. You are not just treating a condition, you are supporting someone over a long period of time, sometimes months or years. That includes supporting their day-to-day life, not just their clinical care. Tasks in this respect again include support services, such as toileting, walking and showering assistance.

71. Because of that, the relationship with the person is different. In a hospital, we do tend to take control of the situation a bit more, whereas in aged care you are supporting people in their own home, and that includes supporting them to make decisions, even where there is some level of risk involved.

72. As a further example, in aged care, an EN might be managing someone exhibiting behaviours considered challenging for a period of 12 months, as opposed to in a hospital where you may be looking after someone for 12 hours. That difference in duration and continuity makes a real difference to how the work is done, although again, a lot of the same tasks are being performed.

The level of support

73. In a hospital, there are a lot more clinically trained people around. There are a number of qualified people available to respond and take control of the situation. Most of the people involved in patient care are qualified (including doctors and nursing staff), with very few who are not. The RN is not the most qualified person on site. In a hospital there are allied health, doctors and NPs that form the broader care team.

74. By contrast, in aged care, you might have one RN and one EN on a shift, with the rest of the workforce being unqualified care workers (as in not holding a nursing qualification). The RN is often the most senior person on site.

75. As a result, ENs in residential age care do need to provide a higher level of support and supervision over more junior staff.

Moving from Aged Care to Hospital Setting

76. Although the tasks actually completed are similar in nature, I anticipate that an EN used to working in a hospital will often find it difficult to move into aged care, at least initially, because of the different pace, workflows and expectations.

77. I would also expect the same would be experienced if the roles were reversed (i.e ENs moving from a hospital setting to aged care). However, again, this will depend on the person and the ward within the hospital they are from.

NURSE PRACTITIONERS AT CALVARY – HOSPITAL SETTING

78. NPs are RNs who have undertaken additional education to qualify in that role, typically at a Master's level.

79. An NP can work far more autonomously than an RN. They can make do greater assessments, greater decision making for an individual and they can prescribe medications within their scope.

80. An NP is accountable for their own professional practice.

81. In some areas, NPs are used to fill gaps where it can be difficult to have consistent medical coverage. For example, in areas such as palliative and end of life care, NPs may take on a more leading role in managing the care of a patient or a group of patients.

82. The majority of the NP role is patient facing. However, they do less of the personal care and observations of a patient, rather they are doing the assessment and planning of the care for an individual.

83. Where there are changes in a patient's condition or care requirements, including changes to medications or the need for further tests or referral to other services, the NP will advise the team and guide the next steps in care.

TRAINING AND PROFESSIONAL DEVELOPMENT

Continuing Professional Development

84. All nurses at Cavalry are required to complete ongoing professional development education in order to maintain their registration. This is described as continuing professional development (**CPD**). This is a requirement for ENs, RNs and NPs.

85. There is a minimum number of CPD hours that all nurses must complete each year.

In-house Training

86. Calvary provides annual in-house training to its nursing employees. This is mandatory and covers topics such as:

    (a) basic life support;

    (b) medication;

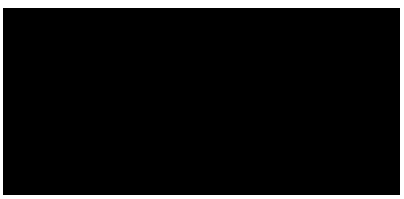
    (c) work health and safety;

    (d) drug calculation; and

    (e) medication management competency assessment.

87. With the exception of basic life support, which is provided in person, the majority of the training topics are provided and completed online.

Signed:



Kris Salisbury

Dated: 28 May 2026

Calvary

"KS-1"

NEUROLOGICAL OBSERVATIONS

MUST be used in conjunction with vital signs and graphic chart

COMA SCORE	Date			
	Time			
	Testing Method			
	EYES OPEN Closed by Swelling = C	Spontaneously	4	
		To speech	3	
		To pain	2	
		None	1	
	VERBAL RESPONSE ET tube or Trach = T CALD = X	Orientated	5	
		Confused	4	
		Inappropriate words	3	
		Incomprehensible sounds	2	
		None	1	
	MOTOR RESPONSE Record best arm response	Obeys commands	6	
		Localise pain	5	
		Withdraws	4	
		Flexion to pain	3	
		Extension to pain	2	
		None	1	
	Total Score			

LIMB MOVEMENT SIGNS	**ARMS** Record right and left separately if there is a difference between each side	Normal power		
		Mild weakness		
		Severe weakness		
		Spastic flexion		
		Extension		
		No response		
	LEGS Record right and left separately if there is a difference between each side	Normal power		
		Mild weakness		
		Severe weakness		
		Spastic flexion		
		Extension		
		No response		
	EYES Reacts: + No reaction: – Closed: C Sluggish: SL	Right	Size	
			Reaction	
		Left	Size	
			Reaction	
	PUPIL SIZE Pupil Scale (mm)	1 2 3 4 5 6 7 8		

SPECIAL INSTRUCTIONS / LIMB STRENGTHS

NEUROLOGICAL OBSERVATION MR 454

Calvary

NEUROLOGICAL OBSERVATIONS

RECORD OF SEIZURE ACTIVITY		
Date	Time	Remarks Including Fits – Focals & General

SPECIAL INSTRUCTIONS

Calvary

NEUROLOGICAL TESTING METHOD

Assessment Category	Testing Method	Possible Responses	Explanation of Responses
I COMA SCORE ***A Eye Opening*** Assesses arousal ability	Notice if eyes open spontaneously or if patient requires speech or pain to rouse. Speak in clear, strong voice and use touch to establish contacts. If no response, apply painful stimului and watch response.	Spontaneous (4)	Opens eyes without stimulus
		To speech (3)	Opens eyes to any verbal stimuli, not necessary to command of "Open your eyes"
		To Pain (2)	Opens eyes to painful pressure
		None (1)	Doesn't open eyes
		Eyes closed due to swelling (C)	
B Verbal Responses Assess appropriateness of speech and awareness.	Obtain the patient's attention and then attempt to converse. May use communication board, eye blinks, or finger signals for patient with endotracheal tube or tracheotomy. Allow time for patient to respond. Impaired hearing may affect response.	Oriented (5)	Orientated to person, place and time
		Confused (4)	Talks, but confused as to person, place or time. Add record 'X' if Culturally and Linguistically Diverse (CALD)
		Inappropriate words (3)	Uses words or phrases making little or no sense
		Incomprehensive sounds (2)	Makes unintelligible sounds (moans and groans)
		None (1)	Makes sounds to no speech at all. Add record 'T' if unable to speak due to tracheostomy or ETT
C Motor Response Measures overall awarenenss and ability to respond to external stimuli. If the eyes are closed because of trauma and the patient is aphasic, motor response indicates the level of consciousness.	Give simple commands such as "squeeze my hand" or "move your arm". Allow time to respond. If no response, apply painful stimuli. Record the best response according to movement in best arm. Be careful not to interpret grasp reflex or postural adjustments as purposeful response to command.	Obeys command (6)	Follows commands even if weakly
		Localises pain (5)	Moves hand towards source of pain. Hand should move above nipple line.
		Withdraws (4)	Hand or body moves away from source of pain.
		Flexion to pain (3)	Flexes arm (abnormal posturing)
		Extension to pain (2)	Extends elbow, internally rotates wrist (abnormal posturing)
		None (1)	Makes no response, even to painful stimuli
II LIMB MOVEMENT ***A Arms***	Instruct patient to: straight arm raise; then move arm against your resistance. Record right and left separately if a difference in response exists. If patient can't follow commands, observe movement in response to pain.	Normal power	Moves arm as instructed
		Mild Weakness	Moves arms with difficulty against resistance, and can't lift arm against resistance
		Severe Weakness	Moves arm laterally; has great difficulty against gravity; can't move against resistance
		Spastic flexion	Flexes arm
		Extension	Extends elbow and internally rotates wrist
		No response	Makes no response at all
B Legs	Instruct patient to: straight leg raise; then move leg against your resistance. Record right and left separately if a difference in response exists. If patient can't follow commands, observe movement in response to pain.	Normal power	Moves legs as instructed
		Mild Weakness	Moves leg with difficulty against resistance, and cant lift leg against resistance
		Severe Weakness	Moves leg laterally; has great difficulty against gravity; cant move against resistance
		Extension	Extends leg
		No response	Makes no reponse at all
III EYE SIGNS	Size: Compare with Size Chart	Size: 1 to 8mm	Record size of each pupil. Record reaction to light.
	Light Reaction: Hold eyelid open while closing opposite eye; move small bright light toward from side; shine directly into eye.	Reaction: (+) yes (-) no C - Closed Sl - Sluggish	Record 'c' if unable to open eye due to trauma or swelling

"KS-2"

Date																	
Time																	
Respiratory Rate (breaths / min)	Write ≥ 36																Write ≥ 36
	31-35																31-35
	26-30																26-30
	21-25																21-25
	16-20																16-20
	11-15																11-15
	8-10																8-10
	Write ≤ 7																Write ≤ 7
O_2 Saturation (%)	98-100																98-100
	95-97																95-97
	90-94																90-94
	85-89																85-89
	Write ≤ 84																Write ≤ 84
O_2 Flow Rate (L/min)	≥ 7																≥ 7
	5-6																5-6
	0-4																0-4
Mask/Nasal Prongs/Air																	Mask/NP/RA
Pulse Rate (beats/min) • Regular x Irregular	Write ≥ 140																Write ≥ 140
	130s																130s
	120s																120s
	110s																110s
	100s																100s
	90s																90s
	80s																80s
	70s																70s
	60s																60s
	50s																50s
	40s																40s
	Write ≤ 30s																Write ≤ 30s
Blood Pressure (mmHg) Use systollic blood pressure as trigger for response	Write ≥ 200																Write ≥ 200
	190s																190s
	180s																180s
	170s																170s
	160s																160s
	150s																150s
	140s																140s
	130s																130s
	120s																120s
	110s																110s
	100s																100s
	90s																90s
	80s																80s
	70s																70s
	60s																60s
	50s																50s
	40s																40s
Temperature (C)	Write ≥ 39.5																Write ≥ 39.5
	38.6-39.4																38.6-39.4
	38.1-38.5																38.1-38.5
	37.6-38.0																37.6-38.0
	37.1-37.5																37.1-37.5
	36.6-37.0																36.6-37.0
	36.1-36.5																36.1-36.5
	35.6-36.0																35.6-36.0
	35.1-35.5																35.1-35.5
	Write ≤ 35																Write ≤ 35
Sedation If clinically necessary, wake patient to assess & score	3																3
	2																2
	1																1
	0																0
Pain Score (2 consecutive)	8-10																8-10
	5-7																5-7
	0-4																0-4
Intervention																	
Initials																	

JUNE17 V2

Calvary

ADULT OBSERVATION CHART

GENERAL INSTRUCTIONS

You must record a full set of observations:

- On admission
- At least 8 hourly
- If patient is deteriorating
- Whenever you are concerned about the patient
- As per clinical pathway or unit protocol

Observations include a minimum of respiratory rate, blood pressure, pulse rate, temperature, oxygen saturation and sedation score.

Whenever an observation falls within a shaded area, you must initiate the actions required for that colour, unless a modification has been made.

If observations fall within two or more different coloured areas for the same time period, the actions required for the darker colour apply.

OTHER CHARTS IN USE

- ☐ Alcohol Withdrawal
- ☐ Anticoagulant
- ☐ Fluid Balance
- ☐ Pain/Epidural/Regional/Patient Controlled Analgesia
- ☐ Neurological
- ☐ Neurovascular
- ☐ Diabetic
- ☐ Other .....

MODIFICATIONS

If abnormal observations are to be tolerated for the patient's clinical condition, write the acceptable ranges (where a response will not be triggered) below. Modifications must be reviewed at least every 48 hours.

	Modification 1	Modification 2	Modification 3
Respiratory Rate	breaths / min	breaths / min	breaths / min
O_2 Saturation	%	%	%
O_2 Flow Rate	L / min	L / min	L / min
Systolic BP	mmHg	mmHg	mmHg
Heart Rate	beats / min	beats / min	beats / min
Temperature	C	C	C
Consciouness			
4 Hour Urine Output	mL	mL	mL
Doctor's Name			
Signature			
Date			
Time			
	Phone order	**Phone order**	**Phone order**
Nurse 1			
Nurse 2			

INTERVENTIONS ASSOCIATED WITH ABNORMAL VITAL SIGNS

Reference	Document in Case Notes	Initial

CLINICAL REVIEW REQUESTS

Review requested Date: Time: ☐ Ward doctor ☐ Registrar ☐ Emergency

Specify reason:

Review requested Date: Time: ☐ Ward doctor ☐ Registrar ☐ Emergency

Specify reason:

Review requested Date: Time: ☐ Ward doctor ☐ Registrar ☐ Emergency

Specify reason:

ADDITIONAL OBSERVATIONS

Date / Time										
Bowels open	**AM**									
	PM									
Weight										
BGL										
Urinalysis	Specific gravity									
	pH									
	Leukocytes									
	Blood									
	Nitrite									
	Ketones									
	Bilirubin									
	Urobilinogen									
	Protein									
	Glucose									

Calvary

ADULT OBSERVATION CHART

MEDICAL EMERGENCY TEAM CALL

Response Criteria

- **Any observation is in a purple area**
- Respiratory or cardiac arrest
- Sudden fall in level of consciousness
- New drop in O_2 saturation ≤ 89%
- Seizure
- You are worried about the patient but they do not fit the above criteria
- Significant bleeding

Actions Required ASAP

- Check modifications and resus status
- Place emergency call
- Initiate ALS/BLS protocols
- Notify senior doctor responsible for patient
- Increase frequency of observations as clinically indicated

Emergency Department

- As above actions for respiratory or cardiac arrest
- Any other purple criteria
  - Emergency medical officer to review patient immediately
  - If unable to review, place emergency call
- Increase frequency of observations, treat as medically ordered

2 or more consider escalation

MEDICAL REVIEW

Response Criteria

- **Any observation is in a salmon area**
- Unrelieved chest pain
- Unrelieved shortness of breath
- Increased or unexpected fluid or blood loss
- Urine output < 30 ml/hr (patient's with IDC) or patient has not voided for over 12 hours
- New drop in O_2 saturation ≤ 93%
- You are worried about the patient but they do not fit the above criteria
- 2 or more observations in salmon area: consider escalating to MET

Actions Required

- Check modifications and resus status
- Team leader to review and clinically assess patient
- Doctor to review patient via phone or in person
- Record observations every 15 minutes
- If medical review unable to be achieved or clinical status worsens escalate to code blue/MET.
- Nurse to stay with patient

3 or more

TEAM LEADER REVIEW

Response Criteria

- **Any observation is in a yellow area**
- You are worried about the patient but they do not fit the above criteria
- Pain not relieved by current analgesia
- 3 or more observations in a yellow area: escalate to Medical Review

Actions Required

- Check modifications
- Team Leader must review the patient
- Record observations at least once every hour
- Review O_2 requirement
- Manage fever, pain, fluids, blood loss or distress

SEDATION SCORE

Score	Descriptor	Stimulus	Response	Duration
3	Difficult to rouse	Pain, sternal rub, jaw thrust	Brief eye opening OR any movement OR no response	N/A
2	Moderate sedation, easy to rouse, difficulty staying awake	Voice, light touch	Eye opening and eye contact	< 10 sec
1	Mild sedation, easy to rouse	Voice, light touch	Eye opening and eye contact	> 10 sec
0	Awake, alert	N/A	N/A	N/A

JUNE17 V2

Calvary

"KS-3"

ADMISSION RISK SCREENING TOOL

COMPLETION TO BE COMMENCED IN PRE-ADMISSION CLINIC OR ED. CHECKED AND COMPLETED ON ADMISSION TO WARD.

INFECTION PREVENTION AND CONTROL

Initial Screen *(tick N / Y)*	N	Y	Actions
Part 1: To be completed by Patient Services staff or Emergency Department staff on admission for ALL patients			
Do you have any respiratory illness symptoms (e.g. body aches, fever, cough, chills, shortness of breath, runny nose, sore throat or headache)?			**IMMEDIATELY** action steps 1 – 4 1. Report to IPC/BedMngr/NurseResMngr 2. Implement social distancing (patient to stay 1.5 metres away from other persons) 3. Place surgical mask on patient 4. Implement **Droplet Precautions** pending IPC review Completed by:
Have you returned from travel in the past 21 days from an area with increased risk of an infectious disease AND answered yes to the above question, OR have a new unexplained rash?			
Have you ever been treated (or isolated) for an infection that was resistant to antibiotics (e.g. MRSA, VRE, CPE, ESBL or MRGN)?			**IMMEDIATELY** action steps 1 – 3 1. Check alerts/results for infection/colonisation 2. If positive for infection/colonisation implement **Contact Precautions** 3. If negative implement **Contact Precautions** & notify IPC Completed by:
Do you have a recent history of unexplained vomiting and/or diarrhoea?			**IMMEDIATELY** action steps 1 – 3 1. Report to IPC/BedMngr/NurseResMngr 2. Admit to single room 3. If symptomatic initiate **Contact Precautions** & notify IPC Completed by:
Part 2: To be completed by nursing staff for all overnight patients			
Have you been admitted overnight to any other local hospital or residential aged care facility within the last 3 months?			Screen for MRSA & VRE Completed by:
Have you been admitted overnight to any interstate or overseas hospital or residential aged care facility within the last 12 months?			Screen for MRSA, VRE & CPE Completed by:

PALLIATIVE & END OF LIFE CARE SCREENING

	N	Y	Actions
1. Does the patient have a life limiting illness?			☐ Serious Advanced Illness – Common Assessment Tool MR284 added to chart for completion. Consider Goals of Care discussion. Consider Pastoral care referral. Completed by:
2. Would you be surprised if the patient died in the next 12 months?			
3. Has the patient had more than one ED visit or hospital admission for the same condition within the last 2-3 months?			
4. Was the ED presentation or hospital admission prompted by difficult to control physical or psychological symptoms?			
5. Has the patient experienced a decline in function, difficulty eating and unintentional weight loss, or caregiver distress?			
6. Does the patient have chronic or complex care needs that require more support?			

VTE

	N	Y	Actions
Previous VTE			Consider management required and discuss with manager or doctor. ☐ VTE Patient Information provided. Completed by:
Surgery >45 min (planned / recent)			
Sepsis / Active infection			
Prolonged immobility >72 hours			
Active cancer			
Myocardial infarction / Heart failure			
BMI >30			
Thrombophilia			
HRT or oral contraceptive therapy			
Recent trauma within the last month			
Stroke within last month			
Pregnancy or post-natal			
Other (specify):			

DEMOGRAPHIC FACTORS

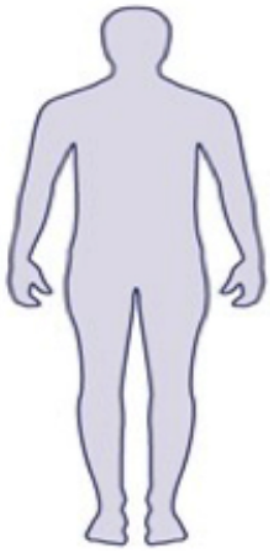
	N	Y	Actions
Does the patient identify as Aboriginal and/or Torres Strait Islander?			☐ Consider individualised needs
Is the primary language spoken at home a language other than English?			☐ Consider input from Interpreter. Consider requirements for admission

APR24 V5

ADMISSION RISK SCREENING TOOL NMR 280

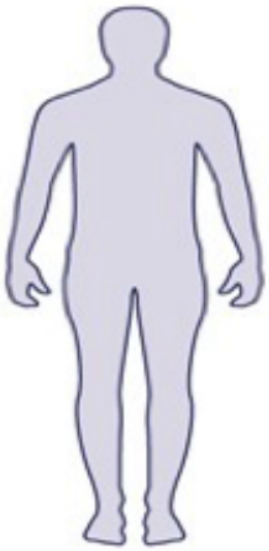
MEDICATION RISK ASSESSMENT	N	Y	Actions
65 years and older?			* Exclude short-term in hospital drugs e.g. antibiotics, analgesics etc.
Has 5 or more regular* medications or 12 doses / day?			This information will be risk rated and sent to Pharmacy automatically
Has had 4 changes to medication in last 12 months?			If you have additional concerns please refer the patient to Pharmacy
Clinically assessed as high risk (consider falls risk, cognitive, communication and nutrition status)?			
Discharged from an acute hospital within the last 4 weeks?			
History of non-compliance or Dose Administration Aid (e.g. dosette, webster)?			
Recent history of fall(s)?			
Takes a High Risk medication - APINCH?			Completed by:

Skin Assessment: Note: Erythema, Oedema, Sclerosis, Skin Breakdown or Pressure Injury.



FRONT

Circle affected area



BACK

- ☐ Nil concerns
- ☐ Document specific in progress notes MR 250.
- ☐ Wound chart MR 283 to be added to chart for ongoing monitoring.
- ☐ Complete pressure injury prevention chart MR282

Completed by:

NUTRITION Malnutrition Universal Screening Tool 'MUST'

Measurements		Results	
Current weight (kg)		BMI (kg/m²)	
Current height (cm)		BMI score	
Weight loss (kg) unplanned previous 3-6 months		Weight loss %	
		Weight loss score	
Acute disease effect (ADE)**		Acute disease score	
		Total score	
		Risk	

**Acute Disease Effect (ADE) - score 2 if acutely ill and if there has been or is likely to be no nutritional intake for more than 5 days. Note that ADE is unlikely to occur outside hospital.

Actions

- ☐ Refer to dietitian
- ☐ Food and Fluid chart added

Completed by:

SPEECH PATHOLOGY	N	Y	Actions
Difficulty swallowing food or drinks? (excludes patients having tonsils/adenoids removed, oesophageal cancer)			Consider referral to Speech Pathology (seek VMO approval) Completed by:

BARIATRIC	N	Y	Actions
Patient Body Mass Index (BMI) is >30? Calculated BMI: Entered Weight:			☐ Consider equipment required. Completed by:

Calvary

ADMISSION RISK SCREENING TOOL

PSYCHOLOGICAL	N	Y	Unkn	Actions
BEHAVIOUR Complete this section based on referral information, patient history, collaborative information from family / carer, and patient assessment				
Does the patient have a current or recent history of behaviour that poses a risk to self or others?				☐ Enter alert in IPM ☐ Ask if there is a behaviour support plan in place. If yes ask for a copy ☐ Copy Requested ☐ Consult with medical, nursing and relevant allied health to develop and document management strategies Completed by:
Is the patient currently experiencing periods of irritability or agitation?				
Does the patient wander or leave suddenly?				
Any recent verbal aggression?				
Any recent physical aggression?				
Any recent inappropriate social/sexual behaviour?				
MENTAL HEALTH Complete this section based on referral information, patient history, collaborative information from family / carer, and patient assessment				
Is the patient experiencing any current or acute mental health symptoms?				☐ Discuss with Admitting Medical Officer and follow local procedure for response to deterioration in mental health ☐ Document Mental Health Clinician Name & Contact Number if available Completed by:
Any there any current concerns regarding suicide or self-harm?				
Does the patient have current contact with mental health clinician?				
SUBSTANCE USE Refer to information in the Health History				
Is the patient a smoker?				☐ Consider whether nicotine replacement is indicated, offer referral information if appropriate ☐ Consider further assessment and referral as required Completed by:
Does the patient routinely drink >4 standard alcoholic drinks at one time, OR drink more than 10 standard drinks in a week?				
Does patient use non-prescribed or illicit medication or drugs?				

COGNITIVE ASSESSMENT	N	Y	Actions
Aged ≥ 65 years (≥ 45 years for Aboriginal and Torres Strait Islander people)?			Abbreviated Mental Test or 4AT test recommended. Consider appropriate environment and care Completed by:
Known cognitive impairment or diagnosed dementia			
A severe medical illness (a clinical condition that is deteriorating or is at risk of deterioration)			
Current hip fracture			
Cognitive concerns raised by others			

COMMUNICATION	N	Y	Actions
Are there any known hearing deficits?			Consider communication needs during admission Completed by:
Are there any known visual deficits?			

SOCIAL SCREENING	N	Y	Actions
Likely to have self care problems? e.g. walking, bathing, dressing, preparing meals, shopping, requiring nursing assistance for wound dressings, catheter care, injection etc.			Commence discharge planning. ☐ Discharge planning commenced and documented in Progress Notes MR 250 (include known providers). ☐ Refer to Case Management. Completed by:
Lives alone? e.g. Is the patient likely to require help at home? Staff to use their discretion regarding the need for follow-up.			
Has caring responsibilities for others? e.g. Is there a partner, child, family member, friend, pet who depends on the patient for care?			
Uses community services prior to admission? e.g. Community nursing, Meals on Wheels, CACP, residential care or supported accommodation.			

INFORMATION REVIEWED

APR24 V5

ADMISSION RISK SCREENING TOOL NMR 280

Emergency Management Procedure

1. Applies to

This Procedure applies to:

- all Calvary Services

2. Purpose

The purpose of this Procedure is to ensure Calvary has processes in place for the development and implementation of emergency response procedures and emergency management planning. This includes the implementation of appropriate training schedules and ensuring that processes are in place to ensure fire and emergency equipment is maintained in good working order and complies with Australian Standards and statutory requirements.

3. Responsibilities

Service Senior Manager

Service Senior Managers are responsible for establishing processes to ensure:

- The health and safety or workers, contractors and other persons within the workplace;
- Relevant resources are in place to enable the development and implementation of a site based emergency plan and evacuation diagrams;
- Rapid response to emergencies in accordance with facility emergency response procedures;
- All workers are provided with appropriate training, information and instruction in emergency response procedures;
- Processes are in place to ensure inspection and testing of fire and emergency systems by competent persons; and
- Compliance with relevant Codes of Practice, Australian Standards and relevant legislative requirements.

Managers

Managers are responsible for ensuring:

- Workers are consulted on workplace health and safety matters related to the provision of effective emergency procedures;
- All workers are provided with appropriate training, information and instruction in emergency response procedures;
- A debrief is conducted following a live emergency or emergency response exercise; and
- They are aware of, and initiate facility response procedures where necessary, depending on the impact of an emergency.

Workers

Workers are responsible for ensuring:

- They are aware and familiar with their site based emergency procedures;
- Participation in relevant training education and exercises; and
- In the event of an emergency situation, follow relevant procedures in a manner that does not adversely affect their own health and safety or that of others in the workplace.

4. Procedure

4.1. Emergency Planning Committee

All Calvary services must have an established emergency planning committee (EPC), that is responsible for developing and implementing a site specific emergency management plan.

Calvary controlled facilities must have an EPC to oversee emergency prevention, preparedness, response, and recovery, relevant to its size and function. For smaller sites (e.g. Home Care) a central EPC may be established to coordinate emergency preparedness across a number of facilities. As a minimum the EPC must meet twice per year.

The EPC is responsible for the following functions:

- Determining events that could result in emergency situations;
- Reviewing and understanding the content of the services emergency plan and determine how implementation should occur;
- Ensuring that applicable legislative requirements are being met;
- Establishing, as necessary, an Emergency Response Team (ERT) made up of specialist personnel to attend specific incidents, to contain, control or eliminate an emergency using emergency response equipment;
- Determining training needs for emergency responders and other occupants;
- Determining and scheduling the emergency exercises/drills required for the respective site/s;
- Reviewing the effectiveness of emergency exercises and arrange for procedural and process improvements; and
- Ensuring continuous improvement of emergency response to drills and real emergencies.

The EPC shall consist of representatives from relevant stakeholders in the facility, including Senior Service Representatives, Services Emergency Coordinators and relevant subject matter experts including, WHS Advisor, and Facilities/Maintenance Manager. In most facilities, the EPC would comprise of senior management, tenants, Emergency Coordinators and specialist facility personnel, such as maintenance/facilities, learning and development, and WHS. The EPC may also call upon external expertise for advice.

The duties of the emergency planning committee includes:

- Developing an Emergency Plan and ensuring it is reviewed as reflective of emergency response exercise results, changes in the workplace or at least once every 5 years;
- Ensuring the Emergency Plan is readily identifiable and available to all appropriate persons;

- Establishing an Emergency Control Organisation (ECO) to direct and control the implementation of the Service's emergency response procedures in accordance with the facility's Emergency Plan;
- Ensuring Emergency Control Organisation members have been provided with formal training, including but not limited to chief warden training, and warden training;
- Establishing strategies to ensure visitors are made aware of emergency response procedures;
- Ensuring that emergency procedures involving an evacuation exercise for all areas of a service and their respective worksites are completed at least once each year;
- Ensuring 'Post-Incident Support' services in accordance with Calvary Employee Assistance Program, are in place to assist workers in managing adverse effects that may be experienced either directly or indirectly from an emergency event.
- Ensuring processes are in place to ensure records of events for each emergency is compiled and retained;
- Identifying and rectifying deficiencies and opportunities for improvement in their service emergency plan and worksite emergency response procedures; and
- Maintaining minutes of Emergency Planning Committee meetings.

To assist EPCs operate correctly an Emergency Planning Committee Terms of Reference and an Emergency Planning Committee Agenda templates are available. EPCs should be using these documents as the basis for the formation and structure of the committees meetings.

4.2. Emergency Management Plan

Each Calvary facility must identify and analyse the potential emergencies that may occur within their facility and have a plan to respond to emergencies. Emergency management plans are developed to address the response to potential emergency situations that may occur at the given site. The purpose of the emergency management plan is to direct the response to actual emergency situations and prevent or mitigate associated adverse safety, environmental and property damage consequences.

Emergency management plans are to be developed based on AS3745 – Planning for emergencies in facilitates and AS4083 – Planning for emergencies – Health Care Facilities. In preparing an emergency management plan consideration will be given to relevant matters, including:

- the nature of the work undertaken at the site;
- potential emergency events at the site;
- size and location of the site;
- hours of occupancy;
- security systems and protocols; and
- the number and composition of the workers and other persons at the site.

As a result the complexity of emergency management plans may vary between Calvary sites. It is recommended that a Services emergency management plan is developed by an accredited service provider in consultation with key stakeholders within the facility.

If emergency services (Fire Brigade or Police) or the relevant WHS regulator authority gives a recommendation about the content or effectiveness of an emergency management plan for a given Calvary facility, the plan shall be revised in accordance with the recommendation.

The structure of an emergency management plan should include as a minimum the following elements:

- Clearly detailed activation, notification and stand down procedures;
- How to respond to emergencies, including afterhours responses;
- Requirements outlining the use of an alert system to ensure that all required personnel are easily and rapidly alerted without undue alarm to patients or visitors;
- Information, training and instruction to relevant workers in relation to implementing the emergency procedures;
- Process for testing of the emergency procedures, including frequency of testing;
- Information on emergency contact details for key personnel who have specific roles or responsibilities under the emergency plan, e.g. wardens or first aid officers;
- Contact details and co-ordination arrangements to initiate the engagement of external services and agencies including: police; ambulance; fire brigade; State / Territory health departments; and government regulatory authorities;
- Evacuation procedures including arrangements for assisting any hearing, vision or mobility impaired people;
- A description and map of the workplace illustrating the location of fire protection equipment, emergency exits and assembly points;
- Post incident follow-up process, including debrief processes and policy for authorised release of information and processes to replace used or damaged equipment;
- Information on the structure, aims and objectives of the Emergency Planning Committee and which facilities / locations it oversees.

Note: where Calvary is a tenant within a building containing multiple businesses the responsibility for Emergency Management Plans usually rests with the landlord or controller of the building.

4.3. Evacuation Diagrams

All Calvary sites require evacuation diagrams to be prominently displayed on the wall. Evacuation diagrams shall be based on the requirements of AS3745 - Planning for emergencies in facilitates, and contain at least the minimum content specified in the Standard. The review period for evacuation diagrams shall not exceed 5 years and shall be completed by an external company certified in fire safety management.

4.4. Emergency Response Procedures

In addition the emergency management plan, all Calvary facilities must develop emergency response procedures which detail specific actions and procedures within a designated section of the emergency management plan, to respond to and manage emergencies.

Emergency response procedures must be colour coded in accordance with State/Territory Health Department requirements and as per the requirements outlined in:

- AS 4083 – Planning for emergencies – Healthcare facilities; and
- AS 3745 – Planning for emergencies in facilities; which are as follows:

Emergency	Colour
Fire / Smoke	Red
Medical emergency	Blue
Bomb Threat	Purple
Infrastructure and other internal emergencies	Yellow
Personal threat	Black
External emergency	Brown
Evacuation	Orange

Additional emergency preparedness and response procedures colour codes may also be required as reflective a Service Location's State / Territory Health Department requirements. Additional emergency colour codes may include:

- code black alpha / code pink (infant child missing / abduction);
- code black bravo (active shooter); and
- code grey (aggressive behaviour).

No other colour should be used, other than the colours listed above.

All Calvary Sites emergency preparedness and response procedures must have a written process outlining how emergency personnel, workers and management are required to respond to emergency colour codes as aligned to AS 3745 and AS 4083.

Services must also include a procedure for clearing emergency codes, which must include the Emergency Coordinator / Chief Warden verbally stating the relevant code e.g. 'Code Blue' and calling 'ALL CLEAR', along with any subsequent action.

Workers called upon to assist in an emergency, but who are not involved in recovery operations, are expected to resume normal duties once an 'ALL CLEAR' message has been given.

4.5. Emergency Control Organisation

The Emergency Control Organisation (ECO) emergency personnel positions as appointed by Service's Emergency Planning Committee are responsible for initiating and coordinating emergency response procedures.

The primary role of the Emergency Control Organisation is to prioritise the safety of the occupants and visitors of a facility during an emergency. The Emergency Control Organisation may also be known locally as the Incident Management Team or Emergency Coordination Team. Despite differences in naming / emergency terminology, the responsibilities remain the same.

Emergency personnel that make up a Service's Emergency Control Organisation should as a minimum consist of an Emergency Coordinator / Chief Warden.

In most cases the Emergency Control Organisation will be initially staffed only by the Emergency Coordinator / Chief Warden and the Emergency Response Team (where available) until such time at the emergency ends or the Emergency Coordinator / Chief Warden identifies that additional support is required and they activate other members to join the team as per the service emergency response procedure.

The following emergency personnel positions should also be included if they are deemed necessary by the Emergency Planning Committee in accordance with the requirements outlined in AS 3745 and 4083:

- Deputy Emergency Coordinator / Deputy Chief Warden;
- Communications Officer and Deputy;
- Emergency Officers / Floor-Area Wardens and Deputies.

Wardens and Deputies.The total number of emergency control organisation member numbers should be determined by the Service's Emergency Planning Committee reflective of:

- The size of the facility, floor or area;
- The number of occupants and visitors;
- Installed occupant warning equipment; and
- The fire engineered and life safety features of the facility.

During emergencies, instructions given by the emergency control organisation emergency personnel shall take precedence over the normal management structure with the primary intent of ensuring occupant and visitor safety. In most cases the Emergency Coordinator / Chief Warden leads the emergency control organisation until such time as the role is assumed by senior management.

Emergency control organisation emergency personnel must be identifiable in the event of an emergency by the use of coloured apparel, which must be at least one of the following – helmets, caps/hats or vests.

Emergency control organisation emergency personnel identification colours must also comply with the colour requirements within AS 3745 as seen below:

- Emergency Coordinator / Chief Warden – White;
- Deputy Emergency Coordinator / Deputy Chief Warden – White;
- Communications Officer – White;
- Emergency Officers / Floor-Area Wardens and Deputies – Yellow;
- Wardens - Red;
- First Aid Officers – Green with a White Cross.

4.6. Information for Emergency Services

All Calvary sites should contact the local Fire Brigade to determine if they wish to retain a current copy (soft or hard) of the site emergency management plan.

Relevant emergency and safety information should be readily available to emergency services; this information may be kept at the sites fire panel or in a dedicated emergency information box where emergency services are likely to enter the premises. Note the emergency information box needs to have a 003 keyed lock. Information that needs to be available, includes: emergency management plan; dangerous goods register; and any other relevant information regarding site hazards e.g. asbestos register.

4.7. Emergency Response Training & Exercises

4.7.1. Emergency Response Training

All workers working at a Calvary Service shall receive training to enable them to act in accordance with the emergency response procedures. Mandatory training requirements are outlined in the Mandatory & Statutory Training Matrix.

The training set out below should be provided for all new occupants including casual occupants/employees, at the commencement of their employee in the workplace or their occupancy of the structure.

The training should include, but not necessarily be limited to, the following:

- Occupant responsibilities within the facility emergency response procedures;
- The types of emergencies contained in the emergency plan e.g. emergency colour codes;
- How to report emergencies including activation of alarm systems;
- Recognising and reporting unsafe conditions, and correcting unsafe conditions when appropriate;
- The authorities, roles, responsibilities and identification of emergency responders;
- Reacting safely to emergencies and alarms;
- Evacuation procedures;
- The location of internal and external staging and assembly areas, as contained in the emergency plan;
- The location of egress routes;
- Post-emergency protocols; and
- Procedures for specific emergencies.

Training must also be provided to contractors, agency staff, VMOs, students, volunteers and tenants. In determining the level of emergency related training these workers require, the EPC should consider the type of work being undertaken and the frequency that the person is likely to be on site. A key consideration is, *what do you expect these individuals to do in the event of an emergency?* i.e. are they simply passively following directions to an assembly area, or are they expected to provide assistance in an emergency response and/or moving patients/residents.

The frequency of training and emergency response skills retention at Services and their respective worksites should align to the requirements outlined in AS 3745.

- Emergency Preparedness at Calvary
  - Online module completed through Calvary Learning Hub.
- Emergency Coordinator / Chief Fire Warden Training
  - Face to face training session to equip participants with the leadership skills required to manage an emergency response.
- Emergency Officer / Warden Training
  - Face to face training session educating workers on emergency procedures and how to execute their duties.
- Emergency Planning Committee Desktop Drill
  - Desktop scenario exercises to review effectiveness of emergency management plan procedures.

- Emergency Code / Desktop Exercise
  Skills retention activities include:
  - Procedures for specific emergency contained in the services emergency response plan, including, code black, code red, code blue, code purple, code yellow, code brown and code orange.
  - The scenario and code drills chosen should be appropriate to the Service,
    NOTE: a minimum of 1 code red/code orange drill is completed every 6 months.
  - Services should use an emergency code planner to ensure adequate coverage in all areas / departments of their Service.

	Emergency Preparedness at Calvary online module (annual)	Emergency Officer / Warden Training (annual)	Emergency Co-Ordinator / Chief Warden Training (6 months)	Emergency Planning Committee Desktop Drill (Minimum once every 2 years dependant on risk)	Emergency Code Desktop Exercise	Additional Stream based training
Hospitals	✓	✓	✓	✓	✓ Once per month	NA
Aged Care	✓	✓	✓	✓	✓ Once every 2 months	Emergency Response Training – Practical Annual
Home Care	✓	✓ Service Centres	✓ Standalone Service Centres only	✓	✓ Annual (Service Centres)	NA
National Office	✓	✓		NA	✓ Annual	NA
EPC Members	✓	✓ * only if EPC member has been identified as an emergency officer / warden for the Service	✓ * only if EPC member has been identified as an emergency coordinator / chief warden for the Service	✓	✓	✓

Please note that different regions may have additional training requirements based on regional legislative requirements.

Training activities can include actual or desktop drills/exercises and should address the following:

- Responding to alarms and reports of emergencies;
- Personal emergency evacuation plans;
- Procedures for specific emergencies as contained in the emergency response procedure; and
- Identification of ECO members.

Additional information is outlined in Mandatory & Statutory Training Matrix.

4.7.2. Emergency Response Exercises / Drills

All Services by way of their Emergency Planning Committee in collaboration with senior management, must develop service specific emergency response exercises to determine the effectiveness of emergency response procedures.

In general, emergency response exercises / drills for all Services and their respective worksites must:

- Be consistent with emergency responses in their Emergency Plan;

- Be scheduled and completed during a range of operating hours to appropriately test the effectiveness of the facility / worksite's:
  - Emergency Control Organisation emergency personnel in responding to emergencies;
  - Emergency response procedures under normal operating circumstances;
  - Emergency processes to initiate an appropriate emergency response from occupants and visitors.
- Have observers appointed to record the effectiveness and possible improvements of existing emergency processes.

When planning emergency response exercises / drills, services and their respective worksites should consider, but not limited to:

- The location of the planned exercise;
- The identity of wardens;
- The type of alarms and alarm system if installed;
- Actions that the Emergency Control Organisation is to take in response to alarm signals;
- The method for reporting emergencies
- The location of the staging area on the occupant's floor or area if applicable;
- The evacuation routes to be taken;
- The location of assembly or designated alternative areas that provide safe refuge, internal or externally;
- Occupants who have approved exemption prior to the emergency response exercise;
- Notification of any current temporary hazards within the facility and known systems failure relating to systems and equipment; and
- What is required at the completion of the emergency response exercise.

Immediately after an emergency response scenario, the Emergency Control Organisation and other key participants must attend a debriefing session conducted by the Emergency Coordinator / Chief Warden.

Where an evacuation is conducted, observer records should be evaluated and reported to the Emergency Planning Committee for review.

The Emergency Planning Committee must arrange the amendment of procedures, where necessary, and disseminate the information to all Emergency Control Organisation members.

For Emergency Planning Committee Desktop Drill services may engage a/their external emergency management provider to assist with the completion of this.

4.8. Evacuation Debrief

Immediately following an emergency evacuation scenario, key participants must attend a debriefing session conduction by the Emergency Coordinators / Chief Warden. Debrief is aimed at identifying and learning from issues that occurred during the evacuation. The results of the exercises should be recorded using the Emergency Evacuation Debrief Form. Results should be tabled and evaluated at the EPC meeting and other relevant Site based committees.

4.9. Post-incident support

Emergencies may have adverse short and long-term effects on personnel directly and indirectly involved. Provision for identification and management of adverse effects (e.g. Critical incident counselling) should be an integral part of emergency planning.

4.10. Reporting

All emergency related hazards and incidents must be reported and managed internally using the services electronic incident reporting system.

All emergency events must be reviewed by the Service's Emergency Planning Committee in consultation with Senior Management, to ensure a thorough investigation is completed to assist in implementing corrective actions / controls to minimise emergency recurrence.

4.11. Fire and Emergency Equipment Inspections and Maintenance

Routine inspections should be undertaken to identify obvious faults with fire & emergency equipment and identify if access to emergency equipment is obstructed. This may be included into standard workplace inspections.

All emergency equipment shall be formally inspected and maintained as required under the relevant Australian Standards and where relevant Local Government requirements.

Records are to be maintained of all inspection, testing and maintenance of fire & emergency equipment. It is recommended that relevant facilities enter into a schedule contract with a competent service provider to undertake required testing and maintenance.

Details regarding the level and frequency of inspection or maintenance requirements for the various types of fire & emergency equipment are primarily found in the following documents:

- AS2293.2 Emergency escape lighting and exit signs – Inspection and maintenance;
- AS1851 Routine service of fire protection systems and equipment; and
- Building Code of Australia (BCA).

4.12. Fire and Emergency Equipment Impairments

Relevant processes need to be in place to manage the risk associated with impairment of fire and emergency equipment; impairment may be due to scheduled maintenance shutdown or due to unplanned failure of the equipment or water supply.

The Fire System Impairment Notice shall* be used for both planned and unplanned shut down of fire protection systems. Where reasonably practicable the Notice should be posted at locations where system impairment is in effect and relevant service managers should be made aware of the impairment and affected areas.

A copy of the Notice shall also be forwarded to the building insurer, if the duration of the impairment is expected to exceed 8 hours, or spans a shift change. A copy of the Notice should typically also be forwarded to the Fire Brigade for extended impairments; the service should clarify with the local Fire

Commander, when and to who the Notice should be sent. For planned impairments, the insurer and where relevant Fire Brigade are to be notified at least 24 hours in advance.

Contractors performing any work that involves the shutdown of fire and emergency equipment shall be made aware of the Notice and comply with Calvary's requirements.

For planned impairments, keep as much fire protection in service as possible and restore normal protection as quickly as possible, working continuously through all shifts until repairs are complete.

* *Note: for facilities that are not owned by Calvary, the building owner or insurer may have their own impairment notice system which would be used instead of the Calvary form.*

4.13. Business Continuity Plan

All Services must develop and implement a Business Continuity Plan to ensure that operational service levels are maintained and able to recover as soon as practicable after an emergency event.

Business Continuity Plans must be fit for purpose and reviewed regularly as reflective of the operational risks it seeks to prepare for, to avoid occupant injury, property damage or organisational disruption.

In the event of an emergency, Business Continuity Plans should also be reviewed as a part of the debriefing process to ensure relevancy and effectiveness.

5. Related Calvary Documents

- Emergency Evacuation Debrief
- Emergency Planning Committee Agenda Template
- Emergency Planning Committee Terms of Reference Template
- Employee Assistance Program Policy
- Fire System Impairment Notice
- Mandatory & Statutory Training Matrix
- WHS Training & Competency Procedure

6. Definitions

- **Calvary Service -** All facilities operated by Calvary, including but not limited to:
  - Hospitals
  - Residential Aged Care
  - Home Care
  - National, corporate or support offices.
- **Emergency -** Emergency means a present or imminent event that affects or threatens the health, safety or welfare of people or environment.
- **Emergency Control Organisation** - A person, or persons, appointed by the Emergency Planning Committee to direct and control the implementation of the facility's emergency response procedures.

- **Emergency Coordinator** – the person who is in charge of emergency management, planning and operations. This may or may not be the person in charge of the health care facility, depending upon local circumstances and timing. (Equivalent to Chief Warden under AS3745)
- **Emergency Officer -** A person available on-site with defined responsibilities and appropriate authority in relation to the facility's emergency plans. NOTE: Some facilities may wish to use terms other than 'Emergency Officer'. (Equivalent to Area Warden under AS3745)
- **Emergency Plan -** The emergency plan (Procedure manual) is a written document outlining the emergency arrangements for a workplace. It consists of the preparedness, prevention and response activities and includes the emergency roles, responsibilities and arrangements.
- **Emergency Planning Committee (EPC) -** The EPC is the committee responsible for establishing emergency plans at relevant worksites. Sites may also choose to nominate an Emergency Coordinator, responsible for emergency management and planning.
- **Emergence Response Exercise** - A site-specific exercise implemented to determine the effectiveness of emergency response procedures.
- **Emergency Response Procedures** – a documented scheme of assigned responsibilities, actions and procedures within a designated section of the emergency plan, to respond to and mange emergencies. May included specific reference document for an Emergency Officer or occupant response.
- **Emergency Response Team (ERT)** – specialist personnel, appointed to attend specific incidents, to contain, control or eliminate the emergency using emergency response equipment.
- **Emergency Exercise** – an emergency response exercise in which the exercise simulates an emergency that may or may not require an evacuation.
- **Evacuation** - The orderly movement of people from a place of danger.
- **External Emergency** - An event that arises external to the facility and may necessitate allocation of resources to an external site or preparation for reception of a significant number of persons (or both).
- **Internal Emergency** - An event that impacts the facility and may be caused by an internal or external event and may adversely affect service delivery and/or safety of persons, requiring a response.
- **Occupant** – a person attending a facility on a permanent or temporary basis, such as an employee, contractor, student or resident, but not a visitor.
- **Service Senior Manager** - The most senior manager of a Service or facility: i.e. Chief Executive, General Manager, Area Manager or similar.
- **Standalone Service Centre** – a Home Care Service Centre which is not co-located with other tenants.
- **Worker -** a worker includes any person who works, in any capacity, in or as part of the business or undertaking. Includes employees, contractors, students, volunteers and accredited health practitioners.

7. References

- Work Health and Safety Act, 2011
- Work Health and Safety Regulations 2011
- AS 3745-2010 Planning for Emergencies in facilities
- AS 4083-2010 Planning for Emergencies – Health care facilities

- AS 1851:2012 - Routine service of fire protection systems and equipment
- AS/NZS 4485.1:2021 - Security for Health Care Facilities Part 1 General Requirements
- AS/NZS 4485.2:2021 - Security for Health Care Facilities Part 2 Procedure Guide
- AS/NZS ISO 31000:2018 - Risk management – Guidelines
- Model Code of Practice: Healthcare and social assistance industry (SafeWork Australia) 2025

Appendix 1: Responsibilities

	Emergency Coordinator / Chief Warden:	Communications Officer:	Emergency Officers / Floor-Area Fire Warden:	Fire Warden:	Emergency Response Team (ERT):
Pre-Emergency The actions to be undertaken by the ECO prior to an emergency event should be as set out in the Services emergency response procedures and may include the following:	• Maintain a current register of ECO members; • Replace ECO members when a position becomes vacant; • Conduct regular exercises; • Ensure emergency response procedures are kept up-to-date; • Attend meetings of the Emergency Planning Committee (EPC) as appropriate; • Attend training and emergency exercises as required by the EPC; and • Ensure personal ECO identification is available.	• Ensure personal proficiency in operation of facility communication equipment; • Maintain records and logbooks and make them available for emergency response; • Ensure ECO members are proficient in use of the facility communication equipment; • Ensure that emergency communication contact details are up-to-date; and • Attend training and emergency exercises as required by the EPC.	• Confirm sufficient wardens for area of responsibility; • Coordinate the completion of personal emergency evacuation plans; • Report on deficiencies of emergency equipment; • Ensure that wardens have communicated the emergency response procedures to all occupants within their nominated areas; • Ensure that occupants are aware of the identity of their wardens; • Coordinate safety practices (e.g., clear egress paths, access to first-attack firefighting equipment and disposal of rubbish) by wardens throughout their area of responsibility; and • Attend training and emergency exercises as required by the EPC.	• Ensure that all occupants are aware of the emergency response procedures; • Carry out safety practices (e.g., clear egress paths, access to first-attack firefighting equipment and disposal of rubbish); • Ensure personal ECO identification is available; and • Attend training and emergency exercises as required by the EPC.	• Attend regular training; • Practise use of specialised equipment; • Maintain specialised equipment as per manufacturers' specifications; • Ensure the personal protective equipment is maintain and available; • Ensure personal ERT identification is available; • Pre-emergency planning; and • Attend training and emergency exercises as required by the EPC
Emergency The actions to be undertaken by the ECO in the event of an emergency shall include, but not limited to the following:	• Confirm the Emergency Operations Centre location taking into account the nature and type of emergency; • Respond and take control as appropriate; • Ascertain the nature of the emergency and implement appropriate action; • Ensure that the appropriate Emergency Service has been notified; • Ensure that floor or area wardens are advised of the situation, as appropriate;	• Ascertain the nature and location of the emergency; • Confirm that the appropriate Emergency Services has been notified; • Notify appropriate ECO members; • Transmit instructions and information;	• Implement the emergency response procedures for their floor or area; • Ensure that the appropriate Emergency Service has been notified; • Direct wardens to check the floor or area for any abnormal situation; • Commence evacuation if the circumstances on their floor or area warrant this;	• Act as floor or area wardens; • Operate the communication system(s) in place • Check that any fire doors and smoke doors are properly closed; • Close or open other doors in accordance with the	• Respond to the emergency as directed by the Emergency Coordinator / Chief Warden; • Communicate the status of the situation with the Emergency Coordinator / Chief Warden; and

	• If necessary, after evaluation of the situation, initiate an action plan in accordance with emergency response procedures and control entry to the affected areas; and • Monitor the process of the evaluation and record any action taken in an incident log. • Brief the Emergency Services personnel upon arrival on type, scope and location of the emergency and the status of the evacuation and, thereafter act on the senior officer's instructions; • Undertake any other actions as considered to be necessary or as directed by Emergency Services and the relevant state/location authorities and incident coordination services when required; • Ensure ongoing operations for the service not impacted by the emergency; and • Act as a single point of contact for the service during the emergency situation including management of information and communications within and outside of the service.	• Record a log of the events that occurred during the emergency; and • Act as directed by the Emergency Coordinator / Chief Warden.	• Communicate with the chief warden by whatever means available and act on instructions; • Advise the chief warden as soon as possible of the circumstances and action taken; • Co-opt persons as required to assist a warden during an emergency; and • Confirm that the activities of wardens have been completed and report this to the Emergency Coordinator / Chief Warden or a senior officer of the attending Emergency Services if the Emergency Coordinator / Chief Warden is not contactable.	emergency response procedures; • Search the floor or area to ensure all people have evacuated. This function is of greater importance than a later physical count of those evacuated; • Ensure orderly flow of people into protected areas, for example, stairways; • Assisting occupants with disabilities; • Act as a leader of groups moving to nominated assembly areas. • Report status of required activities to the floor or area warden on their completion.	• Handover and brief Emergency Services on arrival.
Post-Emergency The actions to be undertaken by the ECO after an emergency should include, but not be limited to, the following:	• When the emergency incident is rendered safe or the Emergency Service returns control, notify ECO members to have occupants return to their facility as appropriate; • Organise a debrief with ECO members and other impacted staff and visitors and, where appropriate, with any attending Emergency Services; • Compile a report for EPC and management. • Report key notes relating to the emergency in Calvary's Incident Reporting System to initiate incident investigation and risk management processes.	• Collate records of events during the emergency for the debrief and ensure they are secured for future reference.	• Compile a report of the actions taken during the emergency for debrief.	• Compile a report of the actions taken during the emergency for debrief.	• Clean and service used specialised equipment; and • Replace specialised equipment as necessary.

Appendix 2: Emergency Evacuation Debrief Form

Emergency Evacuation Debrief

ALL CALVARY SERVICES

Refer to the Calvary Emergency Management Procedure for details regarding emergency debrief; this form should be used to record facility evacuations only.

Evacuation Details		
Type of Evacuation: ☐ False alarm ☐ Real Event ☐ Planned exercise		
Describe Event:		
Date:	Time commenced:	Time concluded:
Site evacuated:		
Location (if only partial evacuation describe location of area affected):		
Chief Warden/ Emergency Officer/s:		

Pre-evacuation checklist (for planned exercises)			
Consulted with relevant managers/supervisors to organise exercise	☐ *Yes*	☐ *No*	☐ *N/A*
Advised Safety Coordinator/Manager	☐ *Yes*	☐ *No*	☐ *N/A*
Advised Maintenance Manager	☐ *Yes*	☐ *No*	☐ *N/A*
Issued general notice to staff of exercise to occur on planned date	☐ *Yes*	☐ *No*	☐ *N/A*

Evacuation sequence	**Time**
Alarm raised	
Warden(s) response	
Evacuation commenced	
Wardens report floor or area clear	
Arrive at assembly area or safe area	
Wardens check personnel present (where appropriate)	
Emergency services arrive on site (where relevant)	
Emergency services pass control back to Chief Warden (where relevant)	
Chief Warden recalls evacuated personnel into building (if deemed safe to do so)	

Evacuation Details		
Did anyone remain in the impacted area during the evacuation?	☐ *Yes*	☐ *No*
Did any unauthorised people re-enter the building before “all clear” given?	☐ *Yes*	☐ *No*
Did the alarm system malfunction in any way?	☐ *Yes*	☐ *No*
Were any other faults of deficiencies noted? (e.g. announcements inaudible, WIP phones)	☐ *Yes*	☐ *No*
Were there any obstructions in corridors, exits, fire stairs?	☐ *Yes*	☐ *No*

Debrief (to be completed to address issues arising from exercise)

Issue	Suggested Action

Appendix 3: Fire System Impairment Notice

Fire System Impairment Notice

ALL CALVARY SERVICES

This form is to be completed whenever a fire detection or suppression systems (e.g. sprinklers; fire pump; fire alarm; hydrant/hose reel water) is to be impaired or shut down. Where practicable, notice to be displayed in area affected by system impairment, Insurance broker to be notified at least 24hours prior to planned impairments.

Site Details	
Notice Completed by:	Mobile Number:
Calvary Service:	
Address:	

Part 1: Pre-Impairment (before fire system is isolated)		
Name of Contractor:		Mobile Number:
Company Name:		
Type of Impairment:		
Areas Affected:		
Reason for Impairment:		

Estimated Duration of Impairment:
Impairment From: Time: Date:
Impairment To: Time: Date:

Part 2: Precautions		
Site Senior Management ad relevant department notified of impairment	☐ Yes	☐ NA
Emergency Coordinator/Chief Warden notified of impairment	☐ Yes	☐ NA
Insurance broker notified (if impairment greater than 8 hours) Impairment Reporting	☐ Yes	☐ NA
Fire Brigade notified of impairment	☐ Yes	☐ NA
Fire protection contractor notified of impairment	☐ Yes	☐ NA
No hot work unless fully continuously supervised during works	☐ Yes	☐ NA
All fire doors leading to the impairment areas are closed	☐ Yes	☐ NA
System will be reinstated overnight	☐ Yes	☐ NA
Risk assessment complete	☐ Yes	☐ NA
Fire watch on duty in affected area	☐ Yes	☐ NA
Fire extinguisher/hose available	☐ Yes	☐ NA
Other		

Part 3: Post Impairment , fire protection fully restored

The impairment has been rectified and I have checked that the fire protection systems are now fully functional
☐ All fire system valves have been restored to their correct position
☐ Fire pumps have been reinstated to their normal condition
☐ The Fire panel has been reset (with no faults) and remote monitoring has be re-enabled

Signature:	Time:
Name:	Company:

FAIR WORK COMMISSION

Matter No: AM2024/11

Application by Australian Nursing and Midwifery Federation

WITNESS STATEMENT OF BENJAMIN WILLIAMS

DATED 28 MAY 2026

I, Benjamin Williams, of [redacted], state as follows:

BACKGROUND

1. I am currently employed as the Regional General Manager of Aged Care at Calvary Health Care (**Calvary**), a position I have held for approximately three years. In this capacity, I am responsible for the oversight and leadership of aged care operations.

2. I have been employed by Calvary for a total of six years.

3. In my current position I am responsible for a range of key functions, including:

   (a) ensuring accountability for quality and resident safety, including delivering safe, high-quality, person-centred care across all homes;

   (b) workforce leadership, including recruitment, retention and development of staff and leaders;

   (c) compliance and risk management, including maintaining accreditation readiness, regulatory compliance and governance;

   (d) financial performance, including management of occupancy, labour costs, budgets and operational efficiency;

Lodged by: Catholic Health Australia	**Telephone:** Nigel Ward – [redacted]; Alana Rafter – [redacted]
Address for service: Australian Business Lawyers & Advisors Level 7, 8 Chifley Square, SYDNEY NSW 2000	**Email:** Nigel.Ward@ablawyers.com.au Alana.Rafter@ablawyers.com.au

(e) resident and family experience, including communication, engagement and service quality; and

(f) strategic improvement, including leading innovation, sustainability and continuous improvement initiatives.

4. All operational activity reports to me.

5. Prior to my current role, I have previously held a number of roles across healthcare sectors, including:

(a) Patient Safety and Consumer Engagement Manager at a national level, covering hospitals, aged care and community care;

(b) Nurse Unit Manager of an Emergency Department; and

(c) Nurse Educator for new graduate Registered Nurses at Manly Hospital.

6. I hold the following qualification:

(a) a Bachelor of Nursing from the University of Sydney (2001); and

(b) a Post Graduate Diploma in Critical Care Nursing from the University of Technology Sydney (2006).

7. This statement is made from my own knowledge and experience, except where otherwise stated. Where matters are not within my direct knowledge, they are stated to the best of my information and belief and I have set out the sources of my knowledge, information and belief.

CALVARY AGED CARE SITES

8. I am responsible for six aged care sites and two independent living units.

9. The aged care sites include:

(a) Calvary Cessnock**,** 19 Wine Country Drive, Cessnock NSW 2325;

(b) Calvary Corymbia, 51 Childs Circuit, Belrose NSW 2085;

(c) Calvary Ryde, 678 Victoria Road, Ryde NSW 2112;

(d) Calvary Haydon, 2 Jaeger Circuit, Bruce ACT 2617;

(e) Calvary Brighton-Le-Sands**,** 2 Reading Road, Brighton-Le-Sands NSW 2216; and

(f) Calvary Henley Manor, located at 84 Earle Street, Doonside NSW 2767.

10. The independent living units are co-located with aged care services at Ryde, NSW and in the ACT.

STAFF ACROSS AGED CARE SERVICES

11. All staff at each site report to the relevant Home Manager. Within the nursing workforce, there is an understood structure, which is as follows:

(a) Care staff (including Assistants in Nursing (**AINs**) and Personal Care Workers (**PCW**));

(b) Team leaders, these being medication-endorsed care staff and/or Enrolled Nurses (**ENs**);

(c) Registered Nurses (**RNs**);

(d) Clinical Care Coordinators;

(e) Care Managers;

(f) Home Manager;

(g) Regional General Manager;

(h) Regional Chief Operating Officer (Aged Care); and

(i) National Chief Operating Officer (Aged Care).

12. Across the aged care sites I oversee, we have around:

(a) 151 RNs, with a further 12 Clinical Care Coordinators;

(b) 8 ENs (within the Team Leader line); and

(c) 640 AIN/PCWs.

13. We do not currently employ NPs. The NPs are generally engaged via general practitioner (**GP**) practices. The do medication reconciliation and consults with GPs.

Enterprise Agreements

14. There are three enterprise agreements that cover the different sites I oversee:

(a) *Calvary Health Care – Aged Care Australian Capital Territory Enterprise Agreement 2023–2028* (**CHC EBA**) for Calvary Haydon*;*

A COPY OF THE CHC EBA IS ANNEXED AND MARKED "BW-1"

(b) *Calvary Retirement Communities Limited (New South Wales) and the Australian Nursing and Midwifery Federation (New South Wales Branch) – Nursing Employees Enterprise Agreement 2019* (**CRC EBA**) for Calvary Cessnock and Calvary Ryde;

A COPY OF THE CRC EBA IS ANNEXED AND MARKED "BW-2"

(c) *Japara Administration Pty Ltd New South Wales Employee Enterprise Agreement 2019* (**Japara EBA**) for Calvary Brighton Le Sands, Calvary Henley Manor, and Calvary Corymbia.

A COPY OF THE JAPARA EBA IS ANNEXED AND MARKED "BW-3"

Organisation of Staff

15. In each of my facilities, there will be a wing with 2 care staff allocated and 1 team leader (that may be an EN). There would also be an RN for the wing, sometimes on a floor with three wings there is 1 RN for that floor.

ENROLLED NURSES

16. At Calvary we do not have a separate line item for “ENs” within our organisational structure. Instead, they fall under the category of Team Leaders. Teams Leaders include medication endorsed care staff and ENs at Calvary.

17. The Team Leaders that are not ENs hold a Certificate IV.

18. However, the scope of what an EN can do is slightly higher due to their qualification and scope of practice; they have pathophysiology knowledge. As a result, my expectations of an EN is slightly higher than a Team Leader without a Diploma of Nursing.

19. For example, I expect an EN to participate in medication rounds with general practitioners (**GPs**), to be starting to think about the pharmacodynamics of medication and speak up to the GP. For example, tell the GP: *“I've noticed that you've got this resident on this medication and I think that there's a chance that that might interact adversely with others”.*

20. All ENs are expected to deliver safe, reliable care. The measure of success is that we have satisfied residents receiving top tier care.

Supervision

21. ENs are supervised by the RN. There is always an RN on site at each shift.

22. There is also a 3-month post-employment review and annual performance review conducted by the Clinical Care Coordinator.

Typical Tasks

23. ENs perform the following tasks:

    (a) medication administration;

    (b) supervision of care staff;

    (c) wound dressings; and

(d) documentation of resident care.

24. The EN will provide nursing care in accordance with a care plan. The care plan is created by the RN. The EN is expected to be familiar with it, read it, and if there is anything that needs updating in the care plan – they should be communicating that to the RN. This is because the RN has the ultimate accountability for the care plan of each resident.

25. The EN will take responsibility for wings of a facility and coordinate care for each shift. This includes:

(a) communicating clinical deterioration to the RN;

(b) leading clinical handover from shift to shift;

(c) participating in rounds with GP;

(d) attending to wounds with oversight by RN (the level of oversight will be significant within the first 6 months);

(e) communicate with families with significant support from RN.

Medication Administration

26. The administration of medication includes:

(a) application of topical medications;

(b) eye drops;

(c) providing oral medication (and sometimes crushing or mixing with food).

27. ENs can administer Schedule 4 medications. They cannot administer Schedule 8 (**S8**) medications.

Supervision of Care Staff

28. ENs will supervise AINs and I would also expect them to have some supervisory role of food assistants as well. Looking at the food administration to our residents is also within the EN's remit.

Complex Wound Dressing

29. Some examples of complex wound dressings that an EN would do include:

    (a) vascular leg wounds;

    (b) ulcers;

    (c) Skin tears; and

    (d) pressure injuries (that do not involve Vacuum-Assisted Closure) dressings.

Interactions with GP

30. The GP is an important partner in the care of our residents. They are not part of our staffing. If I have got residents with deterioration or any complexities with my residents, I have an expectation that we are communicating with our GPs in line with the goals and wishes of the resident.

31. Even if it is palliation that my residents are being admit for, if pain is not well controlled, it will involve some communication with the GP.

32. Having worked in both hospitals and aged care, the role of an EN is similar in both contexts. When it comes to medical officer engagement, in aged care the expectation of an EN is to:

    (a) follow up medications with the GP;

    (b) converse with the GP regarding pharmacodynamics; and

    (c) communicate deterioration and advocate for interventions in line with the goals and wishes of a resident.

33. ENs are participating in those conversations with the GP.

Communication with Residents

34. All ENs are expected to communicate with residents. Even in the first 6 to 12 months.

35. During the first 6 to 12 months, the EN will receive more support and I will have slightly lower level expectations. However, after 12 months I would expect an EN to be fully independent in all communications with family, residents and colleagues.

Shift Structure

36. Although each residential aged care site varies slightly, the general shift structure is as follows:

    (a) Morning shifts typically start at about 7am.

    (b) Afternoon shifts typically start around about 2.30pm.

    (c) Night shifts typically start around about 9.30pm or 10pm.

37. For floating staff, day shifts may start a little bit later – around 10am – and be shorter.

38. My leadership, which consists of Clinical Care Coordinators, Care Managers and Home Managers, together with the administrative supports, maintenance team, generally work 9am to 5pm.

SKILLS DEVELOPMENT AND TIME IN THE PROFESSION

First 6 to 12 months

39. After the first six months, I no longer view an EN a *"new".* By this stage they will have had the benefit of support and assistance, made a couple minor mistakes along the way – and learned from them, they now know what needs to be done.

40. The main variance I would expect in an EN after six months is their ability to perform their tasks with more confidence. I would also expect them to:

    (a) tend to complex wounds with general oversight of RN;

(b) lead rounds with GP;

(c) communicate deterioration to GP and RN on site; and

(d) communicate with families.

41. Around this point there is a plateau of experience, knowledge and expectation. The expectations I hold of ENs after that 6-month period are consistent over the duration of their employment.

42. There can be factors that impact the skills development of an EN such as the age and life experience of the EN. But from a clinical skills perspective (i.e. medication administration, complex dressings, etc) those skills are picked up with the first 12-month period. So as long as the EN is doing using those skills regularly under the supervision of a RN in that initial period, they will have a handle on their role at that point.

43. During the first 6 to 12 months, ENs learn and/or get exposed to the following:

(a) an orientation period, where they get familiar with the work environment and learn, for example, where the dressings are stored;

(b) interacting with GPs and getting familiar with what the GPs like and how to get the best out of out of interacting with GPs; and

(c) how external factors might impact how they perform their tasks.

After 12 months

44. After 12 months, I would expect ENs to be exercising critical thinking. For example, an EN walks into a room that is quite noisy and is aware that [redacted] in Bed 4 gets quite upset when it is noisy. [redacted] requires a complex dressing, in order to prepare her for that, the EN may decide to take her out of the noisy room to provide [redacted] an opportunity to calm down).

45. If I jump forward to an EN that has been working 6 years, I would expect them to be a little bit better at exercising those skills. However, I have not observed this to be an exponential leap in skill development.

46. From a management perspective, if there was an incident, I will be asking the same questions of an EN irrespective of whether they have been employed 12 months on 6 years. For example, if I had an incident where a resident's dressing was not being managed, I would be asking the EN: *why did you not pull that resident out of that context which you knew was distressing to them?* My management would not change. Further, my expectations of ENs do not change a lot either after their first 12 months.

Time Spent in the Profession

47. I have read an extract of the ANMF Classification Proposal that relates to ENs working in aged care, which proposes to refer to time spent working as an EN for *"not more than four years"* and *"not more than two further years"* in the classification definition.

48. Based on my observations of ENs, time in the profession does not always equal development of skills; it is not the only factor.

49. I have looked at the skills listed at proposed *"Enrolled nurse – pay point 4"*, which would be a six year EN in aged care. I would certainly want a six year EN to be able to perform those skills. However, I have observed both second year ENs and high performing first year ENs performing those skills. I think it would be detrimental to the EN profession to say that those skills are something that an EN at an earlier year experience could not achieve. They certainly could.

RESPONDING TO SITUATIONS

Emergency Situation: Falls

50. There is an established procedure for dealing with falls. This is an example of an incident in which the scope of an EN is more limited than some other area.

51. If the EN found a resident who had fallen, they would do the following:

    (a) DRABC (first aid) assessment; and

    (b) notify the RN to do a full head to toe assessment.

52. When a fall occurs, the RN assessment is critical. The decision to discharge or send the resident out to a hospital solely lies with a RN and not an EN.

53. I would expect an EN to challenge a RN's decision if the RN was making a decision that was not consistent with our policy and procedure. Again, that expectation is there regardless of years of service because all ENs are familiar with the falls policy and the wishes of their resident.

54. For example, if an EN is aware that the family do not want a particular resident transferred to the hospital, they are expected to have a conversation with the RN. If I was doing a retrospective review of a resident who, for example, died as a result of fall but was transferred to hospital when it was clearly documented that regardless of injury that they were to stay at home, during my interview with the EN I would ask: *"why didn't you challenge the RN? You knew the RN was making an incorrect decision there – why did you not challenge it?".*

55. If that wish has been communicated by the family, it would be recorded on the care plan and also appear in notes in various places.

Challenging Behaviours

56. A resident may at times exhibit challenging behaviours that are disruptive to other residents. Those behaviours, which we describe as an 'expression of unmet need', may also put the resident or staff member in danger.

57. In those situations, an EN is expected to be part of the de-escalation of that resident alongside the RN if needed.

58. In practice, if this situation arises, ideally the care staff will communicate these issues to the Team Leader / EN who would then attempt de-escalation. After that attempt, the RN may get involved. However, care staff also go straight to the RN.

TRAINING

Mandatory Training

59. ENs are required to complete mandatory training. The topics covered do not change year-to-year – the same topics are provided.

60. At Calvary, we provide weekly training via toolbox training, which is held in-person. The topics include:

    (a) behaviour support plan management;

    (b) medication management;

    (c) caring for dementia;

    (d) falls prevention in aged care; and

    (e) safe medication handling.

61. Each toolbox session is around 20 to 30 minutes. Subject to the topic it may be run by different people. It may be National Clinical Governance or from a specialist vendor who has a partnership and product with Calvary.

62. Most of the training we provide is in-person. Although we do provide some online training.

63. From time-to-time, we will also provide training about anything that is identified as a thematic incident across my sites and services.

64. All ENs have the opportunity to benefit from the training provided at Calvary; there are not separate sessions based on years of working at Calvary or time spent working as an EN.

Optional Additional Training

65. Calvary do offer and provide more bespoke training for our staff. However, these are open opportunities for staff and not specific to ENs. For example, upcoming is *"HR Management".* This training course will cover management of colleagues having difficult conversations, and how to de-escalate families. It is an in-person day and a half training course that I have encourage Team Leaders, ENs and RNs to attend.

Continuing Professional Development

66. All ENs are also required to complete continuing professional development (**CPD**).

DIFFERENCES BETWEEN AGED CARE AND HOSPITAL ENVIRONMENT

67. I have worked in both aged care and hospital settings. I have observed ENs work in both environments. Based on my observations, I consider the scope of work performed by an EN in aged care is broader than ENs in the hospital setting.

Proportion of RNs

68. In a hospital setting, there is an RN dominant workforce and, particularly in the public sector, with fixed RN ratios.

69. Whereas in the aged care space, you do not have that same number of RNs. There are 250 care minutes and a certain number of those care minutes must be RN minutes. Enrolled nurses can contribute toward overall RN minutes. Up to 10% of the RN care minute target can be delivered by ENs.

Complex Wound Dressing

70. In aged care, you will have ENs who are typically performing dressings, including complex and very complex dressing under the supervision of an RN.

71. In a hospital context, ENs generally do not get that opportunity because the complex dressings get sent to the RN. While the performance of that complex wound dressing

is still within the EN's scope, generally they get the less complex wounds because their knowledge and skill does not necessarily seem to be at the same level.

72. From a workforce perspective, as the GM, I want to make sure I am utilising my staff's time to their greatest capacity. It makes perfect sense for me to use my ENs to be to doing complex wound dressings and have my RNs focused on tasks that an EN cannot complete.

Timing

73. People are coming into the aged care space much later and much more acute. This requires all my staff to have increasing levels of knowledge to delivery safe and reliable care.

74. Whereas in hospitals there is a different objective. The objective is to have very quick occasions of service. Although the skills are similar, I would argue that the exposure to higher level clinical staff is actually possibly more prevalent now in aged care than what it will be in the hospital.

Medical Officer Not on Call

75. In a hospital, there is always a medical officer or doctor on call. This is not the case in aged care. That means if you get a deterioration, the nursing staff need to think critically about what they can do and whether a resident needs transportation to hospital. There is also a need to deal with the family of the resident as well.

76. In aged care, you do not have the resources or clinical hierarchy you get in hospitals. It just does not exist in aged care; in this sector, we have very flat structures.

Experience transitioning between Hospital and Aged Care Settings

77. I would expect ENs moving from aged care to hospitals to land better than an EN moving from hospitals to aged care.

78. A lot of our recruitment for RNs comes from hospitals, I have observed RNs transition from a hospital setting to aged care. Those RNs have reported to me that they find it incredibly busy and they did not realise that aged care would be this busy.

79. Another area surprise and difference is the level of regulation. Aged care is a very regulated industry – more regulated than hospitals. That regulation imposes a lot of requirements on our staff.

Signed:



Ben Williams

Dated: 28 May 2026

BW-1

DECISION

Fair Work Act 2009
s.185—Enterprise agreement

Calvary Aged Care Limited
(AG2026/1005)

CALVARY HEALTH CARE – AGED CARE AUSTRALIAN CAPITAL TERRITORY ENTERPRISE AGREEMENT 2023-2028

Aged care industry

DEPUTY PRESIDENT DEAN CANBERRA, 20 MAY 2026

Application for approval of the Calvary Health Care – Aged Care Australian Capital Territory Enterprise Agreement 2023-2028.

[1] Calvary Aged Care Limited (Applicant) has made an application for approval of an enterprise agreement known as the *Calvary Health Care – Aged Care Australian Capital Territory Enterprise Agreement 2023-2028* (the Agreement) pursuant to s.185 of the *Fair Work Act 2009* (the Act). The Agreement is a single enterprise agreement.

[2] The Employer has provided written undertakings. A copy of the undertaking is attached in Annexure A. I am satisfied that the undertakings will not cause financial detriment to any employee covered by the Agreement and that the undertakings will not result in substantial changes to the Agreement. The undertakings are taken to be a term of the agreement.

[3] Subject to the undertaking referred to above, I am satisfied that each of the requirements of ss.186, 187, 188 and 190 as are relevant to this application for approval have been met.

[4] Australian Nursing and Midwifery Federation and Health Services Union, being bargaining representatives for the Agreement, have given notice under section 183 of the Act that they want the Agreement to cover their organisation. In accordance with subsection 201(2) of the Act, I note that the Agreement covers the organisations.

[5] The Agreement is approved and, in accordance with s.54 of the Act, will operate from 27 May 2026. The nominal expiry date of the Agreement is 30 June 2029.



DEPUTY PRESIDENT

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ANNEXURE A

Calvary

Hospitals
Home Care
Virtual Care
Retirement Living
Residential Aged Care

IN THE FAIR WORK COMMISSION

FWC Matter No.:

AG2026/1005

Applicant:

Calvary Aged Care limited

Section 185 – Application for approval of a single enterprise agreement

Undertaking- Section 190

I, Mark Douglas, Director of Workplace Relations for **Calvary Aged Care Limited** ("Calvary") give the following undertakings with respect to the *Calvary Health Care – Aged Care Australian Capital Territory Enterprise Agreement 2023-2028* ("the Agreement"):

1. I have the authority given to me by Calvary to provide this undertaking in relation to the application before the Fair Work Commission.

2. These undertakings are provided on the basis of issues raised by the Fair Work Commission in the application before the Fair Work Commission.

3. Clause 2 – **Definitions and Interpretation** shall be amended at clause 2.1 to insert the following defined terms:

   Day Worker *means an employee who has mutually agreed in writing with Calvary to be appointed as such.*

   Shiftworker*, other than for the purposes of the additional weeks' annual leave prescribed by clause 30.4, means anyone who is not a Day Worker.*

4. Clause 21 – Ordinary Hours of Work shall be amended at clause 21.1 to insert a new paragraph (e) (additional text in bold):

   21.1 The ordinary hours for an employee are:

   (a) Up to 76 ordinary hours in a 2 week period.

   (b) For Aged Care stream employees:

   (i) Up to 8 ordinary hours of work (exclusive of meal breaks) per shift that is not a night shift (unless that employee mutually

agrees that a maximum shift length of 10 ordinary hours shall apply); and

(ii) Up to 10 ordinary hours of work (exclusive of meal breaks) per shift that is a night shift.

(c) For Nursing stream employees, up to 10 ordinary hours of work (exclusive of meal breaks) per shift.

(d) For a full-time or part-time employee, up to 10 shifts per fortnight unless an employee requests and Calvary agrees to increase the limit to 12 shifts per fortnight. The employee request and the agreement to work ordinary time shifts on 11 or 12 days per fortnight shifts must be recorded in writing.

NOTE: Broken Shifts are considered one single shift.

(e) For a Day Worker, between 6.00am and 6.00pm, Monday to Friday.

5. Instead of the wage rates outlined in Schedule A, A1.6 and A1.7 the minimum wage rates for a **Maintenance Assistant** shall be as follows:

	FFPP 1 July 2025	FFPP 1 October 2025	FFPP 1 July 2026	FFPP 1 July 2027	FFPP 1 July 2028
Classification		**(WVC Phase)**	**3.0%**	**2.85%**	**2.50%**
Maintenance Assistant	$28.39	$28.39	$29.24	$30.07	$30.82

6. Clause **C.4.2** of the Agreement concerning **Supported Wage Rates** shall be read as being replaced in their entirety with the following:

C.4.2 *Provided that the minimum weekly amount payable must not be less than 3% above the weekly amount prescribed by the applicable Modern Award (as amended).*

Signed:

Mark Douglas

Mark Douglas
Director of Workplace Relations

18 May 2026

Calvary Health Care Aged Care Australian Capital Territory

Enterprise Agreement 2023-2028

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Note - this agreement is to be read together with an undertaking given by the employer. The undertaking is taken to be a term of the agreement. A copy of it can be found at the end of the agreement.

Part 1—Application and Operation of this Agreement

1. Title, Commencement and Expiry

1.1 This enterprise agreement is the *Calvary Health Care – Aged Care Australian Capital Territory Enterprise Agreement 2023-2028* ('**this Agreement**').

1.2 This Agreement shall commence operation the seventh day after the Fair Work Commission approves the enterprise agreement.

1.3 The monetary amounts payable in this Agreement are payable from the first full pay period on or after the seventh day after the Fair Work Commission approves the enterprise agreement.

1.4 The nominal expiry date for this Agreement is 30 June 2029.

1.5 The parties to this Agreement undertake to have discussions regarding the potential renegotiation of this Agreement no later than six months prior to its expiry.

2. Definitions and Interpretation

2.1 In this Agreement, unless the contrary intention appears:

Act means the *Fair Work Act 2009* (Cth).

Aged Care Stream means the classifications defined in Schedule B, clause B.1 of this Agreement.

AHPRA means the Australian Health Practitioner Regulation Agency.

Calvary or **employer** means Calvary Aged Care Limited (**ABN** 54 168 631 052).

Casual employee has the meaning given by section 15A of the Act.

Casual hourly rate means the rate prescribed by clause 10.5.

Employee means an employee covered by this Agreement.

Fair Work Commission (or 'FWC') means the statutory body established under the Act or any successor organisation established under Commonwealth legislation.

FFPP means first full pay period on or after the specified date.

Minimum rate of pay means the minimum hourly ordinary rate of pay applicable to the employee's classification and pay point.

NES means the National Employment Standards as contained in sections 59 to 131 of the *Fair Work Act 2009* (Cth)

Nursing Stream means classifications defined Schedule B, clause B.2 of this Agreement.

Ordinary rate of pay means the rate of pay payable to an employee for their ordinary hours of work excluding any other identifiable amounts.

Personal Care Worker, in addition to the definitions in Schedule B, clause B.1, shall include any employee who is contracted as, or inhabits a role title of **Assistant in Nursing**. This amalgamation of roles reflects the Fair Work Commission's amendments to the *Nurses Award* and *Aged Care Award* from January 2025.

Traineeship means a system of training that:

(a) has been approved by the relevant State or Territory training authority; and

(b) meets the requirements of a training package developed by the relevant Skills Service Organisation and endorsed by the Australian Industry and Skills Committee; and

(c) leads to an AQF certificate level qualification.

Training contract means an agreement for a traineeship made between an employer and an employee that is registered by the relevant State or Territory training authority.

Training package means the competency standards and associated assessment guidelines for an AQF certificate level qualification that have been endorsed for an industry or enterprise by the Australian Industry and Skills Committee and placed on the National Training Information Service with the approval of the relevant Ministers, and includes any relevant replacement training package.

Work Value Case means the Fair Work Commission's Work Value Case – Aged Care Industry (matter number AM2021/63). In addition, the terms Stage 2 and Stage 3 have the corresponding meaning as used in the Aged Care Work Value Case.

2.2 **Interpretation**

(a) Where a term of this Agreement has a corresponding definition in the Act, the *Fair Work Regulations 2009* (Cth) ('the Regulations'), or the NES then that definition of the Act, the Regulations and NES shall apply to ensure consistency with law. Any such terms that are also defined in this Agreement are defined only for the convenience of the parties and shall be overridden to the extent of any inconsistency with the definition found in the Act, the Regulations or NES.

(b) Where there remains ambiguity in this Agreement, an explanatory memorandum associated with the *Fair Work Bill 2008* (Cth) or, if given assent, any associated bill amending the Act will be used as interpretation guidance.

(c) Illustrative Examples and Notes outlined within clauses of this Agreement are inserted to provide interpretation guidance.

(d) References to 'written agreement' or 'agreement in writing' shall include by electronic means.

(e) In the event multiple penalty rates apply to the employee's work, only the highest shift penalty shall apply unless expressly stated otherwise.

ILLUSTRATIVE EXAMPLE 1: If an employee has not had their required rest break between rostered shifts per clause 21.3 and the employee is rostered to work an afternoon shift, only the highest penalty shall apply – not both.

ILLUSTRATIVE EXAMPLE 2: If an employee is working overtime on a Monday afternoon shift and that day a public holiday, only the public holiday overtime penalties will apply.

3. Complete Agreement and National Employment Standards

3.1 Other than any current individual flexibility agreements made under a previous enterprise agreement, this Agreement will replace:

(a) the *Calvary Retirement Communities Limited (Canberra) and the ANMF (ACT Branch) Nursing Enterprise Agreement* 2020 (AG2020/2112);

(b) the *Calvary Retirement Communities Limited (Calvary Retirement Community Canberra) Aged Care Employees Enterprise Agreement 2019* (AG2019/2989); and

(c) (to the extent permitted by law) other laws, awards, agreements (whether registered or unregistered), custom and practice and like instruments or arrangements.

3.2 Where this Agreement is less favourable to employees than the NES then the NES will prevail over the content of this Agreement to the extent of any inconsistency (as determined by section 55 of the Act) or omission.

3.3 Unless explicitly stated otherwise in this Agreement, any policies, procedures, or other documents referenced herein are not integrated into this Agreement.

3.4 Calvary must ensure that copies of this Agreement and the NES are available to all employees to whom they apply. This may include a hardcopy within a common staff area or accessible through electronic means or by providing access to an electronic version of this Agreement with internet access to be able to access the below link.

NOTE: The NES can be accessed via: https://www.fwc.gov.au/documents/awards/resources/nes.pdf

4. Coverage

4.1 This Agreement covers:

(a) Calvary;

(b) Employees of Calvary who are employed in classifications listed in Schedule B — Classification Definitions and are principally working at:

(i) Calvary Aged Care Haydon located at 2 Jaegar Circuit, Bruce ACT 2617; and

(ii) any future acquired or built Calvary residential aged care facility (as governed by the *Aged Care Act 1997)* operated by Calvary within the Australian Capital Territory;

(c) The Health Services Union (**"HSU"**)**,** provided written notice is given in accordance with section 183(1) of the Act and the Fair Work Commission notes in the decision to approve this Agreement that this Agreement covers the HSU; and

(d) The Australian Nursing and Midwifery Federation – ACT Branch (**"ANMF"**)**,** provided written notice is given in accordance with section 183(1) of the Act and the Fair Work Commission notes in the decision to approve this Agreement that this Agreement covers the ANMF.

4.2 Notwithstanding clause 4.1, this Agreement does not cover:

(a) Pastoral Carers;

(b) Apprentices (of any kind, including adult apprentices and school-based apprentices);

(c) National Training Wage employees; or

(d) School-based Trainees/ Apprentices;

with the exception of adult traineeships for a *Certificate III in Individual Support (Ageing)* (or as otherwise named).

5. Individual Flexibility Arrangements

5.1 An employer and employee covered by this enterprise agreement may agree to make an individual flexibility arrangement to vary the effect of terms of the agreement if:

(a) the agreement deals with 1 or more of the following matters:

(i) arrangements about when work is performed;

(ii) overtime rates;

(iii) penalty rates;

(iv) allowances

(v) leave loading; and

(b) the arrangement meets the genuine needs of the employer and employee in relation to 1 or more of the matters mentioned in paragraph (a); and

(c) the arrangement is genuinely agreed to by the employer and employee.

5.2 The employer must ensure that the terms of the individual flexibility arrangement:

(a) are about permitted matters under section 172 of the Act; and

(b) are not unlawful terms under section 194 of the Act; and

(c) result in the employee being better off overall than the employee would be if no arrangement was made.

5.3 The employer must ensure that the individual flexibility arrangement:

(a) is in writing; and

(b) includes the name of the employer and employee; and

(c) is signed by the employer and employee and if the employee is under 18 years of age, signed by a parent or guardian of the employee; and

(d) includes details of:

(i) the terms of the enterprise agreement that will be varied by the arrangement; and

(ii) how the arrangement will vary the effect of the terms; and

(iii) how the employee will be better off overall in relation to the terms and conditions of his or her employment as a result of the arrangement; and

(e) states the day on which the arrangement commences.

5.4 The employer must give the employee a copy of the individual flexibility arrangement within 14 days after it is agreed to.

5.5 The employer or employee may terminate the individual flexibility arrangement:

(a) by the employer or employee giving 28 days written notice to the other party; or

(b) if the employer and employee agree in writing -at any time.

5.6 Remaining subject to the requirements of clause 5.2 and provided the monetary benefits waived are directly related to the changes requested, where an Individual Flexibility Arrangement is:

(a) initiated by an employee; and

(b) includes non-monetary benefits that assists the employee's carer or family responsibilities or otherwise benefits the employee's work-life balance; then

(c) the parties covered by this Agreement agree that the value of non-monetary benefits received by an individual employee shall be regarded to be of equal or more value than any monetary benefits waived.

Illustrative Examples are at paragraphs 860 and 867 of the Fair Work Bill 2008 Explanatory Memorandum.

6. Requests for Flexible Working Arrangements

6.1 Requests for flexible working arrangements are provided for in the NES.

6.2 For the convenience of the parties, at the time this Agreement was made:

(a) employees are able to request flexible work arrangements in accordance with the NES if they are:

(i) Pregnant;

(ii) Parents, or have the responsibility for the care, of a child who is school age or younger;

(iii) A Carer (within the meaning of the *Carer Recognition Act 2010*);

(iv) A person with a disability;

(v) Over 55 years old;

(vi) Experiencing family and domestic violence;

(vii) Providing care or support to a member of the employee's immediate family, or a member of the employee's household, who requires care or support because the member is experiencing family and domestic violence.

(b) flexible work requests under the NES may also be made by a parent, or has the responsibility for the care, of a child and is returning to work after taking leave in relation to the birth or adoption of a leave may request to work part-time to assist the employee care for the child. Without limitation, this includes parents who are breastfeeding following the first 24 months after having returned from parental leave.

6.3 If an employee meets the circumstances under the NES and the employee would like to change his or her working arrangements because of those circumstances then they may apply for a flexible work arrangement in accordance with the terms of the NES.

NOTE: Examples of changes in working arrangements include changes in hours of work, changes in patterns of work and changes in location of work.

6.4 The NES contains requirements on how requests are to be made by employees, the considerations of the employer, and the requirements when an employer responds.

6.5 Disputes about requests for flexible working arrangements may be dealt with under clause 50 and/or under section 65B of the Act.

Part 2—Types of Employment, Classifications and Related Matters

7. Types of Employment

7.1 Employees under this Agreement will be employed in one of the following categories:

(a) full-time;

(b) part-time; or

(c) casual.

7.2 At the time of engagement an employer will inform each employee in writing whether they are employed on a full-time, part-time or casual basis.

8. Full-time Employees

A full-time employee is engaged to work a minimum of 76 hours per fortnight.

9. Part-time Employees

9.1 A part-time employee is engaged to work less than a minimum average of 76 hours per fortnight and has reasonably predictable hours of work.

9.2 All parties to this Agreement wish to maximise the hours for part-time employees in line with Calvary's occupancy levels. The parties acknowledge and agree that the realisation of this objective will require high levels of co-operation from employees to achieve this objective.

9.3 **Part-Time Employee Availability**

Before commencing employment (and as varied in accordance with clause 9.3(c)), Calvary and a part-time employee will agree in writing on the agreed **minimum number of contracted hours** to be worked per fortnight and their "Employee Availability". "Employee Availability" shall mean:

(a) For Nursing Stream employees:

(i) the days of the week the employee is available be rostered to work their ordinary hours within a fortnight; and

(ii) the span of hours on those days that the employee may be rostered their ordinary hours.

(b) For Aged Care Stream employees:

(i) a regular pattern of work including the days of the week the employee will work and the starting and finishing times each day; and

(ii) if they so elect, any days of the week and the span of hours that an employee is available to be rostered for additional ordinary hours.

NOTE: The arrangements at clauses 9.3(a) and 9.3(b)(ii) assists Calvary deliver on our commitment in clause 9.3. Nothing in clause 9.3(a) prevents part-time Nursing Stream employees from providing a narrow availability that would be equivalent to fixed days and shift times.

(c) The terms of the agreement in clause 9.3(a) or 9.3(b) (as applicable) may be varied as follows:

(i) by mutual agreement and recorded in writing; or

(ii) in the case of an Aged Care Stream employee who has elected availability for additional ordinary hours under clause 9.3(b)(ii), they may vary, including withdraw, that election by giving notice in writing - provided the notice is given at least 21 days before the affected roster is published to enable Calvary to plan and implement the change.

NOTE: Variations to the agreement made under clause 9.3(c) (including Aged Care Stream additional ordinary hours availability) may be for an ongoing or temporary basis; or be for a single or multiple shifts.

9.4 **Additional Ordinary Hours for Part-Time Employees**

(a) Calvary may roster a part-time employee for additional ordinary hours above their guaranteed minimum hours set in accordance with clause 9.3 as follows:

(i) For Nursing Stream employees: provided the additional ordinary hours are within the Employee Availability set by clause 9.3(a).

(ii) For Aged Care Stream employees: provided the employee has made an election in accordance clause 9.3(b)(ii) and the additional hours are within that Employee Availability.

(b) Part-time employees may agree that any additional hours worked after the publishing of the roster (that are not as a consequence of the roster change criteria covered by clause 22.3) or that are **outside** the part-time employee's "Employee Availability" will be paid as additional ordinary hours. Such mutual agreement will be recorded in writing.

(c) All additional ordinary hours worked in accordance with 9.4(a) or by agreement under clause 9.4(b) remain subject to the limits of ordinary hours set out in clause 21.1 and any hours worked in excess of the limits of ordinary hours will be paid as overtime in accordance with clause 27.

NOTE: Employees performing additional ordinary time have the benefit of accruing additional annual leave and personal/carer's leave in accordance with the NES. Overtime does not accrue extra leave or attract superannuation payments.

(d) If an employee does not expressly accept, or declines an offer of additional ordinary hours then the manager/supervisor shall be free to approach another employee to work the additional ordinary hours.

9.5 For the avoidance of doubt, the continuity of service for a part-time employee will not be interrupted merely by reason of that employee working a 'week on, week off' pattern of work.

9.6 **Review of Part-Time Guaranteed Hours**

(a) A part-time employee who is regularly rostered additional hours over the preceding 6-month period may request from Calvary that their guaranteed minimum number of hours agreed to per clause 9.3 are increased by the amount of regular additional hours.

(b) Calvary will have regard to operational requirements and not unreasonably refuse such a request.

10. Casual Employees

10.1 An employee who is offered and accepts casual employment shall be deemed to:

(a) not have a firm advance commitment to continuing and indefinite work according to an agreed pattern of work; and

(b) have no basis to form an expectation of ongoing work on a regular and systematic basis;

(c) be engaged on an hour-by-hour basis.

10.2 Calvary may elect to offer a casual employee work and that casual employee may elect to accept or reject that work.

10.3 Calvary may withdraw an offer of work to a casual employee according with the needs of Calvary. However, if a casual employee has already commenced their shift then they remain eligible for the minimum engagement period prescribed in clause 22.4.

10.4 Casual employees may change their availability at any time or withdraw from work in accordance with this Agreement.

10.5 **Casual loading**

(a) Unless otherwise prescribed elsewhere in this Agreement, for each ordinary hour worked a casual employee will be paid:

(i) the minimum hourly rate applicable to the classification and pay point in which they are employed; and

(ii) a loading of **25%** of the minimum hourly rate.

NOTE: Penalty rates apply to casual employees for Shiftwork, Saturday and Sunday Work, Public Holidays and Overtime. Some penalty rates may be in lieu of, in addition to or inclusive of casual loading.

(b) A casual employee on higher duties shall have the casual loading applied to the higher duties rate.

10.6 **Offers and requests for casual conversion**

Offers and requests for conversion from casual employment to full-time or part-time employment are provided for in the NES.

NOTE: Disputes about offers and requests for casual conversion under the NES are to be dealt with under clause 50—Dispute Resolution.

11. Traineeships

11.1 This clause covers employees employed as a Personal Care Worker (Traineeship) and who are undertaking a traineeship under a training contract.

11.2 A trainee who was employed by Calvary immediately before becoming a trainee with Calvary must not suffer a reduction in their minimum rate of pay because of becoming a trainee. For the purpose of determining whether a trainee has suffered a reduction as mentioned, casual loadings are to be disregarded.

11.3 A trainee is entitled to be released from work without loss of pay and without loss of continuity of employment to attend any training and assessment specified in, or associated with, the training contract.

12. Fixed Term Contracts

For the purposes of the Act in relation to fixed term contacts, ***specialised skills*** shall include, but not be limited to:

(a) Researchers;

(b) Occupations listed on the Skilled Occupation List of the Australian Government's Department of Home Affairs; and

(c) Occupations paid for by special funding from external bodies, such as Government, Universities, or other third party partners of Calvary.

13. Classifications

13.1 Calvary must advise an employee in writing of their appointed classification upon commencement and of any subsequent changes to their classification.

13.2 Changes to an employee's classification shall be by appointment by Calvary.

NOTE: Pay Points are not classifications. Pay points within a classification remain subject to clause 17.2.

14. Duties

Calvary may direct an employee to carry out such duties that are within the limits of the employee's skill, competence and training (including everyday life skills) consistent with the principles of holistic and person-centred care. Provided that:

(a) where an employee performs duties associated with a higher role, that clause 28 is observed; and

(b) employees in roles within the Nursing Stream will not perform clinical tasks that exceed the clinical scope of practice for their appointed role.

ILLUSTRATIVE EXAMPLE: An Enrolled Nurse may be required to perform everyday tasks such as making a cup of coffee for a resident.

NOTE: Such as in the Illustrative Example above, Nursing Stream employees may occasionally be expected to assist with everyday tasks in the course of providing person-centred care. Such tasks will not be used to promote deskilling or detract from the professional scope of the Nurses' practice.

14.2 Employees will perform their duties with regard to the environment of a residential aged care facility (being our residents' home) and take account of resident needs which include, but are not limited to:

(a) Privacy and dignity;

(b) Independence and choice;

(c) Inclusion and respect;

(d) Partnership with residents and families;

(e) Safety and clinical care;

(f) Wellbeing and quality of life;

(g) Assessment and mitigation of risk.

14.3 Calvary may direct an employee to increase their skills and competence through employer-provided training.

15. Inherent Requirements

15.1 For the purposes of this Agreement, the following are deemed to be inherent requirements of the roles covered by this Agreement:

(a) For health practitioners requiring it to practice, registration with AHPRA;

(b) Any essential criteria in position descriptions. This may include, but is not limited to, health professional association memberships or driver's licences;

(c) Any other legal requirements imposed by a government or enforcement body within Australia; and

(d) Any other requirements agreed to by Calvary and an employee in a contract of employment (however named).

15.2 Without limitation, if the action or inaction of an employee results in them being unable to meet the inherent requirements outlined at clause 15.1 then the employee will be, by default, unable to work and automatically placed onto leave without pay.

NOTE: For clarity, this would not apply in circumstances where it is Calvary's or a service provider's fault that the employee has been unable to meet the inherent requirements.

15.3 Periods of leave without pay under this clause shall not count towards continuous service on the basis that it is not leave authorised by the employer.

16. Travelling for Duty

16.1 For the purposes of this clause, 'travelling on duty' shall mean where an employee is required by Calvary to travel unusually long distances for the purposes of work. Examples include, but are not be limited to:

(a) Where an employee cannot reasonably return home after work that day or shift due to an excessively long commute.

(b) Where an employee must travel by plane or long distance train ride.

16.2 When an employee is involved in travelling on duty, Calvary will provide pre-paid fares and accommodation wherever practicable. In addition, all reasonably incurred expenses in respect to emergency fares, emergency accommodation, and meals will be met by the employer on production of receipted account(s) or other evidence acceptable to the employer.

16.3 The employee will not be entitled to reimbursement for expenses referred to in clause 16.2 which exceed the mode of transport, meals or the standard of accommodation agreed with the employer for these purposes.

16.4 This clause will not apply where the travel is at the request of the employee and in support of the employee's professional development (including when an employee is on Professional Development Leave in accordance with clause 45). In such circumstances, the arrangements in respect of reimbursements shall be agreed to at the time of approval.

16.5 **Kilometre Reimbursement Rate**

An employee required and authorised to use their own motor vehicle in the course of their duties will be paid the corresponding allowance prescribed by Schedule A, A.2. Calculation of the amount payable shall be based on the most direct route.

NOTE: This amount for kilometre reimbursement is indexed under clause 18.1.

16.6 Non-temporary changes to an employee's Location(s) of Work remain subject to consultation under clause 47 - Consultation About Major Workplace Change.

Part 3—Minimum Wages and Related Matters

17. Minimum Wage Rates

17.1 Minimum wage rates

(a) The minimum wage rates for all ordinary hours worked by an employee at their appointed classification are outlined in Schedule A—Minimum Wages and Allowances.

(b) *Implementation of the Work Value Case – Aged Care*

(i) Calvary is committed to passing on additional funding provided by the Australian Government arising from the Fair Work Commission's Work Value Case – Aged Care Industry (matter number AM2021/63) (the '**Work Value Case**').

The minimum wage rates in Schedule A—Minimum Wages and Allowances include the funding from Stage 2 and Stage 3 Phases 1 and 2 of the Work Value Case. There remains one more set of increases for Nurses in August 2026 (Stage 3 Phase 3).

Where the Australian Government provides additional specific funding to Calvary to fully fund wage increases ordered to the *Nurses Award 2020,* Calvary will fully pass on that funding to employees in accordance with the timing schedule prescribed by the Fair Work Commission. 'Fully fund' means a net increase on overall funding that not only providing funding to cover the dollar value equivalent of the wage increases under the relevant Modern Award for the applicable classification but also the on-costs including, but not limited to, superannuation and leave balances.

(ii) In passing on the Work Value Case Stage 3 Phase 3 increases, Calvary will add the applicable dollar equivalent amounts as prescribed in the Fair Work Commission decision(s).

(c) Notwithstanding clause 17.1(a), employees in Aged Care Stream roles who because of the effects of a disability are eligible for a supported wage and are hired as such shall be paid in accordance with Schedule C.

17.2 Pay Points

(a) *Definitions*

For the purposes of this clause 17.2–

(i) **"evidence"** means documentary evidence or other reasonable evidence from past employers detailing the employee's previous service or experience including dates of service, name of that employer, type of duties undertaken and hours or average of hours of duty per week.

(ii) **"service"** shall include all periods of time worked (including overtime) and paid leave.

(b) *Pay Point Progression during Employment - General Rules*

(i) Progression to the next pay point for classifications for which there is more than one pay point will be by:

A. Annual movement; or

B. If an employee has not worked 1976 hours in their service year, upon completion of 1976 hours of service with Calvary.

(ii) Notwithstanding clause 17.2(b)(i), Clinical Nurse Consultants (RN2s) will progress to Pay Point 2 rate after 5,928 hours of service (the equivalent of three years full time service).

(c) *Advanced Pay Point Recognition – On Commencement*

(i) An employee covered by this Agreement and appointed to a classification with more than one pay point will be entitled to be paid at the pay point that reflects their total hours of service in equivalent roles with previous employers.

Equivalent roles will include higher classifications of Registered Nurse.

ILLUSTRATIVE EXAMPLE 1: A Registered Nurse Level 1 with at least 1976 hours of service with previous employers (1 full years' service), but less than 5928 hours of experience (3 full years' experience) shall be appointed to a Registered Nurse Level 1 Pay Point 2.

ILLUSTRATIVE EXAMPLE 2: A newly employed Registered Nurse Level 1 has experience as a Registered Nurse Level 1 and Level 3 with other employers. All Registered Nurse service shall be counted for the purposes.

(d) *Pay Points – Other clinical experience after commencement*

After commencement of their employment with Calvary, a Nursing Stream employee may provide clinical evidence from their other employer(s) for the purposes of recording clinical experience to advance pay points with Calvary. Employees may only do this once per quarter year.

(e) *Advanced Pay Point Recognition – Personal Care Workers*

A Personal Care Worker (Cert III) shall commence on Pay Point 1 unless:

(i) the employee can provide evidence to Calvary's satisfaction of at least one years' continuous service in a Personal Care Worker role in an Australian residential aged care facility; or

(ii) the employee can demonstrate performance expected of other employees in the same role.

(f) *Advanced Pay Point Recognition – Registered Nurse Level 1s with Prior Enrolled Nurse Experience*

If a new or current employee is appointed as a Registered Nurse Level 1 but has service as an Enrolled Nurse in an Australian residential aged care facility shall be entitled to have the cumulative hours of service up to 1976 hours added to their payroll records for the purpose of reaching the Pay Point 2 faster.

(g) *Evidence Requirements – General Rules*

(i) To be eligible for a higher pay point upon commencement, an eligible employee must provide Calvary with evidence of their experience from their previous/secondary employer(s) at the same or higher classification/level.

(ii) If an employee provides evidence:

A. Within three months' service of being eligible – the employee will be paid at the equivalent pay point from (or back to) the date they became eligible for the increase.

B. After three months' service - from the first full pay period on or after the employee provided the evidence.

(iii) If Calvary fails to notify a newly hired employee of the Advanced Pay Point recognition provisions of this Agreement and the employee was eligible, then an employee will be eligible for payment at the higher pay point back to the commencement of their employment despite clause 17.2(g)(ii).

(iv) Calvary will have two full pay cycles to process complete applications for advanced pay point recognition.

17.3 Above-Agreement Payments

(a) Calvary is not required to increase any component of an employee's remuneration (including but not limited to base rates of pay and allowances) where that component is paid in excess of the minimum rate or amount prescribed by this Agreement.

(b) For clarity, clause 17.3(a) does not apply to the Work Value Case – Aged Care Industry increases outlined in clause 17.1(b).

17.4 Backpay

(a) Backpay arising from the implementation of this Agreement does not apply to employees who had ceased employment prior to the operative date of this Agreement specified in clause 1.2.

(b) Team Leader (EN Qualified) wage rates do not increase in July 2023 or July 2024 to re-align relativities with Registered Nurse Level 1s. In lieu of wage increases, a lump sum payment will apply to Team Leader (EN Qualified) of 3.0% of their wages paid from FFPP 1 July 2023 up to but not including the FFPP 1 March 2025. The lump sum will include all paid leave and penalty rates. Thereafter, the wage increase prescribed from FFPP 1 March 2025 onwards shall apply.

18. Allowances

18.1 Introduction and Indexation of Allowances

(a) The allowances specified in Schedule A, A.2 and marked "NEW" will come into effect from the first full pay period on or after the operative date of this Agreement, and will not be eligible for back payment.

(b) Should the *Aged Care Award 2010* [MA000018] (for Aged Care Stream classifications) or the *Nurses Award 2020* [MA000034] (for Nursing Stream classifications) ever prescribe a higher amount than a like-for-like allowance prescribed by this clause 18 then Calvary shall pay the amount prescribed by the relevant Modern Award from the first applicable full pay period to the relevant employees.

(c) The allowances under clauses 18.4 (IPC Allowance) and 18.13 (Virus Testing Allowance) shall be indexed to the general percentage increase to the modern awards provided by the Fair Work Commission's Annual Wage Review effective the FFPP 1 July each year.

(d) Any allowance not covered by clauses 18.1(b) or (c) shall be increased by the wage increase percentages effective the FFPP applicable to the wage increases provided for under this Agreement.

18.2 Clothing and Equipment

(a) Subject to the remainder of clause 18.2, employees required by Calvary to wear uniforms will be supplied with an adequate number of uniforms appropriate to the occupation free of cost to employees. Such items are to remain the property of Calvary and be laundered and replaced on a fair wear and tear basis.

(b) Instead of the provision of such uniforms, Calvary may require employees to purchase a uniform and then pay such employee either:

(i) the uniform allowance specified in Schedule A, A.2; or

(ii) the full amount that the uniform cost the employee.

(c) Where such employee's uniforms are not laundered by or at the expense of Calvary, the employee will be paid the laundry allowance specified in Schedule A, A.2.

(d) Where applicable, the uniform allowance, but not the laundry allowance, will be paid during all absences on paid leave, except absences on long service leave and absence on personal/carer's leave beyond 21 days.

(e) *Personal Protective Equipment*

(i) Employees who are required to wear personal protective equipment shall be provided with such equipment by Calvary or, by mutual agreement, an employee may purchase the personal protective equipment. Calvary will provide reimbursement after the employee has submitted to Calvary the receipts evidencing the cost incurred.

(ii) Where Calvary provides fully paid protective equipment but an employee has a personal preference for a different and more expensive option, Calvary will only be obliged to reimburse the employee to the value of what Calvary's option would have cost.

18.3 In-Charge of Facility Allowance

(a) A Registered Nurse Level 1 or Level 2 who is designated in-charge of a facility when no Clinical Care Coordinator, Care Manager or Home Manager are on-site shall be paid an hourly allowance equal to the corresponding rate specified in Schedule A, A.2.

(b) When appointed to higher duties as a Clinical Care Coordinator, a Registered Nurse Level 1 or Level 2 shall not be eligible for the In-Charge of Facility Allowance.

18.4 Infection Prevention and Control Lead ("IPC Lead") Allowance

(a) A Nursing Stream employee (other than a Clinical Care Coordinator) who agrees to Calvary to undertake training or appointed perform the Infection Prevention and Control requirements stipulated by the Australian Government shall be paid the applicable allowance in addition to their ordinary rate of pay for all ordinary hours worked:

(i) While undertaking an approved *Foundations of Infection Prevention and Control* course – a corresponding allowance specified in Schedule A, A.2; or

(ii) If qualified and appointed by Calvary as an **Infection Prevention and Control Champion** – a corresponding allowance specified in Schedule A, A.2; or

(iii) If qualified and appointed as an **Infection Prevention and Control Lead** – a corresponding allowance specified in Schedule A, A.2.

(b) Clinical Care Coordinators who are undertaking an approved *Foundations of Infection Prevention and Control* course or are qualified and appointed as having Infection Prevention and Control Champion/Lead duties shall be paid the minimum rate of pay for "Clinical Care Coordinators (IPC)" set out in Schedule A, A.1.

18.5 Leading Hand Allowance

(a) A leading hand is an Aged Care Steam employee who is placed in charge of not less than two other employees of a substantially similar classification, but does not include any employee whose classification denotes supervisory responsibility.

(b) A leading hand will be paid an hourly allowance of the amount specified by the item number in accordance with the following scale for the time so appointed (rounded up to the nearest hour):

Leading hand in charge of:	Rate per Hour
2-5 other employees	$0.84
6-10 other employees	$1.20
11-15 other employees	$1.52
16 or more other employees	$1.86

(c) This allowance will compound with any applicable penalty or overtime rates.

18.6 Nauseous Work Allowance

(a) Nauseous work allowance only applies to Aged Care Stream employees that would **not** be reasonably expected to come into contact with:

(i) soiled linens not in a sealed airtight container; or

(ii) other materials of a nauseous or offensive nature; or

(iii) unusually dirty work (such as gardening, maintenance or building materials),

having regard to the nature of their role, classification, and any other contextual circumstances. Provided that where an employee may be ineligible under one or two of the criteria due to the nature of their role, they may remain eligible under the remaining criteria.

ILLUSTRATIVE EXAMPLE #1: A Support Worker or a Care Worker who have exposure to soiled linens would not be eligible for Nauseous Work Allowance given the nature of their role.

ILLUSTRATIVE EXAMPLE #2: A Maintenance Assistant would not be eligible for Nauseous Work Allowance for coming into contact with gardening, maintenance or building materials.

ILLUSTRATIVE EXAMPLE #3: A Maintenance Assistant transporting soiled linens that are not in an airtight container would be eligible for Nauseous Work Allowance.

ILLUSTRATIVE EXAMPLE #4: A Personal Care Worker who is seconded to a Leisure and Lifestyle role is asked to assist to the personal cares of a resident in an emergency. The employee would not be eligible for Nauseous Work Allowance given their qualifications and history of providing personal cares.

(b) If an employee who is eligible for Nauseous Work Allowance comes into contact with one of the materials outlined in clause 18.6(a) then they shall be paid the corresponding allowance specified in Schedule A, A.2 for the duration of the exposure, with a minimum payment of one hour.

ILLUSTRATIVE EXAMPLE: A Maintenance Officer transports soiled linens that are not in an airtight container for 20 minutes on a shift. The Maintenance Officer is paid one hour of Nauseous Work Allowance; unless that is the only exposure they have all week in which case they will be paid the minimum amount for the week.

18.7 On-call Allowance

(a) An on-call allowance is paid to an employee who is required by Calvary to be on-call at their private residence, or at any other mutually agreed place. The employee is entitled to be paid a corresponding allowance specified in Schedule A, A.2 for:

(i) Monday to Friday (inclusive);

(ii) Saturday;

(iii) Sunday, public holiday or non-rostered day.

(b) The on-call allowance rates specified in Schedule A, A.2 shall be payable per 24-hour period or part thereof.

(c) For the purpose of clause 18.7(a) the whole of the on-call period is calculated according to the day on which the major portion of the on-call period falls.

18.8 Overtime Meal Allowance

(a) When an employee is required to work overtime after the usual finishing hour of work beyond one hour, Calvary will provide either:

(i) an adequate meal at no cost to the employee; or

(ii) be paid the Overtime Meal Allowance specified in Schedule A, A.2.

(b) In addition, where such overtime work exceeds four hours a further meal will be provided or the Overtime Meal Allowance specified in Schedule A, A.2.

(c) Notwithstanding 18.8(a), an Aged Care Stream employee who was notified of a requirement to work overtime after their ordinary shift but then the overtime is cancelled or shortened to below 1 hour, shall still receive the Overtime Meal Allowance.

(d) Clause 18.8 will not apply when the employee was notified of the requirement to perform overtime before leaving home.

18.9 Police Checks and Working with Children Checks

Where Calvary requires an employee to provide an updated or renewed Police Check and/or Working with Children Check, Calvary will:

(a) pay for these checks on behalf of the employee; or

(b) reimburse the employee for the cost of the checks upon the provision of receipts.

18.10 Qualification Allowance

(a) *Registered Nurses*

(i) A Registered Nurse may apply for a qualification allowance subject to the remainder of clause 18.10(a) and clause 18.10(c) when they hold a:

A. Graduate Certificate (or equivalent);

B. Post-graduate Diploma, Degree (other than a nursing undergraduate degree), an honours degree, or double degree;

C. Master’s degree or a Doctoral degree.

(ii) The employee must demonstrate that the qualification is relevant to residential aged care in the areas of:

A. Gerontological nursing;

B. Management; or

C. Other area of study with a significant component that has application to nursing in Aged Care.

(iii) A Registered Nurse applying for an entitlement to a qualification allowance must provide to Calvary:

A. In all instances, evidence that the Registered Nurse holds the qualification for which the entitlement is applied for; and

B. In the case of an employee providing a qualification that does not have a publicly available list of units of competency, evidence of the units of competency studied; or

C. In the case of a qualification under clause 18.10(a)(ii)C, evidence of the units of competency that were passed.

(iv) In considering whether a component of the qualification is relevant, the nature of the qualification and the current area of practice of the qualification holder are the main criteria. Other considerations may include:

A. the clinical or other area of work of the Registered Nurse;

B. the classification and position description of the Registered Nurse;

C. whether the qualification would assist the Registered Nurse in performing their role and/or assist in maintaining quality patient care and/or assist in the administration of the ward/unit/area in which the Registered Nurse is employed;

D. whether there are any other Registered Nurses with additional qualifications already receiving this allowance.

(v) Calvary will then approve or decline the request. Where declined, the reasons will be explained to the Registered Nurse.

(vi) A qualification allowance is not payable in respect of that employee's base qualification leading to registration as a Registered Nurse with the exception of:

A. An Honours degree;

B. A Masters degree; or

C. A Doctoral degree.

(vii) For the avoidance of doubt, a Registered Nurse Level 2's post-graduate qualifications that are the pre-requisite for the role pursuant to the classification definition at clause B.2.3 is not eligible. However, additional qualifications that are not directly related to providing specialist care in aged care (such as management) can be applied for where eligible in accordance with the remainder of this clause.

(viii) Registered Nurses who meet the criteria in this clause 18.10(a) and are accepted by Calvary shall be paid a corresponding allowance (based on the qualification level) as outlined in Schedule A, A.2.

(b) *Enrolled Nurses*

(i) An Enrolled Nurse may apply for a qualification allowance subject to the remainder of clause 18.10(b) and clause 18.10(c).

(ii) To be eligible, an Enrolled Nurse must hold a certificate or qualification:

A. (or at least three certificates of attainment for units of competency from the Advanced Diploma) totalling a minimum of 280 nominal classroom hours (or a course of a minimum twelve months duration); and

B. is demonstrated that a significant component of the qualification is applicable to their area of practice within residential aged care.

(iii) The qualification referred to in 18.10(b)(ii) must be in addition to any base qualification (or the units contained therein) required to become an Enrolled Nurse with AHPRA.

NOTE: For clarity, an already registered Enrolled Nurse who subsequently completes a Diploma of Nursing, being the current AHPRA base qualification at the time this Agreement is made, is not entitled to a Qualification Allowance as it would be equal to the course required of their newly registered colleagues.

(iv) Enrolled Nurses meeting the criteria to Calvary's satisfaction shall be paid the corresponding allowance specified in Schedule A, A.2.

(c) *General Rules for both Registered Nurses and Enrolled Nurses*

(i) An employee holding more than one qualification (in addition to their base qualification(s)) is only entitled to one qualification allowance, being the allowance for the highest qualification held.

(ii) When eligible and approved, payment of the Qualification Allowance shall be from the first pay period on or after evidence of the qualification is submitted to Calvary.

(iii) Employees who accept promotions to roles that would no longer benefit from their qualifications cited under this clause shall not be entitled to retain their qualification allowance.

(iv) Qualification Allowance is to be paid during all periods of paid leave except:

A. personal / carer's leave beyond 10 days in any twelve month period; or

B. any period of long service leave ("LSL").

NOTE: The intention of this sub-clause is not to override any prescribed LSL calculation where ordinary earnings (or an average thereof) is used. It is only to ensure the allowance is not paid in addition to the statutory amount payable for LSL.

18.11 Tool allowance

In lieu of any allowance, Calvary will supply and maintain any required tools for Chefs and Cooks.

18.12 Travelling, transport and fares

Allowances for travelling, transport and fares are provided for under clause 16 – Travelling for Duty.

18.13 Virus Testing Allowance

When Calvary requires an employee to perform a rapid antigen test ('RAT'), or other virus detection test that can be undertaken from home, prior to commencing their shift and:

(a) Calvary provides the rapid antigen test (or other virus detection test) kit free of expense to the employee; and

(b) the employee is required to take the test at their convenience anytime within the 10 hours preceding the commencement of work,

the employee will be paid the corresponding allowance per shift as specified in Schedule A, A.2 and time taken for the employee to undertake the test shall not be regarded as time worked.

19. Payment of Wages

19.1 Wages will be paid fortnightly.

19.2 Employees will be paid by electronic funds transfer into the bank or financial institution account nominated by the employee, unless mutually agreed to be paid by cash or cheque.

19.3 If a public holiday falls on a normal payroll processing day, payment of wages to an employee may be delayed by one day.

19.4 *Payment on termination of employment*

(a) Calvary must pay an employee no later than 14 days after the day on which the employee's employment terminates:

(i) the employee's wages under this Agreement for any complete or incomplete pay period up to the end of the day of termination; and

(ii) all other amounts that are due to the employee under this Agreement and the NES.

(b) Notwithstanding clause 19.4(a), if an employee provides reasonable notice to Calvary of a request to process payment within 7 days instead of 14 days, then Calvary will do so.

(c) The requirement to pay wages and other amounts under clause 19.4(a) is subject to further order of the Commission and Calvary making deductions authorised by this Agreement or the Act.

20. Superannuation

20.1 **Superannuation legislation**

(a) Superannuation legislation, including the *Superannuation Guarantee (Administration) Act 1992* (Cth), the *Superannuation Guarantee Charge Act 1992* (Cth), the *Superannuation Industry (Supervision) Act 1993* (Cth) and the *Superannuation (Resolution of Complaints) Act 1993* (Cth), deals with the superannuation rights and obligations of employers and employees. Under superannuation legislation individual employees generally have the opportunity to choose their own superannuation fund (including stapled funds). If an employee does not choose a superannuation fund, any superannuation fund nominated in this Agreement covering the employee applies.

(b) The rights and obligations in these clauses supplement those in superannuation legislation.

20.2 **Employer contributions**

Calvary must make such superannuation contributions to a superannuation fund for the benefit of an employee as will avoid Calvary being required to pay the superannuation guarantee charge under superannuation legislation with respect to that employee.

20.3 **Voluntary employee contributions**

(a) Subject to the governing rules of the relevant superannuation fund, an employee may, in writing, authorise their employer to pay on behalf of the employee a specified amount from the post-taxation wages of the employee into the same superannuation fund as Calvary makes the superannuation contributions provided for in clause 20.2.

(b) An employee may adjust the amount the employee has authorised their employer to pay from the wages of the employee from the first of the month following the giving of three months' written notice to their employer.

(c) Calvary must pay the amount authorised under clauses 20.3(a) or 20.3(b) no later than 28 days after the end of the month in which the deduction authorised under clauses 20.3(a) or 20.3(b) was made.

20.4 **Superannuation fund**

(a) Unless, to comply with superannuation legislation, the employer is required to make the superannuation contributions provided for in clause 20.2 to another superannuation fund that is chosen by the employee, the employer must make the superannuation contributions provided for in clause 20.2 and pay the amount authorised under clauses 20.3(a) or 20.3(b) to Health Employees Superannuation Trust of Australia (HESTA).

(b) All parties want the best superannuation performance for employees. Subject to clause 20.4(c), if HESTA significantly underperforms relative to other industry superannuation funds, Calvary may change the default super fund to either:

(i) Australian Super Fund; or

(ii) Catholic Super (CSF); or

(iii) Aware Super.

(c) Prior to making a decision to changing the default superannuation fund in accordance with clause 20.4(b), Calvary will genuine consult with the trade unions covered by this Agreement pursuant to clause on the proposed change.

Part 4—Hours of Work and Related Matters

21. Ordinary Hours of Work

21.1 The ordinary hours for an employee are:

(a) Up to 76 ordinary hours in a 2 week period.

(b) For Aged Care stream employees:

(i) Up to 8 ordinary hours of work (exclusive of meal breaks) per shift that is **not** a night shift (unless that employee mutually agrees that a maximum shift length of 10 ordinary hours shall apply)

(ii) Up to 10 ordinary hours of work (exclusive of meal breaks) per shift that **is** a night shift.

(c) For Nursing stream employees, up to 10 ordinary hours of work (exclusive of meal breaks) per shift.

(d) For a full-time or part-time employee, up to 10 shifts per fortnight unless an employee requests and Calvary agrees to increase the limit to 12 shifts per fortnight. The employee request and the agreement to work ordinary time shifts on 11 or 12 days per fortnight shifts must be recorded in writing.

NOTE: Broken Shifts are considered one single shift.

21.2 **Days Off Work**

(a) Wherever practicable, employees will be rostered for two consecutive days off per week. For the avoidance of doubt, employees can mutually agree to forgo two consecutive days (e.g. casuals and those who have requested a certain shift pattern).

(b) Each Nursing stream employee shall be not be rostered to work more than 5 consecutive shifts except where mutually agreed between Calvary and the employee.

21.3 **Rest breaks between rostered work**

(a) A full-time or part-time employee will be allowed a break of 10 hours between the termination of one shift or period of ordinary time duty and the commencement of another, except the break may be reduced to 8 hours under the following circumstances:

(i) an employee has agreed to 8 hours;

(ii) in the case of a part-time employee:

A. the subsequent shift is within their Employee Availability; or

B. they have agreed to an additional hours shift;

(iii) a Nursing Stream Employee or Personal Care Worker (all classifications including medication competent or a Team Leader) is transitioning between different shifts (for example, afternoon shift to morning shift) and the next rest break between rostered work will be no less than 16 hours; or

(iv) a Nursing Stream Employee or Personal Care Worker (all classifications including medication competent or a Team Leader) is replacing an unexpected absence or is rostered in response to an emergency.

(b) In the shifts performed on days either side of daylight savings commencing, the break between rostered shifts in clause 21.3(a) shall be reduced by 1 hour.

(c) Where a full-time or part-time employee has not had a rest break in accordance with 21.3(a) (or 21.3(b) as applicable) the ordinary hours worked the employee will be paid their minimum rate of pay plus a **100%** shift loading for the entirety of the shift (or **150%** shift loading in the case of public holidays).

(d) In accordance with clause 10, casual employees may decline a shift with less than an 8 hour break.

22. Rostering

22.1 Employees will work in accordance with a fortnightly roster fixed by the employer.

22.2 **Setting and Publishing Rosters**

(a) The roster will set out full-time and part-time employees' starting and finishing times for their ordinary shifts. Overtime may be set out on a roster for the convenience of such employees.

(b) The roster will be displayed in a place conveniently accessible to employees at least 14 days before the commencement of the roster period. This may include publishing the roster to an electronic rostering system that is accessible on computers in the workplace or employee's phones.

(c) It is not obligatory for the employer to display any roster of the ordinary hours of work of casual staff and any publishing of casual hours does not change the basis of a casual employee's engagement in accordance with clause 10.

(d) *Public Holiday Periods*

(i) For any roster period that contains one or more public holidays, a draft roster will be circulated to staff at least 21 days before the commencement of the roster period.

(ii) The draft roster will be deemed a request by Calvary for employees rostered on the public holiday to work and provide care and support to Calvary's residents/clients on that day.

(iii) An employee wishing to have the public holiday off must notify their Home Manager (however named) of their desire to refuse the request to work the public holiday and the reasons why. Such an employee will give as much notice as practicable of this desire to refuse prior to the final roster being published in accordance with clause 22.2(b) above.

(iv) An employee not notifying their Home Manager of their desire to refuse the request to work the public holiday by the day the final roster is published in accordance with clause 22.2(b) will be deemed to have agreed to work the public holiday.

(v) Calvary will genuinely consider an employee's desire to refuse the public holiday before notifying the employee whether they can be released for the public holiday.

(vi) For the purposes of the NES and without limitation, the parties agree it would be an unreasonable refusal by an employee to not work a public holiday whereby:

A. The employee's role (not the individual employee) is one that is customarily rostered 7 days per week;

B. The employee's role is one that provides care and/or support to the residents or clients of Calvary;

C. Calvary cannot release the employee from duty on the public holiday without paying overtime or engaging agency workers; or

D. The absence of the employee on the public holiday would create an unusually heavy workload on the remaining staff.

22.3 **Changes to Rosters**

(a) The roster issued may be changed under the following circumstances:

(i) When Calvary and an employee mutually agree; or

(ii) By Calvary providing seven days' notice; or

(iii) Calvary may alter a roster at any time where it is to enable the functions of the aged care facility to be carried out where another employee is absent from work or in an emergency.

(iv) Notwithstanding clauses 22.3(a)(ii) and (iii), changes to a part-time Aged Care Stream employee's roster remain conditional on clauses 9.3 and 9.4.

(b) *Roster Changes and 5-day/week Employees*

Any roster alteration under 22.3(a) involving a full-time employee or part-time employee who works 5 days per week to work their ordinary hours on a previously unpaid rostered day off, a day off in lieu thereof shall be taken as mutually arranged to be taken within the roster cycle unless the employee requests and Calvary accepts an alternative date to take the day off in lieu.

NOTE: This clause covers changing the ordinary shifts after a roster is made. Additional shifts for full-time employees are paid as overtime in accordance with clause 27 – Overtime.

NOTE 2: This clause is intended to ensure that a staff member who are subject to a roster change still get 4 days off in a pay cycle.

ILLUSTRATIVE EXAMPLE: If an employee rostered Tuesday–Saturday is called in on a scheduled day off (e.g. Monday), they must be given an alternative workday off within the same pay cycle to maintain the 10-day limit. Alternatively, the employee may choose to 'bank' that day, working 11 days in the current cycle and 9 days in the next.

(c) *Cancellation of Overtime/Additional Hours*

(i) Notwithstanding clause 22.3(a), Calvary may at any time:

A. cancel/remove unworked overtime (all staff) or additional hours for Part-Time Aged Care Stream employees agreed to per clause 9.4 at any time; and/or

B. when an employee has accepted a double shift, shorten the overtime component of a double shift (but Calvary must maintain the employee's ordinary hours component).

(ii) When an employee has commenced an additional shift comprising entirely of overtime that the employee will remain entitled to the minimum shift engagement specified in clause 22.4.

(iii) Such cancellations by Calvary should be communicated to employees as soon as practicable after the decision is made and by a reasonable means.

(d) *Night Shift Overtime or Additional Ordinary Hours Cancellation Payment*

Where Calvary cancels a night shift for a full-time, part-time or casual employee that is either entirely additional ordinary hours (or overtime) with less than 10 hours' notice then such an employee will be entitled to a cancellation inconvenience payment of equal to the employees minimum engagement set out in clause 22.4 at their ordinary rate of pay. Such payment will not be counted as time worked for the purpose of this Agreement but will be treated as ordinary time earnings for the purposes of superannuation even if it was in respect of cancelled overtime.

22.4 **Minimum engagements**

(a) Employees will receive a minimum payment (or 'minimum engagement' in the case of Casual employees) in respect of ordinary hours of work of 4 hours.

(b) Subject to clause 22.6 – Broken shifts, except for meal breaks, the hours of work on any day will be continuous.

(c) Notwithstanding clause 22.4(a), special minimum engagements apply to:

(i) mandatory training (including e-learning) and/or meetings at clause 43;

(ii) recall back to work at clause 27.6.

22.5 **Double Shifts**

(a) Calvary may offer and an employee may agree to perform a double shift.

(b) In the event of an employee agreeing to perform a double shift it shall be treated as a single continuous shift. If agreement is made after the roster is published, it shall also be deemed as agreement to extend the finish time of any existing rostered shift.

(c) This clause 22.5 remains subject to the limits of ordinary hours (clause 21.1), the considerations for reasonable overtime, and Work Health and Safety legislation.

22.6 **Broken shifts**

(a) **Broken shift** for the purposes of this clause means a shift worked by an Aged Care Stream employee that:

(i) includes unpaid breaks that are other than a meal break; and

(ii) where the span of hours between the commencement and finish of work is not more than 12 hours.

(b) The total rostered hours of the broken shift must meet the minimum engagement requirements in clause 22.4(a).

(c) An employee must receive a minimum break of 10 hours between broken shifts rostered on successive days.

(d) A broken shift may be worked where there is mutual agreement between Calvary and the employee to work the broken shift.

(e) Broken shifts will be considered ordinary time unless the employee exceeds the limits of ordinary hours set out at clause 21.1.

(f) Shift Penalty rates in accordance with clause 24.1 shall be determined by the commencing time of the broken shift. Casual loading for such Shift Penalties will be also be in accordance with clause 24.1.

(g) All work associated with a broken shift that is either:

- performed beyond the maximum span of 12 hours for a broken shift; or

- where an employee has had less than 10 hours break between the end of one broken shift and the commencement of another,

will be paid at:

(i) ordinary time with a penalty rate of 200% of the minimum wage rate; unless

(ii) the employee exceeds the limits of ordinary hours they will be paid overtime at the rate of 200% the minimum wage rate (unless a higher overtime rate applies under clause 27.4).

(h) For the avoidance of doubt, casual employees performing Broken Shifts that exceed the limits under clause 22.6(g) will have their casual loading **added** to the penalty rate payable.

22.7 Make-Up Time Arrangements

(a) Employees may request a Make-Up Time Arrangement to assist them with meeting occasional personal commitments (such as special occasions or personal appointments).

Make-Up Time Arrangements may include:

(i) to commence work at an earlier or later time than Calvary would normally roster their role; or

(ii) to bank additional hours worked to be to be used at a later date; or

(iii) to be absent from work without taking leave, and making that time up at a future date.

NOTE 1: For overtime that is worked by direction of Calvary and not a request for flexibility by an employee under this clause, see clause 27.8 for Time Off In Lieu of Overtime.

NOTE 2: These arrangements are intended for incidental use. Ongoing flexibility arrangements should be made in accordance with clause 5 - Individual Flexibility Arrangements or clause 6 - Requests for Flexible .

(b) Approval of requests from employees of a Make-Up Time Arrangement remains at the absolute discretion of Calvary.

(c) Where a Make-Up Time Arrangement is made under clause 22.7(a) and an employee's shift worked would otherwise result in:

(i) overtime;

(ii) a shift loading/penalty rate being payable when it would otherwise not be; or

(iii) a higher shift loading being payable,

then payment of such shift will be paid as if the employee had worked as normally rostered.

ILLUSTRATIVE EXAMPLE 1: An employee requests to start their shift later due to a personal appointment. The employee's new shift finish time would normally entitle them to afternoon shift. Because of the Flexible Rostering Arrangement, the employee is paid as if they had worked their shift as normally rostered.

ILLUSTRATIVE EXAMPLE 2: An employee requests to work 1 additional hour on a Wednesday so they can leave 1 hour early on Friday to attend their child's school assembly. The employee's additional hour is accrued and the employee is paid as if they were at work until their rostered finish time on Friday.

ILLUSTRATIVE EXAMPLE 3: An employee requests to start work late on Monday due to a one-off child care need, and make up the time on Wednesday that week. The employee is paid as if they commenced at their rostered start time on Monday and had finished at the rostered finish time on Wednesday.

(d) Any banking or crediting of hours shall be on an hour-for-hour basis.

(e) An employee whose employment is terminated or mutually agrees with Calvary to cash out any banked additional hours worked will be paid those hours at the ordinary time value they were accrued.

(f) If an employee is allowed to finish early and make up the time on a later date, but the employee does not work the additional time, Calvary may deduct any hours owing from wages in the employee's final pay of an employee whose employment is terminated for any reason.

(g) Calvary must keep detailed records of all hours credited and debited to employees under these arrangements. Employees must have full access to these records.

23. Breaks

23.1 Meal breaks

(a) An employee who works in excess of 5 hours will be entitled to an unpaid meal break of 30 to 60 minutes as determined by Calvary. Such meal break will be taken between the 4th and the 6th hour after beginning work, where reasonably practicable. Provided that, by agreement of an individual employee, an employee who works shifts of 6 hours or less may forfeit the meal break. Provided that:

(b) *Missed / Interrupted Meal Breaks*

Where an employee has not commenced their meal break by the 6th hour *or* they are recalled back to duty during their meal break, they will be paid overtime rates for all time worked until such time that the employee is able to take a meal break (or the remainder of the meal break if recalled to duty) or the employee's shift ends (whichever occurs first). Provided that:

(i) Such penalties will not apply when an employee requests a later meal break for their convenience and this is approved.

(ii) A meal break will be considered interrupted if the employee is called back to duty and is unable to take their full break free from duty in one sitting.

ILLUSTRATIVE EXAMPLE 1: An employee is taking their lunch break who is required to leave their break to assist with an emergency within the facility. This would be considered an interrupted break, and the employee is entitled to overtime rates until the remainder of the break can be taken.

ILLUSTRATIVE EXAMPLE 2: An employee is taking their lunch break and is asked a question during their break. This would <u>not</u> be considered an interrupted break, the employee can continue their break.

(iii) The overtime rates prescribed are in substitution for, and not cumulative upon the loadings and penalties for shift work, weekend work or public holiday work.

(c) *On-Call During Meal Breaks*

Where an employee is required by Calvary to remain available during a meal break, but is free from duty, the employee will be paid an allowance equal to a 30 minute meal break paid at their ordinary rate of pay. This period will not count as time worked.

23.2 Paid Rest Breaks

(a) Employees will be entitled to paid rest breaks as follows:

(i) For shifts <u>less than</u> 7.6 hours in duration (excluding meal breaks) - one 10 minute paid rest break; or

(ii) For shifts of 7.6 hours or more in duration (excluding meal breaks) - two 10 minute paid rest breaks.

(b) If an employee is eligible for two paid rest breaks in their shift, the employee and Calvary may mutually agree to combine the two rest breaks into a single 20 minute paid rest break.

(c) Paid Rest Breaks will count as time worked.

23.3 Additional Breaks for Double Shifts, Overtime and Recall

(a) Employees who are either:

(i) recalled back to work and are in overtime; or

(ii) who perform overtime after their expected shift finish time,

are entitled to a paid rest break of 20 minutes for each 4 continuous hours of overtime worked if they are required to continue working after the break.

(b) Additional Meal Break for Double Shifts

In addition to the unpaid meal break provided by clause 23.1, an employee working a double shift of at least 14 continuous hours (inclusive of their first unpaid meal break) on any shift shall also be entitled to a second 30 minute unpaid break in order to have a meal. Provided that if an employee and Calvary may mutually agree to forgo the unpaid meal.

23.4 Aged Care Stream – Fares Home

When an Aged Care Stream Employee (other than a Personal Care Worker) has worked overtime after the ordinary finish time of their shift and reasonable means of transport are not available, Calvary will provide reimbursement of reasonable costs incurred by the employee to return home.

24. Shiftwork

24.1 Shift Penalty Rates

(a) *Aged Care Stream Employees*

An Aged Care Stream Employee who works a shift meeting the following criteria will be paid the following percentages in addition to their ordinary hourly rate of pay for the entirety of the shift:

(i) Early Morning Shift – a shift commencing between 4.00am and 5.59am (inclusive)—**10%** of the ordinary hourly rate of pay.

(ii) Afternoon Shift – a shift commencing between 10.00am and 5.59pm (inclusive) and finishing after 6.00pm—**12.5%** of the ordinary hourly rate of pay.

(iii) Night Shift – a shift commencing between 6.00pm and 3.59am (inclusive) – **20%** of the ordinary hourly rate of pay.

(b) *Nursing Stream Employees*

A Nursing Stream Employee who works a shift meeting the following criteria will be paid the following percentages in addition to their ordinary hourly rate of pay for the entirety of the shift:

(i) Early Morning Shift – a shift commencing between 4.00am and 5.59am (inclusive)—**10%** of the ordinary hourly rate of pay.

(ii) Afternoon Shift – a shift commencing between 12.00pm ('midday') and 5.59pm (inclusive) and finishing after 6.00pm—**12.5%** of the ordinary hourly rate of pay.

(iii) Night Shift – a shift commencing between 6.00pm and 3.59am (inclusive) – **15%** of the ordinary hourly rate of pay.

24.2 A casual employee shall be paid shift penalties **in addition to** their casual loading.

25. Saturday and Sunday Work

25.1 Full-time and part-time employees will be paid for ordinary hours worked on Saturdays or Sundays penalty rates as follows:

(a) Saturday – **150%** of the minimum wage rate;

(b) Sunday – **175%** of the minimum wage rate (subject to clause 25.2).

25.2 A preserved entitlement to Sunday penalty rates applies to Personal Care Workers (including medication competent) and Team Leaders (PCW and EN Qualified) who were employed immediately prior to the operative date of the *Calvary Health Care – Aged Care Australian Capital Territory – Enterprise Agreement 2023-2028*. This is outlined in Schedule D.

25.3 A casual employee who works on a weekend will be paid the rates in clause 25.1 plus the casual loading (the **addition** method).

25.4 These extra rates will be in substitution for and not cumulative upon the shift premiums prescribed in clause 24—Shiftwork.

26. Public Holidays

26.1 Public holiday entitlements are provided for in the NES.

26.2 **Payment for work done on public holidays**

(a) All ordinary time worked by an **Aged Care Stream** employee on a public holiday will be paid at:

(i) For a full-time and part-time employee, **250%** of the minimum hourly rate applicable to their classification and pay point.

(ii) For a casual employee, they will be paid the rate in 26.2(a)(i) **in addition to** their casual loading (a **total of 275%** of their minimum hourly rate).

(b) All ordinary time worked by a **Nursing Stream** on a public holiday will be paid at:

(i) For a full-time and part-time employee, **200%** of the minimum hourly rate applicable to their classification and pay point.

(ii) For a casual employee, they will be paid the rate in 26.2(b)(i) **in addition to** their casual loading (a **total of 225%** of their minimum hourly rate).

(c) Overtime performed on a public holiday shall be paid in accordance with clause 27.1.

26.3 **Payment for Public Holidays not worked**

Notwithstanding the provisions of the NES, an employee that is absent from their employment on a day (or part-day) that is a public holiday, Calvary will pay such employee at the employee's

base rate of pay **plus any penalty rates or allowances** for the employee's ordinary hours of work that would have been payable had the employee actually worked.

26.4 **Public holiday substitution**

(a) Calvary and an employee may agree to substitute another day (or part-day) for a day (or part-day) that would otherwise be a public holiday under the NES or this Agreement.

(b) In the event of a substitution, the substituted day will be regarded as the public holiday instead and paid at the penalty rates in clause 26.2.

27. Overtime

27.1 Overtime is payable to an employee for all work authorised by Calvary and performed:

(a) in excess of the ordinary hours limits set in clause 21.1;

(b) when recalled back to work in accordance with clause 27.6 – Recall back to work overtime; or

(c) where expressly stated elsewhere in this Agreement.

27.2 **Part-Time Employees**

In addition to the overtime criteria in clause 27.1, a part-time employee who performs authorised additional hours either after their rostered shift has ended; or as an additional shift that are not otherwise set by the rostering or mutual agreement provisions within clauses 9.4 or 22.3 shall be paid at overtime rates.

27.3 **Daylight Savings**

(a) An employee who works one hour more or less due to daylight savings will be paid 'by the clock'.

(b) For clarity, notwithstanding clause 27.1, the extra hour any employee works due to daylight savings shall not be regarded as overtime.

27.4 **Overtime Rates**

(a) Full-time and part-time employees will be paid for all authorised overtime worked:

(i) on Monday to Friday, at the rate of **150%** of the minimum hourly rate for the first two hours and **200%** of the minimum hourly rate after two hours;

(ii) on a Saturday or Sunday, at the rate of **200%** of the minimum hourly rate; and

(iii) on a public holiday, at the rate of **250%** of the minimum hourly rate.

(b) *Casual Employee Overtime Rates*

Casual employees who perform overtime will be paid the penalty rates in clause 27.4(a) and:

(i) For Aged Care Stream Employees – calculated on their casual hourly rate (**compounding** method); and

(ii) For Nursing Stream Employees – their casual loading will be added to the penalty rate (the **addition** method).

(c) Overtime rates under this clause 27.4 will be in substitution for, and not cumulative upon, the shift penalties in clause 24 – Shiftwork or clause 25 – Saturday and Sunday .

(d) When calculating overtime each shift stands alone.

27.5 **Rest period after overtime**

(a) An employee who works so much overtime between the termination of their ordinary work on any day or shift and the commencement of their ordinary work on the next day or shift, that they have not had at least the Minimum Rest Period off duty between those ordinary shifts, will be released after completion of such overtime until they have had the Minimum Rest Period without loss of pay for rostered ordinary hours occurring during such absence.

(b) For the purposes of clause 27.5(a), the Minimum Rest Period shall be 10 hours.

(c) The Minimum Rest Period referred to in clause 27.5(a) shall be **one continuous period.**

(d) If on the instructions of the employer, a full-time or part-time employee described in clause 27.5(a) resumes or continues their ordinary time work without having had 10 hours (or 8 hours if mutually agreed with the employee) consecutive hours off duty:

(i) they will be paid a penalty rate of **200%** of their minimum hourly rate until they are released from duty for such rest period; and

(ii) they will then be entitled to be absent until they have had consecutive hours off duty equal to the applicable Minimum Rest Period without loss of pay for rostered ordinary hours occurring during such absence.

(e) In accordance with clause 10, casual employees may decline a shift with less than a 10 hour break.

27.6 **Recall back to work overtime**

(a) Recall means an employee who has finished a shift and then being recalled back into the workplace with little notice to perform urgent or emergency work of a specific nature. However, for clarity, recall does not apply when an employee works an additional ordinary shift or overtime shift.

ILLUSTRAIVE EXAMPLES: Recalls would cover maintenance issues that arise outside of hours, or when a specific clinical incident occurs and it needs to be attended to by a senior member who is off duty.

(b) **Recall back to work when on-call**

(i) This clause applies to full-time or part-time employees who are rostered on-call and recalled to work after their shift finish time.

(ii) When an employee is directed to be on-call they will be paid the On-call Allowance prescribed by clause 18.7.

(iii) If an employee has had the Minimum Rest Period off duty in accordance with clause 27.5, recall hours worked shall be paid at overtime rates up to the cessation of the recall period or the commencement of ordinary time.

(iv) Recall to a place of duty

An employee who is on-call and recalled to a place of duty shall be entitled to:

A. A minimum payment of 3 hours' work shall apply; and

B. An employee will not be obliged to work for 3 hours if the work for which the employee was recalled is completed within a shorter period.

(v) Remote Work

A. An employee who is on-call and recalled to perform work by the employer via telephone or other electronic communication will be paid at the appropriate overtime rate for a minimum of one hour's work. All work within the same hour shall be compensated within the first one hour's overtime payment. Time worked beyond one hour will be rounded to the nearest 15 minutes.

B. For clarity, e-learning in accordance with clause 44 will not be deemed as Remote Work.

(c) **Recall to work when <u>not</u> on-call**

(i) This clause applies to full-time or part-time employees who **are not** on-call but recalled to work after their shift finish time. There are different terms for being recalled to a place of duty and being recalled to perform remote work.

(ii) If an employee has had the Minimum Rest Period off duty in accordance with clause 27.5, recall hours worked shall be paid at overtime rates up to the cessation of the recall period or the commencement of ordinary time.

(iii) Recall to a place of duty

An employee who is **not** on-call and recalled to a place of duty shall be entitled to:

A. A minimum payment of 3 hours' work shall apply;

B. Time spent travelling to the place of duty will be deemed as time worked;

C. Except where an employee is recalled within 3 hours of their rostered commencement time and the employee remains at work, the time spent travelling back home after recall will be deemed as time worked;

D. An employee will not be obliged to work for 3 hours if the work for which the employee was recalled is completed within a shorter period; and

E. If an employee is recalled to work, the employee will be entitled to claim kilometres travelled at the rate prescribed at clause 16.5 irrespective of the mode of transport.

(iv) Remote Work

A. An employee who is **not** on-call and is recalled to perform work by the employer via telephone or other electronic communication will be paid at the appropriate overtime rate for a minimum of one hour's work. All work within the same hour shall be compensated within the first one hour's overtime payment. Time worked beyond one hour will be rounded to the nearest 15 minutes.

B. For clarity, e-learning in accordance with clause 44 will not be deemed as Remote Work.

27.7 Rest break during overtime

A full-time or part-time employee recalled to work overtime after leaving the employer's premises is entitled to breaks in accordance with clause 23.1(a).

NOTE: An employee may also be entitled to an Overtime Meal Allowance prescribed by clause 18.8.

27.8 Time off instead of payment for overtime ("TOIL")

(a) Calvary and a full-time or part-time employee may agree in writing to the employee taking time off instead of being paid for a particular amount of overtime that has been worked by the employee.

(b) Any amount of overtime that has been worked by an employee in a particular pay period and that is to be taken as time off instead of the employee being paid for it must be the subject of a separate agreement under clause 27.8.

(c) An agreement must state each of the following:

(i) the number of overtime hours to which it applies and when those hours were worked;

(ii) that the employer and employee agree that the employee may take time off instead of being paid for the overtime;

(iii) that, if the employee requests at any time, the employer must pay the employee, for overtime covered by the agreement but not taken as time off, at the overtime rate applicable to the overtime when worked;

(iv) that any payment mentioned in subparagraph (iii) must be made in the next pay period following the request.

(d) The period of time off that an employee is entitled to take is the same as the number of overtime hours worked.

ILLUSTRATIVE EXAMPLE: By making an agreement under clause 27.8 an employee who worked 2 overtime hours is entitled to 2 hours' time off.

(e) Time off must be taken:

(i) within the period of 6 months after the overtime is worked; and

(ii) at a time or times within that period of 6 months agreed by the employee and employer.

(f) If the employee requests at any time, to be paid for overtime covered by an agreement under clause 27.8 but not taken as time off, the employer must pay the employee for the overtime, in the next pay period following the request, at the overtime rate applicable to the overtime when worked.

(g) If time off for overtime that has been worked is not taken within the period of 6 months mentioned in paragraph (e), the employer must pay the employee for the overtime, in the next pay period following those 6 months, at the overtime rate applicable to the overtime when worked.

(h) If, on the termination of the employee's employment, time off for overtime worked by the employee to which clause 27.8 applies has not been taken, the employer must pay the employee for the overtime at the overtime rate applicable to the overtime when worked.

(i) An employee may, under section 65 of the Act, request to take time off, at a time or times specified in the request or to be subsequently agreed by the employer and the employee, instead of being paid for overtime worked by the employee. If the employer agrees to the request then clause 27.8 will apply, including the requirement for separate written agreements under paragraph (b) for overtime that has been worked.

NOTE: If an employee makes a request under section 65 of the Act for a change in working arrangements, the employer may only refuse that request on reasonable business grounds (see section 65(5) of the Act).

(j) The employer must keep a copy of any agreement under clause 27.8 as an employee record.

NOTES: An employer must not exert undue influence or undue pressure on an employee in relation to a decision by the employee to make, or not make, an agreement to take time off instead of payment for overtime.

28. Higher Duties

28.1 An Aged Care Stream employee engaged in any duties carrying a higher wage rate than the classification in which they are ordinarily employed in any one day or shift will be paid at the higher wage rate for:

(a) the time so worked for two hours or less; or

(b) a full day or shift where the time so worked exceeds two hours.

28.2 A Registered Nurse that is temporarily appointed to a Clinical Nurse Consultant role for the day shall be paid the minimum rate of pay for a Clinical Nurse Consultant Pay Point 1.

28.3 A Registered Nurse or Clinical Nurse Consultant that is temporarily appointed to a Clinical Care Coordinator role for the day shall be paid the minimum rate of pay for a Clinical Care Coordinator Pay Point 1.

28.4 A Clinical Care Coordinator temporarily appointed to a Clinical Care Manager shall be paid a higher duties allowance per hour equal to 5% of the relieving employee's substantive minimum rate of pay for the time worked as such.

28.5 Any Aged Care employee temporarily appointed to a higher role that is not covered by the enterprise agreement (such as a Hospitality Manager or Maintenance Manager) for 3 days or more shall be paid a higher duties allowance per hour equal to 5% of the relieving employee's substantive minimum rate of pay.

29. Dual Roles

29.1 *Purpose of this Clause*

The intent of this clause is to provide a framework whereby a part-time employee wanting to maximise their guaranteed hours of work may apply for, and be appointed to, an otherwise vacant position that is a different classification than their primary employment.

Nothing in this clause is intended to give a general unilateral authority to Calvary or its managers to direct employees to perform duties normally associated with a lower classification and then pay those employees a lower rate of pay.

To that end, this clause can only be utilised after an employee has commenced employment and who then later apply for, or otherwise initiate a request for, the hours associated with a lower classified role ('an **Eligible Employee**').

NOTE: At the time of making this Agreement, administering payroll for Dual Role arrangements would require manual processing. Accordingly, prior to any Calvary Manager agreeing and approving such an arrangement must consult with Calvary Payroll first.

29.2 An Eligible Employee may agree to perform the work of two or more roles covered by multiple classifications under this Enterprise Agreement within the same contract of employment (however named) (**'Dual Roles'**), except where:

(a) One role is part-time and another is casual.

(b) One role is already full-time.

NOTE 1: For clarity, an employee whose additional role is not covered by this Agreement cannot be covered by this clause.

*NOTE 2: The purposes of the remainder of this clause, once contracted with the additional guaranteed hours, the Eligible Employee is referred to as a **'Dual Roles employee'**.*

29.3 Nothing in this clause limits an Eligible Employee and Calvary agreeing to two (or more) separate employment contracts, including to give effect to the exceptions.

29.4 When forming a Dual Roles arrangement, the parties must agree in writing:

(a) how many ordinary hours per week (or fortnight) are guaranteed for each classification level; and

(b) the rostering arrangements that will apply.

29.5 Any rostering or time and attendance system must clearly record which role the **Dual Roles employee** is performing each shift.

29.6 A **Dual Roles employee** who is engaged on a Part-Time basis remains subject to the terms of clause 9 – Part-time .

29.7 Where an employee has Dual Roles with different minimum hourly rates of pay:

(a) The minimum hourly rate of pay for each role shall be in accordance with clause 17– Minimum Wage Rates.

(b) When calculating the value of:

(i) Overtime;

(ii) Shift Loadings;

(iii) Penalty Rates,

the minimum hourly rate of pay shall be that which applies to the role attributed to that shift.

(c) With the exception of paid leave types that are calculated on average earnings (whether under this Agreement or other legislation), an employee on paid leave shall be:

(i) paid in accordance with the applicable clause under this Agreement; and

(ii) payment shall be based on the role attributed to the shift the employee is on leave from.

(d) Where overtime is compensated by way of time off in lieu, that time off in lieu must be taken in the role which generated the overtime.

29.8 Each shift stands alone.

29.9 Notwithstanding clause 28 - Higher Duties which may have a higher minimum threshold, if an employee is directed to work in excess of the scope of practice for a role attributed to a shift yet it remains within the employee's skill, competence and training, the employee shall be paid the minimum hourly rate of pay for the classification being performed for the duration of the shift.

ILLUSTRATIVE EXAMPLE: A Registered Nurse agrees to work one Administration Level 2 shift per fortnight at the Administration Level 2 rates of pay to maximise their hours of work and take home pay. If during a rostered Administration Level 2 shift the employee is directed to perform the duties of the Registered Nurse role then the employee will be paid the employee's Registered Nurse rate of pay for that shift.

Part 5—Leave and Public Holidays

30. Annual Leave

30.1 Full-time and part-time employees are entitled to four (4) weeks' annual leave per year in accordance with the NES.

30.2 **Taking Annual Leave**

(a) Subject to the remainder of this Agreement, annual leave may be taken for a period agreed to between an employee and Calvary.

(b) Calvary acknowledges the current NES entitlement that Calvary must not unreasonably refuse to agree to a request by an employee to take paid annual leave.

30.3 **Part Time Employees**

(a) Part-time employees will accrue annual leave based on the employee's ordinary hours of work (excluding overtime).

(b) In addition to the payment prescribed under the NES, an employee who has performed additional ordinary time hours during their employment may request to be paid more annual leave hours during a period of annual leave than would be payable under the NES.

Any such "additional" annual leave must be requested in an amount of hours to be deducted from the employee's annual leave balance at the time of application and remains subject to normal approvals by Calvary. If approved, the number of "additional" annual leave hours paid will be deducted from the employee's annual leave balance and paid at their ordinary rate of pay plus 17.5% annual leave loading.

NOTE: The intention of clause 30.3(b) is to allow part-time employees who work additional ordinary hours to access that additional annual leave generated by doing so - at a time that suits them.

30.4 **Additional Weeks of Annual Leave for Certain Workers**

(a) For the purposes of the additional one week's annual leave provided by the NES, an **Aged Care Stream** employee shall be eligible as follows:

(i) They are regularly rostered to work their ordinary hours outside 6.00am to 6.00pm, Monday to Friday; and/or

(ii) They work more than four (4) ordinary hours on 10 or more weekends.

(b) For the purpose of the additional one week's annual leave provided by the NES, a **Nursing Stream** employee shall be eligible if:

(i) They normally work shift work and/or on weekends; or

(ii) They are regularly rostered over seven days of the week and regularly works weekends.

(c) For the purpose of the clause 30.4(a), a weekend means work in ordinary time on a Saturday and/or a Sunday in any week (a 'week' being Monday to Sunday).

(d) When calculating the number of weekends for the purposes of the additional weeks' annual leave under this clause 30.4, the employee's service year shall be used (not calendar year).

(e) If they meet the eligibility criteria, an employee will be credited the additional week of annual leave in the next pay period following their anniversary date. Provided that in the event the employee's employment ends for any reason prior to an anniversary date,

Calvary will credit the additional annual leave if the employee has met the relevant eligibility criteria for that service year.

NOTE: This clause is intended to define the criteria for the additional week of annual leave for shiftworkers under section 87(1)(b)(ii) of the Act. We have re-named the clause to avoid confusion of eligibility with those who are shiftworkers but do not meet the conditions above.

30.5 Annual leave loading

(a) Annual leave loading will be paid to full-time and part-time employees when they take periods of annual leave.

(b) In addition to their ordinary pay, for periods of annual leave employees will be paid the higher of:

(i) annual leave loading of 17.5% of their ordinary rate of pay; or

(ii) the weekend and shift penalties the employee would have received had they not been on leave during the relevant period.

30.6 Annual leave in advance

(a) Calvary and an employee may agree in writing to the employee taking a period of paid annual leave before the employee has accrued an entitlement to the leave.

(b) An agreement must:

(i) state the amount of leave to be taken in advance and the date on which the leave is to be commence; and

(ii) be signed by the employer and employee and, if the employee is under 18 years of age, by the employee's parent or guardian.

(c) Calvary must keep a copy of any agreement under clause 30.6 as an employee record.

(d) If, on the termination of the employee's employment, the employee has not accrued an entitlement to all of a period of paid annual leave already taken in accordance with an agreement under clause 30.6, the employer may deduct from any money due to the employee on termination an amount equal to the amount that was paid to the employee in respect of any part of the period of annual leave taken in advance to which an entitlement has not been accrued.

30.7 Cashing out of annual leave

(a) Paid annual leave must not be cashed out except in accordance with an agreement under clause 30.7

(b) Each cashing out of a particular amount of paid annual leave must be the subject of a separate agreement under clause 30.7

(c) An employer and an employee may agree in writing to the cashing out of a particular amount of accrued paid annual leave by the employee.

(d) An agreement under clause 30.7 must state:

(i) the amount of leave to be cashed out and the payment to be made to the employee for it; and

(ii) the date on which the payment is to be made.

(e) An agreement under clause 30.7 must be signed by the employer and employee and, if the employee is under 18 years of age, by the employee's parent or guardian.

(f) The payment must not be less than the amount that would have been payable had the employee taken the leave at the time the payment is made.

(g) An agreement must not result in the employee's remaining accrued entitlement to paid annual leave being less than 4 weeks.

(h) The maximum amount of accrued paid annual leave that may be cashed out in any period of 12 months is 2 weeks.

(i) The employer must keep a copy of any agreement under clause 30.7 as an employee record.

Note 1: Under section 344 of the Fair Work Act, an employer must not exert undue influence or undue pressure on an employee to make, or not make, an agreement under clause 30.7.

Note 2: Under section 345(1) of the Fair Work Act, a person must not knowingly or recklessly make a false or misleading representation about the workplace rights of another person under clause 30.7.

30.8 **Excessive leave accruals: general provision**

Note: Clauses 30.8 to 30.10 contain provisions, additional to the National Employment Standards, about the taking of paid annual leave as a way of dealing with the accrual of excessive paid annual leave. See Part 2.2, Division 6 of the Fair Work Act.

(a) An employee has an **excessive leave accrual** if the employee has accrued more than 8 weeks of annual leave (excluding any already approved annual leave).

(b) If an employee has an excessive leave accrual,

(i) Calvary or the employee may seek to confer with the other and genuinely try to reach agreement on how to reduce or eliminate the excessive leave accrual; and

(ii) Calvary will not unreasonably refuse a request by an employee to use their excessive annual leave for an extended period of annual leave within 12 months of the discussions.

(c) Clause 30.9 sets out how an employer may direct an employee who has an excessive leave accrual to take paid annual leave.

(d) Clause 30.10 sets out how an employee who has an excessive leave accrual may require an employer to grant paid annual leave requested by the employee.

30.9 **Excessive leave accruals: direction by employer that leave be taken**

(a) If an employer has genuinely tried to reach agreement with an employee under clause 30.8(a) but agreement is not reached (including because the employee refuses to confer), the employer may direct the employee in writing to take one or more periods of paid annual leave.

(b) However, a direction by the employer under paragraph (a):

(i) is of no effect if it would result at any time in the employee's remaining accrued entitlement to paid annual leave being less than 8 weeks when any other paid annual leave arrangements (whether made under clause 30.8, 30.9 or 30.10 or otherwise agreed by the employer and employee) are taken into account; and

(ii) must not require the employee to take any period of paid annual leave of less than one week; and

(iii) must not require the employee to take a period of paid annual leave beginning less than 8 weeks, or more than 12 months, after the direction is given; and

(iv) must not be inconsistent with any leave arrangement agreed by the employer and employee.

(c) The employee must take paid annual leave in accordance with a direction under paragraph (a) that is in effect.

(d) An employee to whom a direction has been given under paragraph (a) may request to take a period of paid annual leave as if the direction had not been given.

Note 1: Paid annual leave arising from a request mentioned in paragraph (d) may result in the direction ceasing to have effect. See clause 30.9(b)(i).

Note 2: Under section 88(2) of the Fair Work Act, the employer must not unreasonably refuse to agree to a request by the employee to take paid annual leave.

30.10 **Excessive leave accruals: request by employee for leave**

(a) If an employee has genuinely tried to reach agreement with an employer under clause 30.8(a) but agreement is not reached (including because the employer refuses to confer), the employee may give a written notice to the employer requesting to take one or more periods of paid annual leave.

(b) However, an employee may only give a notice to the employer under paragraph (a) if:

(i) the employee has had an excessive leave accrual for more than 6 months at the time of giving the notice; and

(ii) the employee has not been given a direction under clause 30.9(a) that, when any other paid annual leave arrangements (whether made under clause 30.8, 30.9 or 30.10 or otherwise agreed by the employer and employee) are taken into account, would eliminate the employee's excessive leave accrual.

(c) A notice given by an employee under paragraph (a) must not:

(i) if granted, result in the employee's remaining accrued entitlement to paid annual leave being at any time less than 6 weeks when any other paid annual leave arrangements (whether made under clause 30.8, 30.9 or 30.10 or otherwise agreed by the employer and employee) are taken into account; or

(ii) provide for the employee to take any period of paid annual leave of less than one week; or

(iii) provide for the employee to take a period of paid annual leave beginning less than 8 weeks, or more than 12 months, after the notice is given; or

(iv) be inconsistent with any leave arrangement agreed by the employer and employee.

(d) An employee is not entitled to request by a notice under paragraph (a) more than 4 weeks' paid annual leave (or 5 weeks' paid annual leave for a shiftworker, as defined by clause 30.4(a)) in any period of 12 months.

(e) The employer must grant paid annual leave requested by a notice under paragraph (a).

31. Purchased Leave

31.1 Calvary and an employee (other than a casual employee) may agree to a Purchased Leave arrangement to fund extended periods of leave that would have otherwise been unpaid.

31.2 **Applying for Purchased Leave**

An application for Purchased Leave will include the dates for the period of leave and will be subject to approval at the absolute discretion of Calvary.

31.3 **Accruing Purchased Leave**

(a) Purchased Leave will operate by way of an employee authorising Calvary to deduct a portion of their earnings each fortnight and accrue that amount to be later used for a period of leave that would otherwise have been unpaid.

(b) Calvary will calculate the value of the period of leave and then deduct from the employee's fortnightly pay equal instalments to fund the period of Purchased Leave. Provided that if an employee does not earn enough in their fortnightly pay to cover the deduction (For example, through a change in the employee's minimum guaranteed hours or the taking of leave without pay), Calvary is not required to make up the shortfall in earnings.

31.4 **Taking Purchased Leave**

(a) Unless varied or terminated in accordance with the remainder of clause 31, an employee will take Purchased Leave on the dates agreed to at the time of approval.

(b) Purchased Leave will be paid to the employee at an hourly rate that fully utilises the accrued deductions. No other penalty rates, loadings, allowances or other like payments will apply.

(c) Subject to Superannuation legislation, Superannuation will be paid (where applicable) on the pre-deducted earnings and not at the time of taking the Purchased Leave.

31.5 **Variations, Cancellations and Termination**

(a) Variations to an approved Purchased Leave arrangement are subject to the absolute discretion of Calvary. If approval is granted, Calvary will re-calculate the value of the period of leave and adjust the deductions from the employee's earnings accordingly.

(b) An employee may cancel a Purchased Leave arrangement by giving Calvary no less than 4 weeks written notice prior to the period of Purchased Leave.

(c) Upon cancellation of a Purchased Leave arrangement or the termination of the employee's employment, Calvary will pay the accrued and unused Purchased Leave money back to the employee in the next available pay period (where practicable).

32. Personal/Carer's Leave

32.1 Personal/Carer's Leave is provided for by the NES. The remainder of clause 32 is provided for the convenience of the parties and is not intended to provide an entitlement that deviates from the NES. Where the NES is amended, this clause will be read to reflect the current NES wording.

32.2 *Amount of Leave*

For each year of service with Calvary (other than periods of employment as a casual employee of Calvary) an employee is entitled to 10 days of paid personal/carer's leave.

32.3 *Accrual of Leave*

An employee's entitlement to paid personal/carer's leave accrues progressively during a year of service (other than periods of employment as a casual employee of the employer) according to the employee's ordinary hours of work, and accumulates from year to year.

NOTE: This means that personal/carer's leave is pro-rated based on an employee's ordinary hours worked (inclusive of paid leave taken).

32.4 *Taking paid personal/carer's leave*

An employee may take paid personal/carer's leave if the leave is taken:

(a) because the employee is not fit for work because of a personal illness, or personal injury, affecting the employee; or

(b) to provide care or support to a member of the employee's immediate family, or a member of the employee's household, who requires care or support because of:

(i) a personal illness, or personal injury, affecting the member; or

(ii) an unexpected emergency affecting the member.

32.5 *Employee taken not to be on paid personal/carer's leave at certain times*

(a) If the period during which an employee takes paid personal/carer's leave includes a day or part-day that is a public holiday in the place where the employee is based for work purposes, the employee is taken not to be on paid personal/carer's leave on that public holiday.

(b) If the period during which an employee takes paid personal/carer's leave includes a period of paid family and domestic violence leave, the employee is taken not to be on paid personal/carer's leave for the period of that paid family and domestic violence leave.

32.6 *Payment for paid personal/carer's leave*

If an employee takes a period of paid personal/carer's leave, the employer must pay the employee at the employee's base rate of pay for the employee's ordinary hours of work in the period.

32.7 *Notice and evidence requirements*

(a) An employee must give Calvary notice of the taking of personal / carer's leave under this clause.

(b) The notice:

(i) must be given to Calvary as soon as practicable (which may be a time after the leave has started); and

(ii) must advise Calvary of the period, or expected period, of the leave.

(c) An employee who has given Calvary notice of taking personal/carer's leave for a period of three days or more; or has previously had an aggregate of four days without production of a medical certificate in the employee's current Service Year, if required by Calvary, the employee will give Calvary evidence that would satisfy a reasonable person that the leave is taken for the purposes specified in clause 32.4.

(d) An employee is not entitled to take personal / carer's leave unless they comply with this clause 32.7.

32.8 Unpaid Carer's Leave of two days per permissible occasion is provided for under the NES.

33. Communicable Diseases Leave

33.1 A full-time or part-time employee may take up to a total of three days' paid Communicable Diseases Leave on an occasion where Calvary notifies a declared outbreak within the facility of an infectious disease to ACT Health, as a direct result of their employment the employee contracts:

(a) gastroenteritis;

(b) influenza; or

(c) another virus that has reached endemic status or been declared a pandemic by the World Health Organisation (including COVID-19).

33.2 Provided that at the time the employee contracts an infection of the type specified in clause 33.1:

(a) the employee's workplace is/was experiencing an 'outbreak' (as defined by the Department of Health and Ageing); and

(b) the employee was working within the workplace (or where the outbreak was contained, in the affected working area) where the outbreak occurred.

33.3 If required by Calvary, the employee must provide evidence to the reasonable satisfaction of Calvary that they were unfit to work due because of having an infection of the type specified in clause 33.1 to claim the leave.

33.4 An affected employee is required to comply with the reasonable directions of Calvary, the relevant government department and/or a medical practitioner in relation to the management of their infection. If they do not comply then no leave provided by this clause is payable.

33.5 Approved Communicable Diseases Leave will be paid at the employee's ordinary rate of pay for ordinary hours that were unable to be worked.

34. Compassionate Leave

34.1 *Amount of Compassionate Leave*

34.2 Compassionate Leave is provided for by the NES. Employees are entitled to 2 days of compassionate leave on the same terms and conditions as the NES. With the exception of clause 34.3 which provides a better entitlement than the NES, the remainder of clause 34 is provided for the convenience of the parties only.

34.3 A permanent Nursing Stream employee shall be entitled to an additional one day paid leave, per annum, plus additional unpaid leave up to and including the day of the funeral, following a death in the employees immediate family or household, where the deceased resides in another state.

34.4 *Taking Compassionate Leave*

(a) An employee is entitled to take compassionate leave for each occasion ("a permissible occasion") when:

(i) a member of the employee's immediate family or a member of the employee's household:

A. contracts or develops a personal illness that poses a serious threat to his or her life; or

B. sustains a personal injury that poses a serious threat to his or her life; or

C. dies; or

(ii) a child is stillborn, where the child would have been a member of the employee's immediate family, or a member of the employee's household, if the child had been born alive; or

(iii) the employee, or the employee's spouse or de facto partner, has a miscarriage. Although this will not apply if the miscarriage occurs after 20 weeks' gestation which is instead covered by clause 39.3(g) - Pregnancy Loss; or to former spouses/de factor partners of the employee.

(b) An Employee may take compassionate leave for a particular permissible occasion as a single continuous 2 day period or 2 separate periods of 1 day each; or any separate periods to which the Employee and Calvary agree.

(c) If the permissible occasion is the contraction or development of a personal illness, or the sustaining of a personal injury, the Employee may take the compassionate leave for that occasion at any time while the illness or injury persists.

34.5 *Payment for Compassionate Leave*

If, in accordance with this clause 34, an Employee, other than a casual Employee, takes a period of compassionate leave, the Employer must pay the Employee at the Employee's ordinary rate of pay for the Employee's ordinary hours of work in the period. For casual Employees, compassionate leave is unpaid leave.

34.6 *Evidence requirements*

The Employee, if required by Calvary, shall supply evidence that would satisfy a reasonable person of the requirement for such leave. Such evidence may include a requirement to supply a medical certificate.

35. Community Service Leave

35.1 Community service leave is provided for in the NES.

35.2 For the convenience of the parties, community service leave is for eligible community service activities, being:

(a) Jury service;

(b) A voluntary emergency management activity; or

(c) Any other activity prescribed by the *Fair Work Regulations 2009* (Cth).

36. Emergency Services Leave

At the discretion of Calvary, whose discretion will be exercised on the basis of operational requirements and what is reasonable in a particular circumstance, Calvary will facilitate an Nursing Stream employee who is a member of a voluntary emergency relief organisation such as the Red Cross, St John Ambulance and the State Emergency Services to be released from normal duty without loss of pay up to a maximum of three shifts per year to assist in regard to a critical incident where a local emergency situation arises that requires the attendance of the employee.

This is entitlement is in addition to the Community Services Leave provided for in the NES.

37. Ceremonial Leave

An employee who is required by Aboriginal tradition to be absent from work for Aboriginal ceremonial purposes will be entitled to up to 10 working days unpaid leave in any one year, with the approval of the employer.

38. Long Service Leave

It is noted by the parties that Long Service Leave is provided for in accordance with the *Long Service Leave Act 1976* (ACT) - as amended or replaced.

NOTE: Information on long service leave entitlements in ACT is available at the ACT Government's Long Service Leave information page or by contacting your local People & Culture contact.

39. Parental Leave and Calvary Paid Parental Leave Scheme

39.1 Parental Leave and related entitlements are provided for in the NES.

NOTE: Parental Leave under the Act also includes adoption leave.

39.2 **Definitions**

In this clause 39:

(a) **Parental Leave Period** means the period from when an employee commences Parental Leave to when that employee returns to work at the conclusion of Parental Leave.

(b) **Partner** means the legally recognised partner, spouse or de facto spouse of the primary carer who is not a Primary Carer.

(c) **Primary Carer** means an employee who is the principle/main carer meeting the day-to-day care of the child (or children).

39.3 **Calvary Paid Parental Leave Scheme**

(a) The Calvary Paid Parental Leave Scheme's objective is to provide employees with a period of payment during an otherwise unpaid period of parental leave under the NES. This Paid Parental Leave Scheme applies to adoptions eligible for unpaid parental leave under the Act.

(b) Permanent Full-Time or Part-Time employees who are entitled to Parental Leave in accordance with the NES are also eligible to apply for Paid Parental Leave in accordance with the terms of this clause for any single Parental Leave Period.

(c) **Amount of Leave**

An employee is entitled to one (but not both) of the following amounts of Paid Parental Leave in a single Parental Leave Period:

(i) The amount of Paid Parental Leave for a Primary Carer is 12 weeks:

(ii) The amount of Paid Parental Leave for a Partner is 3 weeks.

(d) **Payment for Parental Leave**

(i) Part-Time employees shall be paid in accordance with their guaranteed hours (set by clause 9.3) over the period of Paid Parental Leave.

(ii) Paid Parental Leave will be paid at the employee's minimum rate of pay applicable to their classification and pay point.

(iii) An employee may elect to take Paid Parental Leave at half pay for double the duration. In this event, annual leave and personal leave will accrue at half the rate by being treated as if the employee took half the time as paid and half the time as unpaid. An employee may combine half-pay paid parental leave with annual leave to enable an employee to remain on full pay for a period.

(iv) Superannuation will be paid on periods of Calvary's Paid Parental Leave.

NOTE: This does not apply to periods of leave that may be paid under a Government paid parental leave scheme. See clause 39.3(i)(ii)C.

(e) **Taking Paid Parental Leave**

(i) Paid Parental Leave must be taken in a single unbroken period within the Parental Leave Period.

(ii) The earliest date Paid Parental Leave may start shall be the same as unpaid parental leave in accordance with the NES.

(iii) An employee taking a portion of Paid Parental Leave must do so within the Parental Leave Period.

(iv) Only one person can be designated as the Primary Carer for the adopted child at a point in time.

(v) While an employee is on Paid Parental Leave they may request Calvary substitute a Paid Parental Leave day:

A. to be paid as absent for a Public Holiday; or

B. to take Personal / Carer's Leave or Compassionate Leave (in accordance with the terms of taking such leave); and

C. provided that:

- doing so will not extend the Parental Leave Period and any substituted Paid Parental Leave hours will be forfeited by the employee; and
- requests must be made to Calvary no later than 2 weeks after the public holiday or end of personal / carer's leave.

(f) **Consecutive Parental Leave Periods**

(i) Once an employee completes a Parental Leave Period which contained a portion of Paid Parental Leave then they will become re-entitled to Paid Parental Leave under this clause 39.3 after having returned to work for a further period of 6 months.

NOTE: This clause does not apply to some employees in accordance with Schedule D, D.4.

(ii) This requirement shall not apply in circumstances where an employee has taken Paid Parental Leave in accordance with clause 39.3(g).

(g) **Pregnancy Loss**

(i) In the circumstances of an employee suffering a pregnancy loss after 20 weeks' gestation or the child is not living at the time of birth, the employee shall be entitled to Paid Parental Leave on the same terms as had the child lived.

(ii) In circumstances of an employee suffering a pregnancy loss up to and including 20 weeks', the employee shall be entitled to two weeks Paid Parental Leave under the remaining terms of this clause.

(h) **Notice Requirements**

(i) To be eligible for Paid Parental Leave under this Agreement, an employee must provide written notice to Calvary in advance of the expected date of commencement of the Parental Leave Period. The notice requirements are:

A. at least 10 weeks prior to the expected date of birth – and include a medical certificate from a registered medical doctor, obstetrician or gynaecologist stating that the employee is pregnant; and

B. by way of confirmation, at least 4 weeks prior to the date on which the employee proposes to commence parental leave and the period of leave to be taken.

(ii) When the Employee gives notice under clause 39.3(h)(i)A the Employee must also provide a statutory declaration stating particulars of any period of partner leave sought or taken by the partner and that for the period of parental leave the Employee will not engage in any conduct inconsistent with their contract of employment.

(iii) An Employee will remain eligible for Parental Leave if failure to give the stipulated notice under clause39.3(h)(i) is a result of birth (or a pregnancy loss) occurring earlier than the expected date.

(i) **Miscellaneous Terms**

(i) Paid Parental Leave will count as continuous service within the meaning of the Act.

(ii) For the avoidance of doubt, the Paid Parental Leave Scheme provided under this Agreement:

A. is subject to an employee remaining eligible for Parental Leave under the NES during a Parental Leave Period;

B. covers employees who are eligible for adoption-related leave under the NES;

C. operates independently and in addition to any Government paid parental leave scheme (or other like Government benefit); and

D. replaces any other Paid Parental Leave scheme(s) provided for under Calvary Health Care's policies.

40. Family and Domestic Violence Leave

40.1 Definitions

(a) In this clause:

(i) **family and domestic violence** means violent, threatening or other abusive behaviour by a family member of an employee or a member of the employee's household that seeks to coerce or control the Employee and that causes them harm or to be fearful.

(ii) **family member** means:

A. a spouse, de facto partner, child, parent, grandparent, grandchild or sibling of the Employee; or

B. a child, parent, grandparent, grandchild or sibling of a spouse or de facto partner of the Employee; or

C. a person related to the Employee according to Aboriginal or Torres Strait Islander kinship rules.

(iii) A reference to a spouse or de facto partner in the definition of family member in clause 40.1(a)(ii) includes a former spouse or de facto partner.

40.2 Taking Family and Domestic Violence Leave

Family and Domestic Violence Leave is available if an employee is experiencing family and domestic violence, they need to do something to deal with the impact of the family and domestic violence, and it is impractical for the employee to do that thing outside their normal work hours.

40.3 **Amount of Family and Domestic Violence Leave**

Employees are entitled to 20 days paid family and domestic violence leave on the same terms and conditions as the NES.

40.4 For the avoidance of doubt:

(a) casual employees are entitled to take family and domestic violence leave; and

(b) This clause does not limit an Employee from accessing other forms of leave if they exhaust their entitlement to paid family and domestic violence leave.

40.5 More information on Family and Domestic Violence Leave is available on the Fair Work Ombudsman's website or in Calvary's *Family and Domestic Violence Leave Policy*.

40.6 The NES prescribes confidentiality obligations that apply to Calvary in the handling of Family and Domestic Violence Leave information.

41. Natural Disaster Leave

Upon approval from Calvary, where the State has declared a natural disaster that directly affects the employee, the employee may access up to three days' special paid leave.

Part 6—Education and Professional Development

42. Mandatory Training and E-Learning

42.1 All employees have a responsibility to maintain and upgrade their skills commensurate with the requirements of their position through mandatory training as reasonably directed and provided for by Calvary. Calvary's preference is that mandatory training will be provided and undertaken at the workplace and in paid time.

42.2 Wherever practicable, Calvary will ensure that mandatory training/meetings and e-learning will be undertaken by employees within their ordinary work hours.

43. Mandatory Training or Meeting (On-Site)

43.1 Where, because it was impracticable to do so otherwise or if the employee agrees, an employee may be rostered by Calvary for additional time to complete mandatory training and/or attend a mandatory meeting.

43.2 A minimum notice period of 2 weeks is required of Calvary when rostering a staff member to attend on-site training or meetings under this clause 43, unless the employee mutually agrees to attend with shorter notice.

43.3 *Contiguous with a Shift*

(a) Notwithstanding clause 27.1, Where an employee is rostered (or it is agreed) for additional time to complete mandatory training immediately prior to, or immediately after their shift then the employee will be paid at their ordinary rate of pay. Shift penalties (clause 24) and weekend penalties (clause 25) will be applicable provided they are calculated on the employee's rostered shift and not the additional mandatory training time's start or finish time.

(b) The minimum payment for the time worked under clause 43.3(a) is 1 hour.

43.4 *Employee's Day Off*

Notwithstanding clause 27.1, where an employee is rostered to attend mandatory training on their ordinary day off work, then the employee will be paid at their ordinary rate of pay (plus shift or weekend penalties, as applicable) for a minimum 2 hours' engagement.

43.5 Casual employees agreeing to attend mandatory training / meeting will be paid their ordinary rate of pay plus their casual loading (the **addition** method) plus any applicable shift or weekend penalty rate.

43.6 Employees will not be rostered to complete mandatory training in accordance with this clause on public holidays.

43.7 The exception to payment of overtime for Mandatory Training under this clause 43 is limited to the first 10 hours per calendar year. Any mandatory training in excess of 10 hours in the calendar year will be paid at overtime rates.

43.8 Preserved conditions apply to employees who were employed immediately prior to the *Calvary Health Care – Aged Care Australian Capital Territory – Enterprise Agreement 2023-2028* coming into effect in Schedule D.

44. E-Learning

44.1 E-learning modules will normally be completed within the ordinary working hours in the workplace. With prior approval from the Manager, an employee may request to complete modules outside of working hours and from home. This clause 44 applies to the exclusion of clause 43 when employees are undertaking approved e-learning from home.

44.2 Prior to approving e-learning from home, Calvary or the employee's manager will allocate an amount of time for the completion of each compulsory module (the **'Approved Amount of Time'**).

44.3 Calvary will pay employees for the Approved Amount of Time taken to complete this training, irrespective of whether the employee successfully completes the training in a shorter time period. Such time shall not be regarded as time worked for the purposes of determining overtime payments.

44.4 The employee will be paid at their ordinary rate of pay for the Approved Amount of Time. No penalty rates, overtime rates, or minimum shift engagement shall apply. Casual employees will be paid casual loading in addition to their ordinary rate of pay.

44.5 Where an employee finds that it takes more than the Approved Amount of Time to complete a module, they should log out of the training (which will save it automatically) and bring this to the attention of their Manager. The Manager will take steps to ensure the employee is able to complete the training by:

(a) arranging for the module to be completed in working hours in the workplace and ensuring access to IT resources to allow this to occur; and/or

(b) approving payment for additional time required to complete the module from home. If an employee is still unable to complete the module after the additional time, they will again bring this to the attention of the Manager.

NOTE: Pursuant to clause 27.6(b)(v), E-Learning performed under this clause is not considered remote work for the purposes of this Agreement.

45. Professional Development Leave

45.1 Amount of Leave

(a) Full-time employees shall be entitled to 2 days per service year of paid professional development leave for the purpose of attending courses, conferences and/or undertaking or preparing for examinations in a course of study.

(b) Part-time employees who work not less than 4 shifts per fortnight shall be entitled to Professional Development Leave under this clause on a pro-rata basis.

(c) The amount of consecutive days an employee may take is 2 days or the duration of the course – whichever is lesser. Provided any unused leave may be utilised another time in the employee's service year.

(d) Professional Development Leave does not accrue year to year.

45.2 Eligibility of the Course/Conference/Study

The course of study or conference must be relevant to the employee's work at Calvary. Professional Development Leave for study purposes must also:

(a) Be related to the employee's duties and classification within the workplace; or

(b) Be related to the advancement through the career structure of the employee at the workplace; and

(c) Where attending a course or preparing for examinations, be conducted by a registered training organisation or a registered tertiary education institution.

45.3 Approval of Taking Leave

(a) Professional Development Leave shall be taken at a time that is mutually agreed between Calvary and the employee. Calvary will not unreasonably withhold approval for such leave when:

(i) the employee has continuous service with Calvary of at least 18 months' immediately prior to the to the taking of the Personal Development Leave;

(ii) there is not another employee already attending the same course or conference;

(iii) no other employee previously attended course on the same topic *and* they subsequently gave an in-service education session; and

(iv) Calvary would not incur overtime or agency costs to maintain a reasonable workload for staff while the employee is on Professional Development Leave.

(b) As a condition of approval for Professional Development Leave for courses and conferences, Calvary may require an attending employee to subsequently provide an in-service education session to share their learnings with their colleagues.

45.4 Payment of Professional Development Leave

An employee taking professional development leave will be paid their ordinary rate of pay for the ordinary hours that they would have worked, up to 7.6 hours per day.

Part 7—Consultation and Dispute Resolution

46. Workplace Consultative Meetings

(a) Currently, Calvary holds meetings to discuss workplace matters with affected employees (rather than general discussion meetings) to ensure efficient and relevant communication.

(b) Should a group of employees at a residential aged care facility covered by this Agreement wish for a Workplace Consultative Meeting to be held for discussion regarding common workplace issues, then:

(i) Those employees will provide a list of workplace issues they'd like to have added to the agenda of a Workplace Consultative Meeting; and

(ii) Calvary will hold a Workplace Consultative Meeting in a reasonable timeframe, provided that employees who have raised the workplace issues on the agenda are willing to attend.

(c) Where Calvary and employees agree that regular and periodic Workplace Consultative Meetings are likely to be beneficial then Calvary will form a Workplace Consultative Committee that will meet on an agreed cadence. However, Calvary will not be obliged to continue to stand up the Workplace Consultative Committee where there are no employees attending the meetings.

47. Consultation About Major Workplace Change

47.1 If an employer makes a definite decision to make major changes in production, program, organisation, structure or technology that are likely to have significant effects on employees, the employer must:

(a) give notice of the changes to all employees who may be affected by them and their representatives (if any); and

(b) discuss with affected employees and their representatives (if any):

(i) the introduction of the changes; and

(ii) their likely effect on employees; and

(iii) measures to avoid or reduce the adverse effects of the changes on employees; and

(c) commence discussions as soon as practicable after a definite decision has been made.

47.2 For the purposes of the discussion under clause 47.1(b), the employer must give in writing to the affected employees and their representatives (if any) all relevant information about the proposed changes including:

(a) their nature; and

(b) their expected effect on employees; and

(c) any other matters likely to affect employees.

47.3 Clause 47.2 does not require an employer to disclose any confidential information if its disclosure would be contrary to the employer's interests.

(a) The employer must promptly consider any matters raised by the employees or their representatives about the changes in the course of the discussion under clause 47.1(b).

47.4 In clause 47 significant effects, on employees, includes any of the following:

(a) termination of employment; or

(b) major changes in the composition, operation or size of the employer's workforce or in the skills required; or

(c) loss of, or reduction in, job or promotion opportunities; or

(d) loss of, or reduction in, job tenure; or

(e) alteration of hours of work; or

(f) the need for employees to be retrained or transferred to other work or locations; or

(g) job restructuring.

47.5 Where this Agreement makes provision for alteration of any of the matters defined at clause 47.4, such alteration is taken not to have significant effect.

48. Consultation About Changes to Rosters or Hours of Work

48.1 Clause 48 applies if an employer proposes to change the regular roster or ordinary hours of work of an employee, other than an employee whose working hours are irregular, sporadic or unpredictable.

48.2 The employer must consult with any employees affected by the proposed change and their representatives (if any).

48.3 For the purpose of the consultation, the employer must:

(a) provide to the employees and representatives mentioned in clause 48.2 information about the proposed change (for example, information about the nature of the change and when it is to begin); and

(b) invite the employees to give their views about the impact of the proposed change on them (including any impact on their family or caring responsibilities) and also invite their representative (if any) to give their views about that impact.

48.4 The employer must consider any views given under clause 48.3(b).

48.5 Clause 48 is to be read in conjunction with any other provisions of this Agreement concerning the scheduling of work or the giving of notice.

49. Workplace Delegate Rights

49.1 Clause 49 provides for the exercise of the rights of workplace delegates set out in section 350C of the Act.

NOTE: Under section 350C(4) of the Act, Calvary is taken to have afforded a workplace delegate the rights mentioned in section 350C(3) if Calvary has complied with clause 49.

49.2 **Definitions**

In clause 49:

(a) **Calvary** means the employer of the workplace delegate;

(b) **delegate's organisation** means the employee organisation in accordance with the rules of which the workplace delegate was appointed or elected; and

(c) **eligible workers** means members and persons eligible to be members of the delegate's organisation who work in the enterprise.

(d) **enterprise** has the meaning given by section 12 of the Act.

(e) **rules of the delegate's organisation** means those rules established in accordance with Chapter 5 of the *Fair Work (Registered Organisations) Act 2009* (Cth) (as amended or replaced).

(f) **workplace delegate** means a person appointed or elected, in accordance with the rules of an employee organisation, to be a delegate or representative (however described) for members of the organisation who work in the enterprise.

49.3 **Appointment and Designation as Workplace Delegate**

(a) Before exercising entitlements under clause 49, a workplace delegate must give Calvary written notice of their appointment or election as a workplace delegate. If requested, the workplace delegate must provide Calvary with evidence that would satisfy a reasonable person of their appointment or election in accordance with the rules of the delegate's organisation.

(b) An employee who ceases to be a workplace delegate must:

(i) give written notice to Calvary within 14 days of the act taken to remove the workplace delegate's status (which may be as a result of an election or resignation of such status); and

(ii) not exercise the rights given under this clause after ceasing to be an appointed delegate

49.4 **Right of representation**

A workplace delegate may represent the industrial interests of eligible workers who wish to be represented by the workplace delegate in matters including:

(a) consultation about major workplace change;

(b) consultation about changes to rosters or hours of work;

(c) resolution of disputes raised in accordance with clause 49;

(d) disciplinary processes (provided the workplace delegate is not a witness to the conduct being investigated and/or their involvement does not otherwise risk the integrity of any investigation process);

(e) enterprise bargaining where the workplace delegate has been appointed as a bargaining representative under section 176 of the Act or is assisting the delegate's organisation with enterprise bargaining; and

(f) any process or procedure within an award, enterprise agreement or policy of Calvary under which eligible workers are entitled to be represented and which concerns the eligible worker's industrial interests.

49.5 **Entitlement to reasonable communication**

(a) A workplace delegate may reasonably communicate with eligible workers in relation to their industrial interests under clause 49.4. This includes discussing membership of the delegate's organisation and representation with eligible workers.

(b) A workplace delegate may reasonably communicate with eligible workers during working hours or work breaks, or before or after work.

49.6 **Entitlement to reasonable access to the workplace and workplace facilities**

(a) Calvary must provide a workplace delegate with access to or use of the following workplace facilities:

(i) a room or area to hold discussions that is fit for purpose, private and accessible by the workplace delegate and eligible workers;

(ii) a physical or electronic noticeboard;

(iii) electronic means of communication ordinarily used in the workplace by Calvary to communicate with eligible workers and by eligible workers to communicate with each other, including access to Wi-Fi;

(iv) a lockable filing cabinet or other secure document storage area; and

(v) office facilities and equipment including printers, scanners and photocopiers.

(b) Calvary is not required to provide access to or use of a workplace facility under clause 49.6(a) if:

(i) the workplace does not have the facility;

(ii) due to operational requirements, it is impractical to provide access to or use of the facility at the time or in the manner it is sought; or

(iii) Calvary does not have access to the facility at the enterprise and is unable to obtain access after taking reasonable steps.

49.7 **Entitlement to reasonable access to training**

Calvary must provide a workplace delegate with access to paid time to attend training related to representation of the industrial interests of eligible workers at the following amounts:

(a) up to 5 days of paid time during normal working hours for initial training;

(b) and at least one day each subsequent year, to attend training related to representation of the industrial interests of eligible employees; and

(c) in addition to 49.7(b) in each subsequent year, an additional four days cumulative total to be shared between delegates to attend conferences, meetings or training where the scope, content and level of the courses are directed to the enhancement of the operation of the settlement of dispute procedures.

49.8 The paid time in 49.7 is subject to the following conditions:

(a) In each year commencing 1 July, Calvary is not required to provide access to paid time for training to more than one workplace delegate per 50 eligible workers.

(b) The number of eligible workers will be determined on the day a delegate requests paid time to attend training, as the number of eligible workers who are:

(i) full-time or part-time employees; or

(ii) regular casual employees.

(c) Payment for a day of paid time during normal working hours is payment of the amount the workplace delegate would have been paid for the hours the workplace delegate would have been rostered or required to work on that day if the delegate had not been absent from work to attend the training.

(d) The workplace delegate must give Calvary not less than 5 weeks' notice (unless Calvary and delegate agree to a shorter period of notice) of the dates, subject matter, the daily start and finish times of the training, and the name of the training provider.

(e) If requested by Calvary, the workplace delegate must provide Calvary with an outline of the training content.

(f) Calvary must advise the workplace delegate not less than 2 weeks from the day on which the training is scheduled to commence, whether the workplace delegate's access to paid time during normal working hours to attend the training has been approved. Such approval must not be unreasonably withheld.

(g) The workplace delegate must, within 7 days after the day on which the training ends, provide Calvary with evidence that would satisfy a reasonable person of their attendance at the training.

Exercise of entitlements under clause 49

49.9 (a) A workplace delegate's entitlements under clause 49 are subject to the conditions that the workplace delegate must, when exercising those entitlements:

(i) comply with the reasonable policies and procedures of Calvary, including reasonable codes of conduct and requirements in relation to occupational health and safety and acceptable use of ICT resources;

(ii) not hinder, obstruct or prevent eligible workers exercising their rights to freedom of association.

(b) A workplace delegate must, other than in the reasonable exercise of the entitlements under clause 49:

(i) comply with their duties and obligations as an employee; and

(ii) not hinder, obstruct or prevent the normal performance of work.

(c) Clause 49 does not require Calvary to provide a workplace delegate with access to electronic means of communication in a way that provides individual contact details for eligible workers.

(d) Clause 49 does not require an eligible workers to be represented by a workplace delegate without the employee's agreement.

NOTE: Under section 350A of the Act, Calvary must not:

(a) unreasonably fail or refuse to deal with a workplace delegate; or
(b) knowingly or recklessly make a false or misleading representation to a workplace delegate; or
(c) unreasonably hinder, obstruct or prevent the exercise of the rights of a workplace delegate under the Act or clause 49.

NOTE: Under Divisions 3 and 4 of the Act, a person (who may be a workplace delegate) must not:

(a) organise or take, or threaten to organise or take, any action against another person with intent to coerce the other person, or a third person, to engage in industrial activity;
(b) knowingly or recklessly make a false or misleading representation about either of the following:
(c) another person's obligation to engage in industrial activity;
(d) another person's obligation to disclose whether he or she, or a third person:
- *is or is not, or was or was not, an officer or member of an industrial association; or*
- *is or is not engaging, or has or has not engaged, in industrial activity.*

(e) knowingly or recklessly make a false or misleading representation about:
- *the workplace rights of another person; or*
- *the exercise, or the effect of the exercise, of a workplace right by another person.*

(f) with the exception of protected industrial action - organise or take, or threaten to organise or take, any action against another person with intent to coerce the other person, or a third person, to:

- *exercise or not exercise, or propose to exercise or not exercise, a workplace right; or*
- *exercise, or propose to exercise, a workplace right in a particular way.*

49.10 **Paid Union Meeting Time**

(a) From time to time, Calvary may agree to employees (not just workplace delegates) having paid union meeting time. This may be on a case-by-case basis or formal arrangement made outside of this Enterprise Agreement.

(b) Notwithstanding any other provision under this Enterprise Agreement, where Calvary has expressly agreed to a union meeting being paid and an employee is not otherwise on duty attends, they will be entitled to be paid for the actual duration of meeting or the agreed maximum duration of the meeting, whichever shorter, at the employee's ordinary rate of pay. Such payment will not be regarded as time worked and will be treated as an allowance.

50. Dispute Resolution

50.1 Clause 50 sets out the procedures to be followed if a dispute arises about a matter under this Agreement or in relation to the NES.

50.2 The parties to the dispute must first try to resolve the dispute at the workplace through discussion between the employee or employees concerned and the relevant supervisor.

50.3 If the dispute is not resolved through discussion as mentioned in clause 50.2, the parties to the dispute must then try to resolve it in a timely manner at the workplace through discussion between the employee or employees concerned and more senior levels of management, as appropriate.

50.4 When conducting discussions in accordance with clause 50.3, the party raising the matter (or their representative) will provide in writing:

(a) clearly articulate the nature of the dispute; and

(b) providing details to enable the responding party to investigate the nature of, and basis of the dispute, in an efficient manner.

50.5 If the dispute is unable to be resolved at the workplace and all appropriate steps have been taken under clauses 50.2 and 50.3, a party to the dispute may refer it to the Fair Work Commission.

50.6 The parties may agree on the process to be followed by the Fair Work Commission in dealing with the dispute, including mediation, conciliation and consent arbitration.

50.7 If the dispute remains unresolved, the Fair Work Commission may use any method of dispute resolution that it is permitted by the Act to use and that it considers appropriate for resolving the dispute.

50.8 A party to the dispute may appoint a person, organisation or association to support and/or represent them in any discussion or process under clause 50.

50.9 While procedures are being followed under clause 50 in relation to a dispute:

(a) work must continue in accordance with this Agreement and the Act; and

(b) an employee must not unreasonably fail to comply with any direction given by the employer about performing work, whether at the same or another workplace, that is safe and appropriate for the employee to perform.

50.10 Clause 50.9 is subject to any applicable work health and safety legislation.

Part 8—Termination of Employment

51. Termination of Employment

51.1 Notice of termination by Calvary

Notice of termination by Calvary shall be in accordance with the NES. For the convenience of the parties only, the notice required to be provided by an employer is:

(a) In accordance with this table:

Employee's period of continuous service with the employer at the end of the day the notice is given	Period of notice
Not more than 1 year	1 week
More than 1 year but not more than 3 years	2 weeks
More than 3 years but not more than 5 years	3 weeks
More than 5 years	4 weeks

(b) The amount of notice required in clause 51.1(a) is increased by 1 week if the employee is over 45 years old and has completed at least 2 years of continuous service with the employer at the end of the day the notice is given.

51.2 Notice of termination by an employee

(a) Clause 51.2 applies to all employees except those identified in sections 123(1) and 123(3) of the Act.

NOTE: While the Act may change from time to time, at the time of making this Agreement this included employees who are casuals; and employees who are employed for a specific task or specific time.

(b) An employee who terminates their employment must give Calvary the same amount of notice prescribed in the table within clause 51.1(a) only.

(c) If an employee who is at least 18 years old does not give the period of notice required under clause 51.2(b), then Calvary may deduct from wages due to the employee under the Agreement an amount that is no more than one week's wages for the employee, provided that the deduction must not be unreasonable in the circumstances. If Calvary has agreed to a shorter period of notice than that required under 51.2(b) then no deduction can be made pursuant to this subclause.

51.3 If an employee gives notice of termination, Calvary may, at any time, pay the whole or part of the remaining notice period in lieu of the employee working. In this event, Calvary will pay notice in lieu equal to what it would have been liable to pay the employee at the full rate of pay for the hours the employee would have worked had the employment continued until the end of the minimum period of notice.

NOTE: This does not remove Calvary's obligations to pay outstanding entitlements such as unpaid wages or annual leave payments.

51.4 Nothing in this clause requires Calvary to:

(a) accept a notice period in excess of that prescribed at clause 51.2(b) of this Agreement; or

(b) provide notice rights to employees who would not be entitled to it under the NES.

51.5 Job search entitlement

(a) Where Calvary has given notice of termination to an employee, the employee must be allowed time off without loss of pay of up to one day for the purpose of seeking other employment.

(b) The time off under clause 51.5 is to be taken at times that are convenient to the employee after consultation with the employer.

52. Redundancy

NOTE: Redundancy pay is provided for in the NES. See sections 119 to 123 of the Act.

52.1 Redundancy pay is provided for in the NES. This clause 52 is intended to be read in conjunction with sections 119 to 123 of the Act, noting it is the intention of the parties that clause 52.2(b) increases the rate of Redundancy Pay under clause 119(2) of the Act.

52.2 Amount of Redundancy Pay

(a) In addition to the period of notice prescribed for termination, an Employee whose employment is terminated by reason of Redundancy shall be paid the following amount of Redundancy Pay in respect of a period of continuous service:

	Redundancy pay period	
	Employee's period of continuous service with the employer on termination	**Redundancy pay period**
1	At least 1 year but less than 2 years	4 weeks
2	At least 2 years but less than 3 years	6 weeks
3	At least 3 years but less than 4 years	7 weeks
4	At least 4 years but less than 5 years	8 weeks
5	At least 5 years but less than 6 years	10 weeks
6	At least 6 years but less than 7 years	11 weeks
7	At least 7 years but less than 8 years	13 weeks
8	At least 8 years but less than 9 years	14 weeks
9	9 years or more	16 weeks

(b) A preserved redundancy scheme applies to eligible existing employees in accordance with Schedule D.

52.3 Transfer to lower paid duties on redundancy

(a) Clause 52.1 applies if, because of redundancy, an employee is transferred to new duties to which a lower ordinary rate of pay applies.

(b) Calvary may:

(i) give the employee notice of the transfer of at least the same length as the employee would be entitled to under section 117 of the Act as if it were a notice of termination given by the employer; or

(ii) transfer the employee to the new duties without giving notice of transfer or before the expiry of a notice of transfer, provided that the employer pays the employee as set out in clause 52.3(c).

(c) If Calvary acts as mentioned in clause 52.3(b)(ii), the employee is entitled to a payment of an amount equal to the difference between the ordinary rate of pay of the employee (inclusive of all-purpose allowances, shift rates and penalty rates applicable to ordinary hours) for the hours of work the employee would have worked in the first role, and the ordinary rate of pay (also inclusive of all-purpose allowances, shift rates and penalty rates applicable to ordinary hours) of the employee in the second role for the period for which notice was not given.

52.4 **Employee leaving during redundancy notice period**

(a) An employee given notice of termination in circumstances of redundancy may terminate their employment during the minimum period of notice prescribed by section 117(3) of the Act.

(b) The employee is entitled to receive the benefits and payments they would have received under clause 52 or under sections 119 to 123 of the Act had they remained in employment until the expiry of the notice.

(c) However, the employee is not entitled to be paid for any part of the period of notice remaining after the employee ceased to be employed.

52.5 **Job search entitlement**

(a) Where Calvary has given notice of termination to an employee in circumstances of redundancy, the employee must be allowed time off without loss of pay of up to one day each week of the minimum period of notice prescribed by clause 52.1 for the purpose of seeking other employment.

(b) If an employee is allowed time off without loss of pay of more than one day under clause 52.5(a), the employee must, at the request of the employer, produce proof of attendance at an interview.

(c) A statutory declaration is sufficient for the purpose of clause 52.5(b).

(d) An employee who fails to produce proof when required under clause 52.5(b) is not entitled to be paid for the time off.

(e) This entitlement applies instead of clause 51.5.

52.6 **Reductions in Redundancy Pay**

(a) Where Calvary terminates the employee's employment by reason of redundancy but obtains for the employee alternative employment at an equivalent classification (e.g. Registered Nurse to Registered Nurse) then an employee shall be entitled to Redundancy Pay in accordance with the NES instead of clause 52.1.

(b) Any other/further reductions in Redundancy Pay shall be in accordance with the Act and, as applicable, subject to an order of the Fair Work Commission.

52.7 Nothing in clause 52 is intended to provide redundancy pay rights to those employees excluded by the Act.

Part 9—Signatures

Behalf of Calvary:

Name: Luke Sams

Authority to Sign: Chief Operations Officer - Aged & Home Care

Address: c/- Level 15/345 George St, Sydney NSW 2000

Signature: Date: 4/5/2026.

Witness Name: Katie MacBean

Witness Address: c/- Level 15/345 George St, Sydney NSW 2000

Signature: Date: 04/05/2026

On behalf of the Employees:

Name: Carlyn Fidow

Authority to Sign: Bargaining Representative

Address: 2/53 Dundas Court, Phillip ACT 2606

Signature: Date: 01/05/2026

Witness Name:

Witness Address:

Signature: Date:

On behalf of the Employees:

Name: Lauren Hutchins

Authority to Sign: Bargaining Representative

Address: Level 2, 109 Pitt Street, Sydney NSW 2000

Signature:  Date: 08/05/26

Witness Name:

Witness Address:

Signature: Date:

Schedule A—Minimum Wages and Allowances

A.1 Minimum Wage Rates

A.1.1 The Minimum Wage Rates applicable under this Agreement are broken up into three groups:

(a) Backpay for July 2023 and July 2024 (inclusive of the Work Value Case – Aged Care Industry Stage 2).

(b) Backpay for wage rates increased by the introduction of the Work Value Case – Aged Care Industry Stage 3 Phase 1 – effective FFPP 1 January 2025 for Aged Care Stream Employees and FFPP 1 March 2025 for Nursing Stream Employees.

(c) Wage rates for FFPP 1 July 2025 and the implementation of Work Value Case – Aged Care Industry Stage 3 Phase 2 from FFPP 1 October 2025.

A.1.2 Backpay remains subject to clause 17.4.

A.1.3 References to "OLD EA" in this Schedule is a reference to the applicable enterprise agreement referenced in clause 3.1.

A.1.4 Minimum Wage Rates for July 2023 and July 2024

Classification	FFPP 1 July 2023	FFPP 1 July 2024
Support Worker / *Old EA – New Entrant Care Worker (Support Stream)* *Old EA – Care Worker Grade 1 (Support Stream)* *Old EA – Care Worker Grade 2 (Support Stream)*	$25.79	$26.62
Personal Care Worker (Unqualified) / *Old EA – AIN Caregiver Level 1*	$30.71	$31.48
Personal Care Worker (Cert III) *Old EA – AIN Caregiver Level 2* *Old EA – Care Worker Grade 3 (Care Stream)*	$31.31	$32.41
Care Team Leader (PCW) / *Old EA – AIN Team Leader* *Old EA – Care Worker Grade 4 (Care Stream)*	$33.72	$35.24
Care Team Leader (EN Qualified) / *Old EA - Enrolled Nurse Level 2*	$40.94 (see cl. 17.4(b))	
Registered Nurse - RN1		
Old EA – RN New Grad	$42.60	$44.09
Old EA – RN Level 1 Year 1	$48.06	$49.74
Old EA – RN Level 1 Year 2	$49.98	$51.73
Clinical Nurse Specialist - RN2		
Old EA - RN 2 Year 1	$53.99	$55.61
Old EA - RN 2 Year 2	$54.96	$56.88

Classification	FFPP 1 July 2023	FFPP 1 July 2024
Clinical Care Coordinator		
Old EA - RN Level 4	$62.00	$63.86
Cook / *Old EA – Care Worker Grade 3 (Support Stream)*	$26.85	$27.72
Chef	$27.10	$28.46
Head Chef / Catering Supervisor	$43.65	$44.96
Maintenance Officer (Handyman) *Old EA – Care Worker Grade 1 and 2 (Maintenance Stream)*	$29.37	$30.25
Maintenance Officer (Trade Qualified/Quality) / *Old EA – Care Worker Grade 3 and 4 (Maintenance Stream)*	$33.17	$34.49
Administration Level 1 / *Old EA – Admin Level 1*	$27.84	$28.40
Administration Level 2 / *Old EA – Admin Level 2 to 4*	$31.02	$32.10
Administration Level 3 / *Old EA – Admin Level 5*	$32.45	$33.58
Leisure and Lifestyle Assistant / Old EA – Lifestyle Support Worker (Level 1)	$30.65	$31.57
Leisure and Lifestyle Officer (Cert III) / *Old EA – Lifestyle Support Worker (Level 2)*	$31.31	$31.92
Leisure and Lifestyle Officer (Cert IV) *Old EA – Lifestyle Support Worker (Level 3)*	$33.32	$34.32
Leisure and Lifestyle Coordinator *To be paid to the employee(s) employed as a Leisure & Activities Coordinator Leisure and Lifestyle Coordinator or as similarly titled while so appointed*.	$34.39	$35.77

A.1.5 Minimum Wage Rates for Work Value Case Stage 3 Phase 1

Classification	FFPP 1 January 2025	FFPP 1 March 2025
	AGED CARE ONLY	**NURSES ONLY**
Support Worker	$28.42	
Personal Care Worker (Traineeship)	$26.60	

Classification	FFPP 1 January 2025	FFPP 1 March 2025
Personal Care Worker (Unqualified)	$31.48	
Personal Care Worker (Cert III)	$33.32	
Care Team Leader (PCW)	$36.48	
Care Team Leader (EN Qualified)		$41.72
Registered Nurse - RN1		
Old EA – RN New Grad		$45.46
Old EA – RN Level 1 Year 1		$52.13
Old EA – RN Level 1 Year 2		$54.84
Clinical Nurse Specialist - RN2		
Old EA - RN 2 Year 1		$57.83
Old EA - RN 2 Year 2		$58.73
Clinical Care Coordinator		
Old EA - RN Level 4		$66.45
Cook	$29.51	
Chef	$29.30	
Head Chef / Catering Supervisor	$44.96	
Maintenance Officer (Handyman)	$31.07	
Maintenance Officer (Trade Qualified/Quality)	$35.33	
Administration Level 1	$29.21	
Administration Level 2	$32.92	
Administration Level 3	$34.42	
Leisure and Lifestyle Assistant	$31.57	
Leisure and Lifestyle Officer (Cert III)	$32.83	
Leisure and Lifestyle Officer (Cert IV)	$1.89	
Leisure and Lifestyle Coordinator	$35.92	

A.1.6 Minimum Wage Rates for July 2025 and October 2025

Classification	FFPP 1 July 2025	FFPP 1 October 2025
Support Worker	$29.30	$29.30
Personal Care Worker (Traineeship)	$27.24	$27.24
Personal Care Worker (Unqualified)	$33.65	$34.69
Personal Care Worker (Cert III) Pay Point 1	$34.56	$35.88
Personal Care Worker (Cert III) Pay Point 2	$34.94	$36.26
Personal Care Worker (Cert IV & Med Comp)		$37.88
Care Team Leader (PCW)	$37.57	$39.49
Care Team Leader (EN Qualified)	$42.00	$43.60
Registered Nurse - RN1 *Note: New Classification Structure – see Schedule B, B.2.2(c)*		
Pay Point 1	$46.91	$48.33
Pay Point 2	$49.10	$50.67
Pay Point 3	$51.29	$52.86
Pay Point 4	$53.70	$55.27
Pay Point 5 (Thereafter)	$56.50	$58.03
Clinical Nurse Specialist - RN2		
Pay Point 1	$57.71	$59.29
Pay Point 2 (Thereafter)	$59.99	$61.90
Clinical Care Coordinator		
Pay Point 1	$66.61	$68.01
Pay Point 2 (Thereafter)	$66.61	$69.38
Clinical Care Coordinator (IPC) *(NEW)*	$68.44	$70.90
Cook	$30.25	$30.25
Chef	$34.43	$37.10

Classification	FFPP 1 July 2025	FFPP 1 October 2025
Head Chef / Catering Supervisor	$46.04	$46.04
Maintenance Assistant	$27.50	$27.50
Maintenance Officer (Handyman)	$31.79	$31.79
Maintenance Officer (Trade Qualified/Quality)	$36.76	$36.76
Administration Level 1	$29.94	$29.94
Administration Level 2	$33.91	$33.91
Administration Level 3	$35.46	$35.46
Leisure and Lifestyle Assistant	$32.65	$33.69
Leisure and Lifestyle Officer (Cert III) Pay Point 1	$34.05	$35.37
Leisure and Lifestyle Officer (Cert III) Pay Point 2	$34.42	$35.74
Leisure and Lifestyle Officer (Cert IV)	$37.11	$39.07
Leisure and Lifestyle Coordinator	$38.50	$42.97

A.1.7 Minimum Wage Rates for July 2026 to July 2028

Classification	FFPP 1 July 2026 3.00%*	FFPP 1 July 2027 2.85%*	FFPP 1 July 2028 2.50%
Support Worker	$30.18	$31.04	$31.82
Personal Care Worker (Traineeship)	$28.06	$28.86	$29.58
Personal Care Worker (Unqualified)	$35.73	$36.75	$37.67
Personal Care Worker (Cert III) Pay Point 1	$36.96	$38.01	$38.96
Personal Care Worker (Cert III) Pay Point 2 *Note: See Schedule B, B.1.4*	$37.35	$38.41	$39.38
Personal Care Worker (Cert IV & Med Comp)	$39.01	$40.12	$41.13
Care Team Leader (PCW)	$40.67	$41.83	$42.88
Care Team Leader (EN Qualified)	$44.91	$46.19	$47.34
Registered Nurse - RN1			
Pay Point 1	$49.77	$51.19	$52.47
Pay Point 2	$52.19	$53.68	$55.02
Pay Point 3	$54.45	$56.00	$57.40
Pay Point 4	$56.93	$58.55	$60.01

Classification	FFPP 1 July 2026 3.00%*	FFPP 1 July 2027 2.85%*	FFPP 1 July 2028 2.50%
Pay Point 5 (Thereafter)	$59.77	$61.47	$63.01
Clinical Nurse Specialist - RN2			
Pay Point 1	$61.07	$62.81	$64.38
Pay Point 2 (Thereafter)	$63.76	$65.57	$67.21
Clinical Care Coordinator			
Pay Point 1	$70.05	$72.05	$73.85
Pay Point 2 (Thereafter)	$71.46	$73.50	$75.34
Clinical Care Coordinator (IPC)	$73.03	$75.11	$76.99
Cook	$31.16	$32.05	$32.85
Chef	$38.21	$39.30	$40.28
Head Chef / Catering Supervisor	$47.42	$48.77	$49.99
Maintenance Assistant	$28.33	$29.13	$29.86
Maintenance Officer (Handyman)	$32.74	$33.68	$34.52
Maintenance Officer (Trade Qualified/Quality)	**$37.99***	$39.07	$40.05
Administration Level 1	**$30.96***	$31.84	$32.64
Administration Level 2	**$36.50***	**$37.60***	$38.54
Administration Level 3	**$39.59***	**$40.88***	$41.90
Leisure and Lifestyle Assistant	$34.70	$35.68	$36.58
Leisure and Lifestyle Officer (Cert III) Pay Point 1	$36.43	$37.46	$38.40
Leisure and Lifestyle Officer (Cert III) Pay Point 2	$36.81	$37.86	$38.81
Leisure and Lifestyle Officer (Cert IV)	$40.24	$41.39	$42.42
Leisure and Lifestyle Coordinator	$44.26	$45.52	$46.66

Classifications marked with an asterisk (*) have intentionally been given higher increases than those percentages stated at the top of the column.

A.2 Allowances

A.2.1 Allowances for the period FFPP 1 July 2023 to immediately prior to FFPP 1 July 2025

Allowance Description	Clause	Per	FFPP 1/7/2023	FFPP 1/7/2024
Clothing & Equipment				
Uniform Allowance	18.2(b)			
- Shift Allowance		Shift	$1.23	$1.23
- Weekly Payment		Week	$6.24	$6.24
Laundry Allowance	18.2(c)			
- Shift Allowance		Shift	$0.32	$0.32
- Weekly Payment		Week	$1.49	$1.49
In Charge of Facility (for the purposes of backpay only)		Shift	$26.92	$27.73
Nauseous Work Allowance	18.6	Hour	$0.54	$0.54
On-Call	18.7			
- Monday to Friday (inclusive)		24 hours	$25.48	$26.43
- Saturday		24 hours	$38.38	$39.82
- Sunday, Public Holidays, Non-rostered day		24 hours	$44.77	$46.45
Overtime Meals	18.8			
- First Overtime Meal		Instance	$15.20	$16.20
- Second Overtime Meal		Instance	$13.70	$14.60
Kilometre ("KM") Reimbursement	16.5	Km	$0.96	$0.99

NOTE: There are some allowances that have not increased from July 2023 to July 2024 as the Modern Awards did not increase those allowances. These are not typographical errors.

A.2.2 Allowances for the period FFPP 1 July 2025 until immediately prior to FFPP 1 July 2027

Allowance Description	Clause	Per	FFPP 1/7/2025	FFPP 1/7/2026 3.0%
Clothing & Equipment				
Uniform Allowance	18.2(b)			Per cl. 18.1(b)
- Shift Allowance		Shift	$1.23	
- Weekly Payment		Week	$6.24	
Laundry Allowance	18.2(c)			Per cl. 18.1(b)
- Shift Allowance		Shift	$0.32	
- Weekly Payment		Week	$1.49	

Allowance Description	Clause	Per	FFPP 1/7/2025	FFPP 1/7/2026 3.0%
In Charge of Facility (for the purposes of backpay only)		Shift	$31.20	Not Applicable
In Charge of Facility (effective for In Charge after the commencement of this Agreement)	18.3 NEW	Hour	$3.90	$4.02
Infection Prevention & Control	NEW			
- Training Allowance	18.4(a)(i)	Hour	$0.53	Per cl. 18.1(c)
- IPC Champion Allowance	18.4(a)(ii)	Hour	$0.76	
- IPC Lead Allowance	18.4(a)(iii)	Hour	$1.38	
Leading Hand Allowance	18.5 NEW			
2-5 other employees		Hour	$0.84	Per cl. 18.1(b) using the *Aged Care Award*
6-10 other employees		Hour	$1.20	
11-15 other employees		Hour	$1.52	
16 or more other employees		Hour	$1.86	
Nauseous Work Allowance	18.6	Hour	$0.60	Per cl. 18.1(b)
On-Call	18.7			
- Monday to Friday (inclusive)		24 hours	$27.36	Per cl. 18.1(b) using the *Nurses Award* value for both streams.
- Saturday		24 hours	$41.21	
- Sunday, Public Holidays, Non-rostered day		24 hours	$48.08	
Overtime Meals				
- First Overtime Meal	18.8(a)	Instance	$16.62	Per cl. 18.1(b)
- Second Overtime Meal	18.8(b)	Instance	$14.98	
Qualification Allowance	18.10 NEW			
RN - Graduate Certificate		Hour	$1.45	$1.49
RN - Graduate Diploma / Honours		Hour	$1.87	$1.93
RN - Masters Degree / PhD		Hour	$2.28	$2.35
Enrolled Nurse		Hour	$1.31	$1.35
Kilometre (“KM”) Reimbursement	16.5	Km	$0.99	Per cl. 18.1(b)
Virus Testing Allowance	18.13 NEW	Shift	$5.15	Per cl. 18.1(c)

A.2.3 Allowances for the periods from FFPP 1 July 2027

Allowance Description	Clause	Per	FFPP 1/7/2027 2.85%	FFPP 1/7/2028 2.5%
Clothing & Equipment				
Uniform Allowance	18.2(b)			
- Shift Allowance		Shift	Per cl. 18.1(b)	
- Weekly Payment		Week		
Laundry Allowance	18.2(c)			
- Shift Allowance		Shift	Per cl. 18.1(b)	
- Weekly Payment		Week		
In Charge of Facility (effective for In Charge after the commencement of this Agreement)	18.3	Hour	$4.13	$4.24
Infection Prevention & Control				
- Training Allowance	18.4(a)(i)	Hour	Per cl. 18.1(c)	
- IPC Champion Allowance	18.4(a)(ii)	Hour		
- IPC Lead Allowance	18.4(a)(iii)	Hour		
Leading Hand Allowance	18.5			
2-5 other employees		Hour	Per cl. 18.1(b) using the *Aged Care Award*	
6-10 other employees		Hour		
11-15 other employees		Hour		
16 or more other employees		Hour		
Nauseous Work Allowance	18.6	Hour	Per cl. 18.1(b)	
On-Call	18.7			
- Monday to Friday (inclusive)		24 hours	Per cl. 18.1(a) using the *Nurses Award* value for both Aged Care and Nursing streams.	
- Saturday		24 hours		
- Sunday, Public Holidays, Non-rostered day		24 hours		
Overtime Meals				
- First Overtime Meal	18.8(a)	Instance	Per cl. 18.1(b)	
- Second Overtime Meal	18.8(b)	Instance		
Qualification Allowance	18.10			
RN - Graduate Certificate		Hour	$1.53	$1.57
RN - Graduate Diploma / Honours		Hour	$1.99	$2.03
RN - Masters Degree / PhD		Hour	$2.42	$2.48
Enrolled Nurse		Hour	$1.39	$1.42
Kilometre (“KM”) Reimbursement	16.5	Km	Per cl. 18.1(b)	
Virus Testing Allowance	18.13	Shift	Per cl. 18.1(c)	

Schedule B—Classification Definitions

B.1 Aged Care Stream

B.1.1 Support Worker

(a) Support workers perform a full range of daily living support tasks on behalf of residents within a Calvary residential aged care facility. Such daily living support duties include (but are not limited to):

(i) general cleaning of accommodation;

(ii) food service;

(iii) general waiting, table service and clearing duties;

(iv) assistance in the preparation and serving of food (including the cooking/preparation of light refreshments);

(v) all laundry duties.

(b) An employee of this classification:

(i) is capable of prioritising work within established routines, methods and procedures;

(ii) is responsible for work performed with a limited level of accountability or discretion;

(iii) works under limited supervision, either individually or in a team;

(iv) possesses sound communication skills; and

(v) requires specific on-the-job training and/or relevant skills training or experience.

B.1.2 Personal Care Worker (Traineeship)

A Personal Care Worker (Traineeship) is an employee who is undertaking a traineeship under a training contract covering the employee, Calvary and a registered training organisation. For clarity, this does not include where an employee is undertaking training outside of a training contract.

B.1.3 Personal Care Worker (Unqualified)

(a) Employees appointed to this classification do not hold a Certificate III (or greater) in an aged care or related discipline.

(b) An employee of this classification:

(i) is capable of prioritising work within established routines, methods and procedures;

(ii) is responsible for work performed with a medium level of accountability or discretion;

(iii) works under limited supervision, either individually or in a team;

(iv) possesses sound communication and/or arithmetic skills; and

(v) requires specific on-the-job training and/or relevant skills training or experience.

(c) Progression upon Graduation

If a Personal Care Worker (Unqualified) attains their Certificate III in *Individual Support (Ageing)* (or equivalent), upon the provision of evidence from the employee to the employer, they will progress automatically to the Personal Care Worker classification from the next full pay period.

B.1.4 Personal Care Worker (Cert III)

(a) Personal Care Workers appointed to this classification shall:

(i) Have a minimum Certificate III in an aged care-related discipline; or

(ii) Be studying (or partially studied) a Diploma of Nursing or Bachelor of Nursing (or equivalent title) and have completed units of study deemed by Calvary equivalent to a Certificate III; and/or

(iii) Have extensive demonstrated experience in providing personal care tasks in an aged care setting that is acceptable to Calvary.

NOTE 1: Without limitation, at the time of making this Agreement a Certificate III of an aged care-related discipline included Cert III in Aged Care and Cert III in Individual Support (Ageing). A Certificate III in Individual Support (Disability) was generally not considered an aged-care related discipline however this may be subject to the employee's units of study and whether they have extensive experience in providing personal care to the aged, elderly, or frail.

NOTE 2: Calvary may have policies or procedures for the determination of what constitutes an aged care-related discipline and/or extensive demonstrated experience in aged care.

(b) Personal Care Workers, in particular, work flexibly to provide holistic person centred care to residents of a residential care facility by providing personal care, daily living support, and leisure activities.

(c) Personal care tasks include (but not be limited to):

(i) supervise daily hygiene e.g. assisting with showers or baths, shaving, cutting nails;

(ii) lay out clothes and/or assist in dressing;

(iii) make beds and tidy rooms;

(iv) store clothes and clean wardrobes;

(v) support residents to make meal choices, serve meals, and/or provide residents with required meal assistance; and

(vi) perform the daily activities that support independence, choice and quality of daily living.

(d) Personal Care Workers may also assist a Registered Nurse or Enrolled Nurse in the provision of clinical care commensurate with their training and experience.

EXAMPLE: A Personal Care Worker will be able to update resident care records with observations.

(e) An employee of this classification:

(i) is capable of prioritising work within established policies, guidelines and procedures;

(ii) is responsible for work performed with a medium level of accountability or discretion;

(iii) works under limited supervision, either individually or in a team; and

(iv) possesses good communication, interpersonal and/or arithmetic skills.

(f) For the purpose of introducing a second pay point only, all employees employed as an Assistant in Nursing or Personal Care Worker immediately prior to the commencement of the *Calvary Health Care – Aged Care Australian Capital Territory – Enterprise Agreement 2023-2028* shall be transitioned to a Personal Care Worker (Cert III) Pay Point 2.

B.1.5 Personal Care Worker (Cert IV Medication Competent)

In addition to the duties of a Personal Care Worker, an employee appointed to this classification:

(a) will hold a Certificate IV in Aged Care (or other relevant qualification) and have completed a medication module as part of their units of study (whether part of their Certificate IV or afterwards);

(b) will be deemed competent by Calvary in assisting with medications; and

(c) will assist residents with medications in accordance with Calvary's medication management framework and the laws of the Commonwealth and State/Territory the employee works in.

B.1.6 Care Team Leader (PCW)

(a) Care Team Leaders (PCW) must either:

(i) Holds a minimum Certificate IV in a study relevant to aged care; or

(ii) Personal Care Workers who hold a Certificate III, are deemed Medication Competent and appointed to this role on the basis that they are enrolled in a Certificate IV course approved by Calvary or they possess significant experience in aged care.

NOTE: Calvary Managers should note that Calvary's Model of Care may, from time to time, prescribe a minimum qualification level for new hires which deviates from this Agreement.

(b) In addition to the base duties of a Personal Care Worker (Medication Competent)a Care Team Leader(PCW) is an employee appointed as such to assist with the direction, supervision and leadership to a team of Personal Care Workers.

(c) A Care Team Leader (PCW) remains subject to the direction, supervision and leadership of the Registered Nurse(s) on duty.

(d) An employee of this classification:

(i) is capable of functioning semi-autonomously, and prioritising their own work within established policies, guidelines and procedures;

(ii) is responsible for work performed with a substantial level of accountability;

(iii) works either individually or in a team;

(iv) may require basic computer knowledge or be required to use a computer on a regular basis;

(v) possesses administrative skills and problem solving abilities;

(vi) possesses well developed communication, interpersonal and/or arithmetic skills.

(e) *Withdrawing from Study*

If an employee at this classification holds a Certificate III as their highest qualification and it is a condition of their appoint that they are to undertake and complete a Certificate IV, yet the employee ceases undertaking the Certificate IV training for any reason other than:

(i) completion of the training; or

(ii) a usual break implemented by the training provider,

then the employee must notify Calvary and, unless the circumstances are short term and arising from an extraordinary circumstance acceptable to Calvary, Calvary may re-classify the employee to the classification they held immediately prior to becoming a Care Team Leader from the next full pay period.

B.1.7 Cook

(a) A Cook is a non-trade qualified person who prepares, cooks, and serves meals for the residents of a residential aged care facility.

(b) An employee of this classification:

(i) is capable of prioritising work within established routines, methods and procedures;

(ii) is responsible for work performed with a medium level of accountability or discretion;

(iii) works under limited supervision, either individually or in a team;

(iv) possesses sound communication and/or arithmetic skills;

(v) requires specific on-the-job training and/or relevant skills training or experience.

(c) For the sake of clarity, the Cook classification is not required to have a trade certificate or equivalent experience.

B.1.8 Chef

(a) A Chef is a trade qualified employee appointed to this classification who:

(i) prepares, cooks and serves meals with regard to their training in nutrition, cooking techniques, creating recipes from scratch with fresh ingredients, and has a high level of responsibility within a kitchen;

(ii) leads, supervises and trains cooks, less experienced chefs and other kitchen employees;

(iii) has responsibility for the quality of the food prepared by less experienced chefs or cooks; and/or

(iv) designs menus and ensures the preparation of meals are in accordance with care plans.

(b) An employee at this classification:

(i) is capable of functioning with a high level of autonomy, and prioritising their work within established policies, guidelines and procedures;

(ii) is responsible for work performed with a substantial level of accountability and responsibility;

(iii) works either individually or in a team;

(iv) may require comprehensive computer knowledge or be required to use a computer on a regular basis;

(v) possesses administrative skills and problem solving abilities;

(vi) possesses well developed communication, interpersonal and/or arithmetic skills; and

(vii) requires formal qualifications at trade or certificate level III as a minimum.

B.1.9 Head Chef / Catering Supervisor

(a) A Senior Chef / Catering Supervisor is an employee appointed to:

(i) provide supervision and leadership at a senior level to Chefs, Cooks and other kitchen roles;

(ii) give any necessary instruction in all the branches of cooking;

(iii) preparation of food service staff rosters;

(iv) assist management in the pricing of meals for departmental budgets;

(v) assist in the requisitioning and purchasing of all stores and to assist where necessary in the preparation and supervision of the plating of meals;

(vi) liaise with management and clinicians to ensure that residents are provided with choice, flexibility and an appropriate dining experience.

(b) An employee appointed to this classification:

(i) is capable of functioning autonomously, and prioritising their work and the work of others within established policies, guidelines and procedures;

(ii) is responsible for work performed with a substantial level of accountability and responsibility;

(iii) may supervise the work of others, including work allocation, rostering and guidance;

(iv) works either individually or in a team;

(v) may require comprehensive computer knowledge or be required to use a computer on a regular basis;

(vi) possesses developed administrative skills and problem solving abilities;

(vii) possesses well developed communication, interpersonal and/or arithmetic skills; and

(viii) will require formal qualifications of a trade or Certificate IV level, in addition to relevant experience to enable the performance of this role at a senior level.

(c) Employees who are appointed to a Supervisory or Managerial role covering more than Kitchen Service of a Calvary facility, such as a Hospitality Manager covering cooking, cleaning and laundry services, shall not be deemed a Head Chef / Catering Supervisor.

B.1.10 Maintenance Assistant

(a) A Maintenance Assistant is an employee who assists the Maintenance Team (however named) at a Calvary facility to perform such routine maintenance tasks including but not limited to:

(i) complete daily jobs that scheduled in the engineering and reports maintenance system;

(ii) general preventative / reactive maintenance tasks including inspection and reporting of buildings and equipment;

(iii) changing light bulbs;

(iv) cleaning of vents and fans;

(v) patching and painting walls for minor repairs;

(vi) basic (non-trade level) carpentry and basic plumbing repairs;

(vii) monthly vehicle inspections (but not performing mechanical repairs);

(viii) routine inspection of plant; and

(ix) basic garden and groundskeeping maintenance.

(b) An employee at this classification:

(i) is capable of prioritising work within established routines, methods and procedures;

(ii) is responsible for work performed with a limited level of accountability or discretion;

(iii) works under limited supervision, either individually or in a team;

(iv) possesses sound communication skills; and

(v) requires specific on-the-job training and/or relevant skills training or experience.

(c) For the sake of clarity, the Maintenance Assistant classification is not required to have a trade certificate or equivalent experience.

B.1.11 Maintenance Officer (Handyman)

(a) A Maintenance Officer (Handyman) is an employee who performs maintenance tasks within a Calvary facility of both a routine nature and those that might otherwise be given to trade-qualified contractors (while the quality of work at this classification is expected to be professional, it is not expected to be the same as a trade qualified Maintenance Officer or specialist contractor).

NOTE: Employees at this level are <u>not</u> expected to perform trade qualified required tasks that would pose an unacceptable risk to their personal work health and safety. For Example: A Maintenance Officer would not carry out work ordinarily performed by a licenced electrician.

(b) In addition to the duties of a Maintenance Assistant outlined at B.1.10, a Maintenance Officer (Handyman) will be able to perform tasks including, but not limited to:

(i) Patching and painting walls for minor repairs; and

(ii) Basic carpentry and basic plumbing repairs (non-trade level).

(c) An employee at this classification:

(i) is capable of prioritising work within established policies, guidelines and procedures;

(ii) is responsible for work performed with a medium level of accountability or discretion;

(iii) works under limited supervision, either individually or in a team;

(iv) possesses good communication, interpersonal and/or arithmetic skills;

(v) requires relevant skills training or experience in maintenance work.

(d) For the sake of clarity, the Maintenance Officer (Handyman) classification does not require a trade qualification or equivalent experience.

B.1.12 Maintenance Officer (Trade Quality)

(a) A Maintenance Officer (Trade Quality) is an employee who performs the full range of maintenance tasks within a Calvary facility of both a routine nature and those that might otherwise be given to trade-qualified contractors.

NOTE: Employees at this level are not expected to perform trade qualified required tasks that would pose an unacceptable risk to their personal work health and safety. For Example: A Maintenance Officer would not carry out work ordinarily performed by a licenced electrician.

(b) An employee at this classification:

(i) is capable of prioritising work within established policies, guidelines and procedures;

(ii) is responsible for work performed with a medium level of accountability or discretion;

(iii) works under limited supervision, either individually or in a team;

(iv) possesses good communication, interpersonal and/or arithmetic skills;

(c) An employee at this classification level is required to have a building-related trade qualification or be deemed by Calvary as capable of performing work to the quality of a trade qualified level.

B.1.13 Administration Level 1

(a) Administration Level 1 employees undertake a range of basic clerical functions within established routines, methods and procedures.

(b) Indicative tasks performed at this classification include:

(i) Receptionist.

(ii) Pay clerk.

(iii) General clerk / typist.

B.1.14 Administration Level 2

(a) In addition to the Administration Level 1 duties, an Administration Level 2 employee appointed to this classification:

(i) is capable of prioritising work within established policies, guidelines and procedures

(ii) is responsible for work performed with a medium level of accountability or discretion;

(iii) works under limited supervision, either individually or in a team;

(iv) possesses well developed communication, interpersonal and/or arithmetic skills; and

(v) requires specific on-the-job training, may require formal qualifications and/or relevant skills training or experience.

(b) Indicative tasks performed at this classification include:

(i) Provide Kronos support to employees

(ii) Administration of rosters upon direction of clinical staff or the Home Manager

(iii) Directly assist higher classified Administration Officers and the Home Manager.

A. Providing administration assistance to more senior employees in resident admissions.

B.1.15 Administration Level 3

(a) In addition to the Administration Level 1 and 2 duties, an Administration Level 3 employee appointed to this classification:

(i) is capable of functioning semi-autonomously, and prioritising their won work within established policies, guidelines and procedures;

(ii) is responsible for work performed with substantial level of accountability;

(iii) works either individually or in a team;

(iv) may assist with supervision of other;

(v) requires a comprehensive knowledge of medical terminology and/or a working knowledge of health insurance schemes(admin/clerical);

(vi) may require basic computer knowledge or be required to use a computer on a regular basis;

(vii) possesses administrative skills and problem solving skills;

(viii) posses well developed communication, interpersonal and/or arithmetic skills; and

(b) Tasks that may be performed at this classification include:

(i) Oversee the general presentation of the residential aged care facility.

(ii) Set up vacant rooms rooms as ‘display rooms’.

(iii) Liase with and provide data to the Home Manager on prospective admissions.

B.1.16 Leisure and Lifestyle Assistant

(a) A Leisure and Lifestyle Assistant will provide assistance to those who are employed in the coordination and facilitation of group and individual leisure and recreational activities.

(b) An employee appointed to this classification:

(i) is capable of prioritising work within established routines, methods and procedures;

(ii) is responsible for work performed with a medium level of accountability or discretion;

(iii) works under limited supervision, either individually or in a team;

(iv) possesses sound communication and/or arithmetic skills; and

(v) requires specific on-the-job training and/or relevant skills training or experience, but **does not** require any formal qualification from a TAFE or university course.

B.1.17 Leisure and Lifestyle Officer (Cert III)

(a) A Leisure and Lifestyle Officer employee appointed to this classification:

(i) coordinates and facilitates and group or individual leisure and recreational activities;

(ii) assists a Leisure and Lifestyle Coordinator (or other such titled senior employee) with the planning and implementation of leisure services and related client/resident enhancement programmes, for residents of a residential aged care facility.

(b) An employee of this classification:

(i) is capable of prioritising work within established policies, guidelines and procedures;

(ii) is responsible for work performed with a medium level of accountability or discretion;

(iii) works under limited supervision, either individually or in a team;

(iv) possesses good communication, interpersonal and/or arithmetic skills; and

(v) holds a minimum of a relevant Certificate III qualification (or possesses equivalent experience acceptable to Calvary), and uses the skills and knowledge gained from that qualification (or experience) in the performance of their work.

B.1.18 Leisure and Lifestyle Officer (Cert IV)

(a) A Leisure and Lifestyle Officer employee appointed to this classification:

(i) coordinates and facilitates and group or individual leisure and recreational activities;

(ii) assists a Leisure and Lifestyle Coordinator (or other such titled senior employee) with the planning and implementation of leisure services and related client/resident enhancement programmes, for residents of a residential aged care facility.

(b) An employee of this classification:

(i) is capable of prioritising work within established policies, guidelines and procedures;

(ii) is responsible for work performed with a medium level of accountability or discretion;

(iii) works under limited supervision, either individually or in a team;

(iv) possesses good communication, interpersonal and/or arithmetic skills; and

(v) holds a minimum of a relevant Certificate IV qualification and uses the skills and knowledge gained from that qualification (or experience) in the performance of their work.

B.1.19 Leisure and Lifestyle Coordinator

A Leisure and Lifestyle Coordinator employee appointed to this classification:

(a) has overall responsibility for the development, implementation, evaluation and continuous improvement of leisure and lifestyle programmes; and

(b) provides supervision, work allocation, rostering and guidance of Lifestyle Officers and Assistants; and

(c) where applicable, provides incidental supervision and guidance to Care Workers while they are undertaking leisure and lifestyle activities.

(d) is capable of functioning autonomously, and prioritising their work and the work of others within established policies, guidelines and procedures;

(e) is responsible for work performed with a substantial level of accountability and responsibility;

(f) works either individually or in a team;

(g) may require comprehensive computer knowledge or be required to use a computer on a regular basis;

(h) possesses developed administrative skills and problem solving abilities;

(i) possesses well developed communication, interpersonal and/or arithmetic skills; and

(j) holds a minimum of a relevant Certificate IV qualification (or possesses a Certificate III and equivalent experience acceptable to Calvary), and uses the skills and knowledge gained from that qualification (or experience) in the performance of their work.

NOTE: Calvary Managers should note that Calvary's Model of Care may, from time to time, prescribe a minimum qualification level for new hires which deviates from this Agreement.

B.2 Nursing Stream

B.2.1 Care Team Leader (Enrolled Nurse "EN" Qualified)

(a) Care Team Leaders (EN Qualified) must:

(i) Be registered with AHPRA as an Enrolled Nurse; and

(ii) Has no notations on their registration (demonstrating successfully completed EN medicines administration education); and

(iii) Is appointed to the Care Team Leader (EN Qualified) classification

NOTE: Calvary Managers should note that Calvary's Model of Care may, from time to time, prescribe a minimum qualification level for new hires which deviates from this Agreement.

(b) In addition to the base duties of a Personal Care Worker (Medication Competent) a Care Team Leader (EN Qualified) is an employee appointed as such to assist with the direction, supervision and leadership to a team of Personal Care Workers.

(c) A Care Team Leader (EN Qualified) remains subject to the direction, supervision and leadership of the Registered Nurse(s) on duty.

(d) An employee of this classification:

(i) is capable of functioning semi-autonomously, and prioritising their own work within established policies, guidelines and procedures;

(ii) is responsible for work performed with a substantial level of accountability;

(iii) works either individually or in a team;

(iv) may require basic computer knowledge or be required to use a computer on a regular basis;

(v) possesses administrative skills and problem solving abilities;

(vi) possesses well developed communication, interpersonal and/or arithmetic skills.

B.2.2 Registered Nurse - Level 1 (RN1)

(a) A Registered Nurse is an employee who is registered with AHPRA as a Registered Nurse. An employee at this level performs their duties:

(i) according to their level of competence; and

(ii) in accordance with AHPRA issued Codes of Conduct and Standards of Practice.

(b) An employee at this level is required to perform general nursing duties which include substantially, but are not confined to:

(i) delivering direct and comprehensive nursing care and individual case management to and individual case management to residents of a residential aged care facility;

(ii) coordinating services, including those of other disciplines or agencies, to individual residents within a residential aged care facility;

(iii) providing education, counselling and group work services orientated towards the promotion of health status improvement of residents within a residential aged care facility;

(iv) providing support, direction and education to newer or less experienced staff, including Enrolled Nurses, and Personal Care Workers; and

(v) accepting accountability for the employee's own standards of nursing care and service delivery.

NOTE 1: When a Registered Nurse - New Graduate is appointed In Charge of a Facility in the absence of a Clinical Care Coordinator, Clinical Care Manager or Home Manager then they are paid an In-Charge Allowance in accordance with clause 18.3.

(c) **New Classification Structure from 1 July 2025 - Registered Nurse Level 1s**

(i) Following feedback from employees during negotiations for the *Calvary Health Care – Aged Care Australia Capital Territory Enterprise Agreement 2023-2028* (**'the 2023-2028 EA'**), a new classification structure with more pay points for the Registered Nurse Level 1s is replacing the old classification structure from the

Calvary Retirement Communities Limited (Canberra) and the ANMF (ACT Branch) Nursing Enterprise Agreement 2020 (**'the 2020 EA'**).

(ii) During the implementation of the 2023-2028 EA the existing Registered Nurse Level 1s will be transitioned as follows from the FFPP 1 July 2025:

The 2020 EA	The 2023-2028 EA
Registered Nurse – New Graduate	Registered Nurse Level 1 – Year 1
Registered Nurse Level 1 – Year 1	Registered Nurse Level 1 – Year 4
Registered Nurse Level 1 – Year 2	Registered Nurse Level 1 – Year 5

All newly classified Registered Nurse Level 1 (under the 2023-2028 EA structure) – Year 1s will then progress in pay points in accordance with clause 17.2.

B.2.3 Clinical Nurse Specialist - Registered Nurse – Level 2 (RN2)

(a) A Clinical Nurse Specialist (RN2) is an employee who:

(i) is registered with AHPRA as a Registered Nurse; and

(ii) holds post-registration qualifications and/or extensive experience acceptable to Calvary as to enable the provision of specialised care in an aged care setting; and

(iii) is appointed to the classification.

(b) **'Extensive experience'** means at least 12 months experience working in the clinical area of the employee's specified post registration qualification; or a registered nurse with four years post registration experience in a specific clinical area.

(c) A Clinical Nurse Specialist (RN2) performs their duties in excess of a Registered Nurse – Level 1 on a continuing basis. Those additional duties will substantially include, but are not limited to:

(i) delivering direct and comprehensive specialist nursing care and individual active case management to a specific group of residents with specialised or complex care needs;

(ii) providing support, direction, orientation and education to RN1s, ENs, and Personal Care Workers;

(iii) being responsible for planning and coordinating services relating to a particular group of residents with specialised or complex care needs as delegated by a Clinical Care Coordinator, Clinical Manager or Home Manager; and

(iv) leading the provision of holistic person centred care to residents in an aged care setting.

B.2.4 Clinical Care Coordinator (CCC)

(a) A Clinical Care Coordinator is an employee who is registered with AHPRA as a Registered Nurse and appointed to the position with qualifications and/or experience deemed appropriate by the employer.

(b) Within their appointed residential aged care facility, Clinical Care Coordinators will be accountable for the clinical leadership and maintenance of standards of nursing care through substantively and regularly:

(i) ensuring a culture of dignity and respect within the home by providing senior management, leadership and role modelling of holistic person centred care to the nursing and care staff;

(ii) ensuring and participating in the partnership with residents and their families to plan and facilitate optimal care;

(iii) clinical operational decision making and clinical operational planning in partnership with the Home Manager or, where appointed, a Care Manager;

(iv) ensuring the proper clinical governance of the residential aged care facility through the monitoring of clinical indicators and, if required, ensuring corrective action is taken;

(v) the assessment, planning, implementation and evaluation of nursing education and staff development programs;

(vi) acting as a consultant on request in the employee's own area of proficiency (for the purpose of facilitating the provision of quality nursing care);

(vii) providing resources and support during the transition period, facilitating growth from nursing education into the clinical environment, and creating a safe and positive workplace for students and/or new graduates ('preceptorship').

(viii) assisting the Home Manager, or if appointed, the Care Manager with improving the general efficiency of operations; and

(ix) performing the duties of a Registered Nurse – Level 2 as required.

(c) Clinical Care Coordinators will achieve the accountabilities outlined at clause B.2.4(b) through the exercising of:

(i) a degree of autonomy;

(ii) some delegated authority from the Home Manager;

(iii) ability to select methods and techniques that are used based on sound judgment and documented techniques, precedents, or instructions while having regard to Calvary's policies and procedures; and

(iv) work under general direction with the ability to seek advice on complex or unusual problems from a more senior employee.

B.2.5 Clinical Care Coordinator (CCC)

(a) A Clinical Care Coordinator is an employee who is registered with AHPRA as a Registered Nurse and appointed to the position with qualifications and/or experience deemed appropriate by the employer.

(b) Within their appointed residential aged care facility, Clinical Care Coordinators will be accountable for the clinical leadership and maintenance of standards of nursing care through substantively and regularly:

(i) ensuring a culture of dignity and respect within the home by providing senior management, leadership and role modelling of holistic person centred care to the nursing and care staff;

(ii) ensuring and participating in the partnership with residents and their families to plan and facilitate optimal care;

(iii) clinical operational decision making and clinical operational planning in partnership with the Home Manager or, where appointed, a Care Manager;

(iv) ensuring the proper clinical governance of the residential aged care facility through the monitoring of clinical indicators and, if required, ensuring corrective action is taken;

(v) the assessment, planning, implementation and evaluation of nursing education and staff development programs;

(vi) acting as a consultant on request in the employee's own area of proficiency (for the purpose of facilitating the provision of quality nursing care);

(vii) providing resources and support during the transition period, facilitating growth from nursing education into the clinical environment, and creating a safe and positive workplace for students and/or new graduates ('preceptorship').

(viii) assisting the Home Manager, or if appointed, the Care Manager with improving the general efficiency of operations; and

(ix) performing the duties of a Registered Nurse – Level 2 as required.

(c) Clinical Care Coordinators will achieve the accountabilities outlined at clause B.2.4(b) through the exercising of:

(i) a degree of autonomy;

(ii) some delegated authority from the Home Manager;

(iii) ability to select methods and techniques that are used based on sound judgment and documented techniques, precedents, or instructions while having regard to Calvary's policies and procedures; and

(iv) work under general direction with the ability to seek advice on complex or unusual problems from a more senior employee.

(d) Employees eligible to be classified and paid under the Clinical Care Coordinator (IPC) wages is defined in clause 18.4(b).

Schedule C—Supported Wage System

C.1 This schedule defines the conditions which will apply to employees who because of the effects of a disability are eligible for a supported wage under the terms of this Agreement. This schedule does not apply to Nursing Stream roles.

C.2 In this schedule:

approved assessor means a person accredited by the management unit established by the Commonwealth under the supported wage system to perform assessments of an individual's productive capacity within the supported wage system

assessment instrument means the tool provided for under the supported wage system that records the assessment of the productive capacity of the person to be employed under the supported wage system

disability support pension means the Commonwealth pension scheme to provide income security for persons with a disability as provided under the *Social Security Act 1991*, as amended from time to time, or any successor to that scheme

relevant minimum wage means the minimum wage prescribed in this Agreement for the class of work for which an employee is engaged

supported wage system means the Commonwealth Government system to promote employment for people who cannot work at full award wages because of a disability, as documented in the Supported Wage System Handbook. The Handbook is available from the following website: www.jobaccess.gov.au

SWS wage assessment agreement means the document in the form required by the Department of Social Services that records the employee's productive capacity and agreed wage rate

C.3 Eligibility criteria

C.3.1 Employees covered by this schedule will be those who are unable to perform the range of duties to the competence level required within the class of work for which the employee is engaged under this Agreement, because of the effects of a disability on their productive capacity and who meet the impairment criteria for receipt of a disability support pension.

C.3.2 This schedule does not apply to any existing employee who has a claim against the employer which is subject to the provisions of workers compensation legislation or any provision of this Agreement relating to the rehabilitation of employees who are injured in the course of their employment.

C.4 Supported wage rates

C.4.1 Employees to whom this schedule applies will be paid the applicable percentage of the relevant minimum wage according to the following schedule:

Assessed capacity (clause C.5)	Relevant minimum wage
%	%
10	10
20	20

Assessed capacity (clause C.5)	Relevant minimum wage
%	%
30	30
40	40
50	50
60	60
70	70
80	80
90	90

C.4.2 Provided that the minimum amount payable must be not less than $109 per week (or such higher amount prescribed by the applicable Modern Award which is amended from time to time).

C.4.3 Where an employee's assessed capacity is 10%, they must receive a high degree of assistance and support.

C.5 Assessment of capacity

C.5.1 For the purpose of establishing the percentage of the relevant minimum wage, the productive capacity of the employee will be assessed in accordance with the Supported Wage System by an approved assessor, having consulted the employer and employee and, if the employee so desires, a union which the employee is eligible to join.

C.5.2 All assessments made under this schedule must be documented in an SWS wage assessment agreement, and retained by the employer as a time and wages record in accordance with the Act.

C.6 Lodgement of SWS wage assessment agreement

C.6.1 All SWS wage assessment agreements under the conditions of this schedule, including the appropriate percentage of the relevant minimum wage to be paid to the employee, must be lodged by the employer with the Fair Work Commission.

C.6.2 All SWS wage assessment agreements must be agreed and signed by the employee and employer parties to the assessment. Where a union is a party to this Agreement is not a party to the assessment, the assessment will be referred by the Fair Work Commission to the union by certified mail and the agreement will take effect unless an objection is notified to the Fair Work Commission within 10 working days.

C.7 Review of assessment

The assessment of the applicable percentage should be subject to annual or more frequent review on the basis of a reasonable request for such a review. The process of review must be in accordance with the procedures for assessing capacity under the supported wage system.

C.8 Other terms and conditions of employment

Where an assessment has been made, the applicable percentage will apply to the relevant minimum wage only. Employees covered by the provisions of this schedule will be entitled to the same terms and conditions of employment as other workers covered by this Agreement on a pro rata basis.

C.9 Workplace adjustment

An employer wishing to employ a person under the provisions of this schedule must take reasonable steps to make changes in the workplace to enhance the employee's capacity to do the job. Changes may involve re-design of job duties, working time arrangements and work organisation in consultation with other workers in the area.

C.10 Trial period

C.10.1 In order for an adequate assessment of the employee's capacity to be made, an employer may employ a person under the provisions of this schedule for a trial period not exceeding 12 weeks, except that in some cases additional work adjustment time (not exceeding four weeks) may be needed.

C.10.2 During that trial period the assessment of capacity will be undertaken and the percentage of the relevant minimum wage for a continuing employment relationship will be determined.

C.10.3 The minimum amount payable to the employee during the trial period must be no less than $95 per week.

C.10.4 Work trials should include induction or training as appropriate to the job being trialled.

C.10.5 Where the employer and employee wish to establish a continuing employment relationship following the completion of the trial period, a further contract of employment will be entered into based on the outcome of assessment under clause C.5.

Schedule D – Preserved Entitlements for Existing Employees

D.1 Coverage

D.1.1 This Schedule D only applies to full-time or part-time employees who commenced their employment with Calvary prior to the operational date of the *Calvary Health Care – Aged Care Australian Capital Territory – Enterprise Agreement 2023-2028* as defined by clause 1.2 of that agreement.

D.1.2 Any reference to "employee" in this Schedule D means only those employees to are defined by D.1.1.

D.1.3 In the event of an inconsistency between this Schedule D and the remainder of this Agreement, then the terms of this Schedule D will apply.

D.2 Sunday Penalty rates

D.2.1 *Background*

(a) A short time prior to the negotiation of the *Calvary Health Care – Aged Care Australian Capital Territory – Enterprise Agreement 2023-2028* the Fair Work Commission ruled in the Work Value Case – Aged Care case that Assistants in Nursing under the *Nurses Award 2020* would be moved to the *Aged Care Award 2010* and merged into the Aged Care Worker – Direct Care stream.

(b) Prior to this FWC decision, Calvary Aged Care ACT had Personal Care Workers covered by an aged care enterprise agreement and Assistants in Nursing covered by a separate nurses enterprise agreement.

(c) In negotiating the *Calvary Health Care – Aged Care Australian Capital Territory – Enterprise Agreement 2023-2028* it was agreed that there was a period where Personal Care Workers were doing the same role as their Assistant in Nursing colleagues but with different Sunday penalty rates. The purpose of this preserved entitlement is to ensure that all existing employees employed immediately prior to the operation of the *Calvary Health Care – Aged Care Australian Capital Territory – Enterprise Agreement 2023-2028* are paid consistently while also allowing for Calvary to adjust Sunday penalty rates for new employees for the sustainability of the business.

D.2.2 Any employees classified as a Personal Care Workers (including medication competent) or Team Leaders (PCW or EN Qualified) will be paid a Sunday penalty rate of **200%** in lieu of the entitlement at clause 25.1(b) while they have continuous service with Calvary.

D.2.3 This Sunday penalty rate will not apply for backpay purposes for those classified as Personal Care Workers under the *Calvary Retirement Communities Limited (Calvary Retirement Community Canberra) Aged Care Employees Enterprise Agreement 2019* (AE505341).

D.3 Mandatory Training or Meetings (On-Site)

D.3.1 For the purposes of clause 43, employees shall be paid **overtime** for all hours worked attending mandatory training / meetings that are not within an employees ordinary hours of work.

D.3.2 For clarity, shift penalties (clause 24) and weekend penalties (clause 25) will not apply.

D.4 Paid Parental Leave

Clause 39.3(f) does not apply to employees covered by this schedule.

D.5 Preserved Redundancy Scheme

D.5.1 In addition to the period of notice prescribed for termination, an employee whose employment is terminated by reason of redundancy shall be paid the following amount of redundancy pay in respect of a period of continuous service.

(a) If an employee is under 45 years of age, Calvary shall pay in accordance with the following scale:

Redundancy pay period		
Employee's period of continuous service with the employer on termination		**Redundancy pay period**
1	Less than 1 year	Nil
2	1 year and less than 2 years	4 weeks
3	2 years and less than 3 years	7 weeks
4	3 years and less than 4 years	10 weeks
5	4 years and less than 5 years	12 weeks
6	5 years and less than 6 years	14 weeks
7	6 years and over	16 weeks

(b) For Aged Care steam employees only, where the employee is 45 years of age or over; Calvary will pay the employee in accordance with the following scale:

Redundancy pay period		
Employee's period of continuous service with the employer on termination		**Redundancy pay period**
1	Less than 1 year	Nil
2	1 year and less than 2 years	5 weeks
3	2 years and less than 3 years	8.75 weeks
4	3 years and less than 4 years	12.5 weeks
5	4 years and less than 5 years	15 weeks
6	5 years and less than 6 years	17.5 weeks
7	6 years and over	20 weeks

D.5.2 For the avoidance of doubt, if an Aged Care stream employee who is eligible for preserved redundancy under Schedule D.5.1(a) and then ages past 45 years and is made redundant then they are entitled to the amount of redundancy pay under Schedule D.5.1(b) instead.

D.5.3 For the purpose of the Preserved Redundancy Scheme only, **"Week's Pay"** means the all-purpose rate of pay for the employee concerned at the date of termination, and shall include, in addition to the ordinary rate of pay, over-Agreement payments, shift penalties and allowances provided for in accordance with this Agreement.

D.5.4 The remaining terms of clause 52 – Redundancy apply to all employees covered by clause D.5. For the avoidance of doubt, in the event of any conflicting terms, the term in clause D.5 shall apply.

D.6 Employees Exempted from Preserved Redundancy

D.6.1 Clause D.5 shall not apply where employment has been terminated after being notified of being redundant because the conduct of an employee justifies summary dismissal.

(a) Clause D.5 shall not apply where the employee terminates their employment at their initiative in accordance with clause 52.4 and this is not expressly approved by Calvary.

However, this Schedule will still apply if Calvary makes the employees' role redundancy and pays the employee's notice in lieu; or if Calvary mutually agrees to the early finish date. Calvary will not unreasonably refuse a request from an employee to an early finish date.

(b) Where Calvary terminates the employee's employment by reason of redundancy but obtains alternative employment for the employee at another employer then:

(i) Clause D.5 shall not apply but the NES redundancy provisions will apply; and

(ii) Any further reduction in Redundancy Pay under the NES is subject to an order of the Fair Work Commission.

Hospitals
Home Care
Virtual Care
Retirement Living
Residential Aged Care

IN THE FAIR WORK COMMISSION

FWC Matter No.:

AG2026/1005

Applicant:

Calvary Aged Care limited

Section 185 – Application for approval of a single enterprise agreement

Undertaking- Section 190

I, Mark Douglas, Director of Workplace Relations for **Calvary Aged Care Limited** ("Calvary") give the following undertakings with respect to the *Calvary Health Care – Aged Care Australian Capital Territory Enterprise Agreement 2023-2028* ("the Agreement"):

1. I have the authority given to me by Calvary to provide this undertaking in relation to the application before the Fair Work Commission.

2. These undertakings are provided on the basis of issues raised by the Fair Work Commission in the application before the Fair Work Commission.

3. Clause 2 – **Definitions and Interpretation** shall be amended at clause 2.1 to insert the following defined terms:

   Day Worker *means an employee who has mutually agreed in writing with Calvary to be appointed as such.*

   Shiftworker*, other than for the purposes of the additional weeks' annual leave prescribed by clause 30.4, means anyone who is not a Day Worker.*

4. Clause 21 – Ordinary Hours of Work shall be amended at clause 21.1 to insert a new paragraph (e) (additional text in bold):

   21.1 The ordinary hours for an employee are:

   (a) Up to 76 ordinary hours in a 2 week period.

   (b) For Aged Care stream employees:

   (i) Up to 8 ordinary hours of work (exclusive of meal breaks) per shift that is not a night shift (unless that employee mutually

agrees that a maximum shift length of 10 ordinary hours shall apply); and

(ii) Up to 10 ordinary hours of work (exclusive of meal breaks) per shift that is a night shift.

(c) For Nursing stream employees, up to 10 ordinary hours of work (exclusive of meal breaks) per shift.

(d) For a full-time or part-time employee, up to 10 shifts per fortnight unless an employee requests and Calvary agrees to increase the limit to 12 shifts per fortnight. The employee request and the agreement to work ordinary time shifts on 11 or 12 days per fortnight shifts must be recorded in writing.

NOTE: Broken Shifts are considered one single shift.

(e) For a Day Worker, between 6.00am and 6.00pm, Monday to Friday.

5. Instead of the wage rates outlined in Schedule A, A1.6 and A1.7 the minimum wage rates for a **Maintenance Assistant** shall be as follows:

Classification	FFPP 1 July 2025	FFPP 1 October 2025 (WVC Phase)	FFPP 1 July 2026 3.0%	FFPP 1 July 2027 2.85%	FFPP 1 July 2028 2.50%
Maintenance Assistant	$28.39	$28.39	$29.24	$30.07	$30.82

6. Clause **C.4.2** of the Agreement concerning **Supported Wage Rates** shall be read as being replaced in their entirety with the following:

C.4.2 *Provided that the minimum weekly amount payable must not be less than 3% above the weekly amount prescribed by the applicable Modern Award (as amended).*

Signed:

Mark Douglas

Mark Douglas
Director of Workplace Relations

18 May 2026

BW-2

DECISION

Fair Work Act 2009
s.185—Enterprise agreement

Calvary Retirement Communities Limited
(AG2019/4552)

CALVARY RETIREMENT COMMUNITIES LIMITED (NEW SOUTH WALES) AND THE AUSTRALIAN NURSING AND MIDWIFERY FEDERATION (NEW SOUTH WALES BRANCH) – NURSING EMPLOYEES ENTERPRISE AGREEMENT 2019

Health and welfare services

DEPUTY PRESIDENT SAUNDERS NEWCASTLE, 21 JANUARY 2020

Application for approval of the Calvary Retirement Communities Limited (New South Wales) and the Australian Nursing and Midwifery Federation (New South Wales Branch) - Nursing Employees Enterprise Agreement 2019.

[1] An application has been made for approval of an enterprise agreement known as the *Calvary Retirement Communities Limited (New South Wales) and the Australian Nursing and Midwifery Federation (New South Wales Branch) - Nursing Employees Enterprise Agreement 2019* (***Agreement***). The application was made pursuant to section 185 of the *Fair Work Act 2009* (***Act*****).** The Agreement is a single enterprise agreement.

[2] The Agreement lodged as part of the application for approval contained an error in Appendix 3. On 17 January 2020, the Applicant filed an amended version of the Agreement pursuant to section 586 of the Act correcting the error in Appendix 3. I am satisfied that the correction should be made and that it is appropriate to do so pursuant to section 586 of the Act.

[3] The Employer has provided written undertakings (***Undertakings***). A copy of the Undertakings is attached in Annexure A to this decision. I am satisfied that the effect of accepting the Undertakings is not likely to:

(a) cause financial detriment to any employee covered by the Agreement; or

(b) result in substantial changes to the Agreement.

[4] The views of each person who the Fair Work Commission knows is a bargaining representative for the Agreement have been sought in relation to the Undertakings.

[5] Pursuant to subsection 190(3) of the Act, I accept the Undertakings. The Undertakings are taken to be a term of the Agreement.

[6] Subject to the Undertakings, I am satisfied that each of the requirements of sections 186, 187, 188 and 190 as are relevant to this application for approval have been met.

[7] The Australian Nursing and Midwifery Federation New South Wales Branch being a bargaining representative for the Agreement, has given notice under section 183 of the Act that it wants the Agreement to cover it. In accordance with subsection 201(2) of the Act, I note that the Agreement covers the organisation.

[8] The Agreement is approved and, in accordance with section 54 of the Act, will operate from 28 January 2020. The nominal expiry date of the Agreement is 30 June 2022.



DEPUTY PRESIDENT

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Annexure A

IN THE FAIR WORK COMMISSION

FWC Matter No.:
AG2019/4552

Applicant:
Calvary Retirement Communities Limited

Section 185 – Application for approval of a single enterprise agreement

Undertaking - Section 190

I, Kaivalya Prasad, Acting Director of Human Resources for Calvary Retirement Communities Limited give the following undertakings with respect to the *Calvary Retirement Communities Limited (New South Wales) and the Australian Nursing and Midwifery Federation (New South Wales Branch) - Nursing Employees Enterprise Agreement 2019* ("the Agreement"):

1. I have the authority given to me by Calvary Retirement Communities Limited to provide this undertaking in relation to the application before the Fair Work Commission.

2. The undertakings are as follows:

   a. Calvary undertakes that a casual employee will be entitled to receive the below penalty rate for work performed on a Saturday or Sunday. For clarity no other loadings or penalty rate will apply to such work:

	Saturday	Sunday
Registered Nurse	50%	75%
AIN	75%	105%
Enrolled Nurse	60%	85%

   b. Notwithstanding clause 17(c) of this Agreement (Casual Employment):

      i. the provisions related to Overtime will apply to casual employees in accordance with clause 17(g). Under clause 17(g) a casual employee is entitled to overtime rates when he / she works in excess of 10 hours in a day or 76 hours in a fortnight. For clarity, this means that the overtime rate at clause 23(c) (i), (ii) or (iii) (as applicable) will apply to a casual employee and be applied to the casual rate of pay.
      ii. clauses 15(f) and 15(h) of this Agreement apply to casual employees.

3. These undertakings are provided on the basis of issues raised by the Fair Work Commission in the application before the Fair Work Commission.

Kaivalya P.

Signature

17January 2020

Date

Note - this agreement is to be read together with an undertaking given by the employer. The undertaking is taken to be a term of the agreement. A copy of it can be found at the end of the agreement.

Calvary Retirement Communities Limited (New South Wales) and the Australian Nursing and Midwifery Federation (New South Wales Branch) – Nursing Employees Enterprise Agreement 2019

ENTERPRISE AGREEMENT

1. ARRANGEMENT

The Agreement is arranged as follows:

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2. NAME OF THE AGREEMENT

This Agreement will be known as the *Calvary Retirement Communities Limited (New South Wales) and the Australian Nursing and Midwifery Federation (New South Wales Branch) – Nursing Employees Enterprise Agreement 2019.*

3. DEFINITIONS

In this Agreement, unless the contrary intention appears:

Agreement means the *Calvary Retirement Communities Limited (New South Wales) and the Australian Nursing and Midwifery Federation (New South Wales Branch) – Nursing Employees Enterprise Agreement 2019*

Union means the Australian Nursing and Midwifery Federation NSW Branch (ANMF NSW Branch). The NSWNMA is the commonly recognised reference in NSW.

Fair Work Act means the *Fair Work Act 2009* (Cth)

FWC means the Fair Work Commission the statutory body established under the Fair Work Act or any successor organisation established under Commonwealth legislation.

Employee means an Employee of the Employer in the State of New South Wales employed in a classification set in this Agreement.

Employer means Calvary Retirement Communities Limited

NES means National Employment Standards being the legislated minimum standards for workplace conditions under the Fair Work Act.

Assistant in Nursing Care means a person, other than a registered nurse, trainee or enrolled nurse who is employed in nursing and associated duties in the nursing home facility and who holds a Certificate Level III in Aged Care. Associated duties may include all functions involved in the provision of personal support, care and lifestyle including but not limited to the following:

Provision of personal care to support resident's lifestyle
Assisting with serving and clean-up of meals and morning and afternoon teas
Assisting with washing of personal laundry of residents
Participation in social activities with residents
Tidying personal lockers and bedside tables of residents
Ensuring bathroom items are available for resident's use

Assistant in Nursing Care Team Leader means an Employee who holds either a Certificate Level IV in Aged Care or other appropriate Qualifications/Experience acceptable to the Employer who is designated by the Employer as having the responsibility for leading and/or supervising the other Assistants in Nursing.

Assistant Director of Care (Nursing) means:

(1) A person appointed as such in any sized nursing home facility and includes a person appointed as the nurse in charge during the evening or night in a nursing home facility where the occupied beds is not less than 150.

(2) A person appointed as such to a position approved by the Employer including persons appointed to be in charge of a ward or group of wards.

Board or **NMBA** means the Nurses and Midwives Board of Australia

Clinical Nurse Consultant means a registered nurse appointed as such to the position, who has had at least five years' post registration experience and who has in addition approved post registration nursing qualifications relevant to the field in which they are appointed or such other qualifications or experience deemed appropriate by the Employer.

Clinical Nurse Educator means a registered nurse with relevant post-registration certificate qualifications or experience deemed appropriate by the Employer, who is required to implement and evaluate educational programmes at the nursing home and or hostel.

The Clinical Nurse Educator will cater for the delivery of clinical nurse education at the nursing home. The Clinical Nurse Educator may also be responsible for new Employee orientation at the nursing home and or hostel.

A nurse will achieve Clinical Nurse Educator status on a personal basis by being required by the nursing home to provide the educational programmes detailed above.

Nothing in this clause will affect the role carried out by the Clinical Nurse Specialist as a specialist resource.

Clinical Nurse Specialist means - a registered nurse with specific post registration qualifications and twelve months experience working in the clinical area of her/his specified post registration qualification; or a registered nurse with four years post registration experience in a specific clinical area and working in the clinical area of her/his specified post registration experience.

Day Worker means a worker who works his/her ordinary hours from Monday to Friday, inclusive, and who works their ordinary hours on such days between 6.00 a.m. and 6.00pm., otherwise than as part of the shift system.

Deputy Director of Care (Nursing) means a person appointed to that position or deemed to hold that position.

Enrolled Nurse means a person enrolled by the Board as such.

Enrolled Nurse – Medication Endorsed means a person enrolled by the Board as such and endorsed to administer medications by the Board.

Unit Coordinator- means a person enrolled by the Board as such and under the direction and supervision of the Registered Nurse (RN), and demonstrating competence in the provision of resident- centred care as specified by the NSW Nurses and Midwifes Board (EEN'S), educational preparation and context of care.

- Providing quality resident care according to assessed and monitored individual needs
- leading a team of care staff under direction and supervision of a Registered Nurse
- participating in teams within the service such as, Team Leader meetings, OH&S activities and staff meetings

Experience and **Service** for the purposes of progression for all classifications for which there is more than one pay point/ year of service increment, will be on the basis of an annual movement to the next increment, or in the case of part-time and casual Employees on the acquisition of 1976 hours of experience.

Facility means a nursing home and/or hostel.

Industry of Nursing means the industry of persons engaged in New South Wales in the profession of nursing in nursing homes and/or hostel.

Nurse includes Registered Nurses, Enrolled Nurses and Assistants in Nursing.

Nurse Educator means a registered nurse with post-registration certificate, who has relevant experience or other qualifications and who is appointed to a position of Nurse Educator. The Nurse Educator will be responsible for the development, implementation and delivery of nursing education programmes within a nursing home. Nurse education programmes will include courses conducted such as post-registration certificates, continuing nurse education, orientation programmes including new graduate programmes, post enrolment courses for enrolled nurses and general staff development courses.

A person appointed to a position of Nurse Educator who holds relevant tertiary qualifications in education or tertiary post-graduate specialist clinical nursing qualifications will commence on the third-year rate of the salary scale.

A person appointed as the sole Nurse Educator for a group of nursing homes will be paid at the third-year rate of the salary scale.

Incremental progression for Nurse Educators will be on completion of 12 months' satisfactory full-time equivalent service, provided that progression will not be beyond the third-year rate unless the person possesses the qualifications detailed in the two previous paragraphs. Persons appointed to the third-year rate by virtue of paragraphs three and four above will progress to the fourth-year rate after completion of 12 months satisfactory full-time service.

Registered Nurse means a person registered by the Board as such.

Shift Worker means a worker who is not a day worker as defined.

Student Enrolled Nurse means a student undertaking study to become an enrolled nurse.

Nurse Practitioner A Nurse practitioner:

Is a registered nurse appointed to the role;

Has obtained an additional qualification relevant to the state regulating authority to enable them to become licensed Nurse practitioners.

A Nurse practitioner is authorised to function autonomously and collaboratively in an advance and extended clinical role.

Role of a licensed Nurse practitioner

The nurse practitioner is able to assess and manage the care of clients/residents using nursing knowledge and skills. It is dynamic practice that incorporates application of high level knowledge and skills, beyond that required of a registered nurse/midwife in extended practice across stable, unpredictable and complex situations.

The nurse practitioner role is grounded in the nursing profession's values, knowledge, theories and practice and provides innovative and flexible health care delivery than complements other health care providers.

Scope of practice - The scope of practice of the Nurse practitioner is determined by the context in which :

The nurse practitioner is authorised to practice. The nurse practitioner therefore remains accountable for the practice for which they directed; and the professional efficacy whereby practice is structured in a nursing model and enhanced by autonomy and accountability.

The Nurse practitioner is authorised to directly refer clients/residents to other health professionals, prescribe medications and order diagnostic investigations including pathology and plain screen x-rays.

Nurse practitioners exhibit clinical leadership that influences and progresses clinical care, policy and collaboration through all levels of health service.

Immediate family of an Employee means:

(1) a spouse, de facto partner, child, parent, grandparent, grandchild or sibling of the Employee; or

(2) a child, parent, grandparent, grandchild or sibling of a spouse or de facto partner of the Employee.

(3) ***spouse*** includes a former spouse.

(4) ***de facto partner*** of an Employee:

(A) means a person who, although not legally married to the Employee, lives with the Employee in a relationship as a couple on a genuine domestic basis (whether the Employee and the person are of the same sex or different sexes); and

(B) includes a former de facto partner of the Employee.

Clinical Care Coordinator means a registered nurse appointed as such to the position with qualifications and/or experience deemed appropriate by the Employer. The role will be responsible for the oversight of clinical practices within the facility in consultation with management**.** The Clinical Care Coordinator may be called upon to direct the work of registered nurses as it pertains to clinical care within a site/ facility.

Ordinary rate of pay means the rate of pay set out in Appendix 1 as applicable to an Employee, as adjusted in accordance with clause 12 but does not include overtime, penalty rates, allowances, loadings, shift penalties, incentives, bonuses and other ancillary payments of a like nature – subject to the express exception set out at clause 18(b)

Superannuation Legislation means any requirement under the *Superannuation Industry (Supervision) Act 1993* (Cth), *Superannuation Industry (Supervision) Regulations 1994* (Cth), *Superannuation Guarantee (Administration) Act 1992* (Cth), *Superannuation Guarantee (Administration) Regulations 1993* (Cth), *Superannuation Guarantee Charge Act 1992* (Cth), and any other present or future legislation which the Employer must comply with to satisfy its superannuation obligations to the Employees.

4. COVERAGE

This Agreement will cover:

(a) Calvary Retirement Communities Limited (); ("the Employer");

(b) Nursing Employees, excluding those listed at Appendix 2, employed by the Employer in the facilities listed in Appendix 3 in the State of New South Wales;

(c) subject to the requirements of the Fair Work Act, the Australian Nursing and Midwifery Federation NSW Branch (ANMF) – the NSW Branch of the ANMF.

5. SCOPE OF THE AGREEMENT

This Agreement contains all the terms and conditions of employment for Employees covered by the Agreement and will apply to Registered Nurses, Endorsed/ Enrolled Nurses and Assistants in Nursing employed by the Employer in the facilities listed at Appendix 3, excluding nursing staff listed in Appendix 2 whilst those persons remain in continuous employment with the Employer.

6. RELATIONSHIP TO THE NATIONAL EMPLOYMENT STANDARDS

Entitlements in accordance with the NES are provided for under the Fair Work Act. Where this Agreement also has provisions regarding matters dealt with under the NES and the provisions in the NES set out in the Fair Work Act are more favourable to an Employee in a particular respect than those provisions, then the NES will prevail in that respect and the provisions dealing with that matter in this Agreement will have no effect in respect of that Employee. The provisions in this Agreement otherwise apply.

7. DATE AND PERIOD OF OPERATION

This Agreement will commence operation from the 7th day after the Agreement is approved by the FWC and will remain in force until 30 June 2022 and thereafter in accordance with the Fair Work Act.

The parties agree that discussions will commence for a new Agreement no later than six months prior to the expiry date of the Agreement.

8. POSTING OF THE AGREEMENT

A copy of this Agreement shall be displayed in a conspicuous and convenient place at the workplace so as to be easily read by all Employees.

9. CONSULTATION REGARDING CHANGE

(a) This term applies if the Employer:

(i) has made a definite decision to introduce a major change to production, program, organisation, structure, or technology in relation to its enterprise; and the change is likely to have a significant effect on Employees of the Employer; or

(ii) proposes to introduce a change to the regular roster or ordinary hours of work of Employees.

(b) The Employer must consult the Employees to whom the Agreement applies about:

(i) a major workplace change that is likely to have a significant effect on the Employee/s; or

(ii) a change to their regular roster or ordinary hours of work.

(c) The relevant Employees may appoint a representative, which may be a representative from the Union, for the purposes of the procedures in this term. If a relevant Employee appoints, or relevant Employees appoint, a representative for the purposes of consultation; and the Employee or Employees advise the Employer of the identity of the representative; the Employer must recognise the representative.

(d) As soon as practicable after making its decision, the Employer must

(i) discuss with the relevant Employees:
(1) the introduction of the change; and
(2) the effect the change is likely to have on the Employees; and
(3) measures the Employer is taking to avert or mitigate the adverse effect of the change on the Employees; and

(ii) for the purposes of the discussion — provide, in writing, to the relevant Employees and their appointed representative/s:
(1) all relevant information about the change including the nature of the change proposed; and
(2) information about the expected effects of the change on the Employees; and
(3) any other matters likely to affect the Employees.

(iii) Subject to (d)(i) and (ii), for a change to the Employees' regular roster or ordinary hours of work, the Employer is required to:
(1) to provide information to the Employee/s about the change; and
(2) to invite the Employee/s to give their views about the impact of the change (including any impact in relation to their family or caring responsibilities); and
(3) to consider any views given by the Employee/s about the impact of the change.

(e) However, the Employer is not required to disclose confidential or commercially sensitive information to the relevant Employees.

(f) The Employer must give prompt and genuine consideration to matters raised about the major change by the relevant Employees.

(g) In this term, a major change is ***likely to have a significant effect on Employees*** if it results in the termination of the employment of Employees; or major change to the composition, operation or size of the Employer's workforce or to the skills required of Employees; or the elimination or diminution of job opportunities (including opportunities for promotion or tenure); or the alteration of hours of work; or the need to retrain Employees; or the need to relocate Employees to another workplace; or the restructuring of jobs.

(h) In this term, ***relevant Employees*** means the Employees who may be affected by the major change.

10. DISPUTE RESOLUTION PROCEDURE

(a) In the event of a dispute in relation to a matter arising under this Agreement or the NES, in the first instance the parties will attempt to resolve the matter at the workplace by discussions between the Employee or Employees concerned and the relevant supervisor and, if such discussions do not resolve the dispute, by discussions between the Employee or Employees concerned and more senior levels of management as appropriate.

(b) A party to the dispute may appoint another person, organisation or association, which may be the Union, to accompany or represent them in relation to the dispute.

(c) If a dispute in relation to a matter arising under the Agreement or the NES is unable to be resolved at the workplace, and all agreed steps for resolving it have been taken, the dispute may be referred to the FWC for resolution by conciliation and, where the matter in dispute remains unresolved, arbitration.

(d) It is a term of this Agreement that while the dispute resolution procedure is being conducted work shall continue according to the custom and practice before the grievance arose unless an Employee has a reasonable concern about an imminent risk to his or her health or safety.

(e) If arbitration is necessary the FWC may exercise the procedural powers in relation to hearings, witnesses, evidence and submissions which are necessary to make the arbitration effective.

(f) The above internal steps shall take place within seven days (health and safety matters are exempt from this clause).

(g) For the avoidance of doubt, Employee grievances are included in the matters to be dealt with in accordance with the dispute resolution procedure of the Agreement.

11. DISCIPLINARY PROCEDURE

(a) Prior to determining whether to terminate the employment of an Employee on the grounds other than would justify summary dismissal, the Employer shall:

(i) inform the Employee that the termination of their employment is being considered; and

(ii) advise the Employee of the reasons for possible termination; and

(iii) provide the Employee with an opportunity to respond to any allegations regarding their conduct or performance and to show cause why their employment should not be terminated.

(b) An Employee shall be given reasonable time to respond, and shall be provided with details of any relevant material. An Employee who wishes to be represented may, at the request of the Employee, be represented by a representative of the Employee's choice, which may be the Union.

(c) Any request by the Employee to meet and discuss the matter shall not be unreasonably refused.

(d) This clause shall not apply until the Employee has completed a period of employment with the Employer of at least the minimum employment period as prescribed in the Fair Work Act.

12. WAGES

(a) Wages will be determined as follows:-

Column 1	*Column 2*	*Column 3*
2.5%	2.5%	2.5%

(b) The wage increases in subclause (a) hereof shall be payable as follows:-

(i) The amount shown in Column 1 will be payable from the beginning of the first full pay period to commence on or after 1 July 2019.

(ii) The amount shown in Column 2 will be payable from the beginning of the first full pay period to commence on or after 1 July 2020.

(iii) The amount shown in Column 3 will be payable from the beginning of the first full pay period to commence on or after 1 July 2021.

(c) The wage increases referred to in subclause (a) of this Clause will be absorbed into any payment made to the Employee beyond the minimum rates contained within this Agreement.

(d) Any further wage increase will be at the discretion of the Employer, unless the rate of pay falls below the Modern Award rate, in such circumstances the rate of pay will default to the minimum rate prescribed in accordance with the relevant Modern Award rate.

(e) Rates of pay as increased by this Agreement are set out in Appendix 1.

(f) Payment of Wages will be by electronic transfer into the Employee's nominated financial institution account at the end of each fortnightly pay period, along with a pay advice. Wherever practicable such payment shall be available for withdrawal by Employees on the designated pay day. Any other form of payment will be at the discretion of the Employer by agreement with the Employee.

(g) Where the wages are not available to the Employee by such time due to circumstances beyond the Employer's control, the Employer shall not be held accountable for such delay.

(h) If a public holiday falls on a normal payroll processing day, payment may be delayed by one day.

13. SALARY SACRIFICE AND PACKAGING ARRANGEMENTS

(a) Employees may be able to make voluntary pre-tax contributions or payments through a written salary sacrifice/ packaging agreement between the Employer and the Employee. The Employer will pay the salary sacrifice amount in accordance with the salary sacrifice agreement.

(b) An Employee may apply to have their ordinary time earnings reduced by an amount nominated by them as a salary sacrifice contribution for their benefit.

(c) The total value of the reduced salary and the agreed value of the benefits provided will not be less than the amount that would otherwise be paid if the salary sacrifice/ packaging arrangement was not in place. The Employees will be offered the opportunity to choose from the list of benefits, which will be paid by the Employer, through the provider of the service, instead of receiving gross salary. Gross salary is reduced by the amount of the benefits paid by the Employer. The new gross salary is then subject to PAYG tax.

(d) The Employer will nominate a provider of salary sacrificing services to manage these arrangements. The cost of the administration of the salary packaging arrangement is to be borne by the Employee and deducted from the Employee's account each fortnight.

(e) The Employer will meet the cost of implementing the administrative and payroll arrangements necessary for the introduction of salary sacrifice/ packaging to the Employees under this Agreement.

(f) All existing entitlements such as superannuation, leave loading, penalties and overtime etc., will be based on the pre-packaged salary.

(g) The parties recognise the need for Employees to consider independent financial and taxation advice and recommend that Employees consider such advice prior to entering into salary sacrifice/ packaging arrangements.

(h) The Employees covered under this Agreement will have access to salary sacrifice/ packaging arrangements subject to the following provisions:

(i) Accessing a salary sacrifice/ packaging arrangement is a voluntary decision to be made by the individual Employee.

(ii) The Employee wishing to enter into a salary sacrifice/ packaging arrangement will be required to sign a document which indicates that:

(1) The Employee has sought expert advice in relation to entering into such an arrangement and;

(2) The Employee understands that in the event that Fringe Benefits Tax (FBT) becomes payable on the benefit items which are selected, the salary sacrifice/ packaging arrangement will lapse and a new arrangement be put in place whereby the total cost of salary sacrificing to the Employer does not increase.

(3) If the Employee elects to continue with sacrificing/ packaging, the cost of the payment of the FBT will be passed back to the Employee, or benefit items can be converted back to the agreed salary as per this Agreement.

(4) that upon resignation or termination of employment the Employer will be, by deduction from final payments or upon demand, reimbursed any amounts of over-expenditure.

(i) In the event that the law governing superannuation and/or taxation make the objective of this clause ineffective, unattainable or illegal, the Employer will advise the Employee concerned. The salary sacrifice/ packaging contribution arrangement will be terminated or amended to comply with such laws.

(j) Unless otherwise agreed by the Employer, an Employee may terminate their salary sacrifice contribution/payment by giving not less than one month's written notice, provided the terms of any other agreement relating to the salary sacrifice benefit are met.

14. SUPERANNUATION

(a) Employer Contributions

The Employer will make occupational superannuation contributions to the Fund for the benefit of the Employee as will avoid the Employer being required to pay the superannuation guarantee charge under Superannuation Legislation with respect to that Employee.

(b) Superannuation Fund
"The Fund" for the purpose of this Agreement will mean:

(i) HESTA established and governed by a trust deed as may be amended from time to time, and includes any superannuation scheme which may be made in succession thereto; or

(ii) An Employee may nominate an alternate complying fund to those provided at subclause (b)(i) above.

(c) In addition to the Employer's statutory contributions to the Fund an Employee may make additional contribution from their salary, and on receiving written authorisation from the Employee the Employer must commence making contributions to the Fund in accordance with the Superannuation Legislation.

(d) Superannuation fund payments will be made in accordance with trust fund deeds.

(e) Where an Employee salary packages their wages in accordance with this Agreement, superannuation shall be paid on the pre-packaged wages.

(f) Upon commencement of employment, the Employer will provide each Employee with a membership form for their preferred fund and will forward the completed membership forms for the Employee's choice of fund within 28 days. In the event that the Employee had not completed an application form within 28 days, the Employer will forward contributions and Employee details to HESTA **(Default Fund)**. The Default fund offers a MySuper product.

15. HOURS OF WORK – ORDINARY HOURS OF WORK

(a) The ordinary hours of work for Day Workers, exclusive of meal times, will not exceed 152 hours per 28 calendar days or 76 hours per fortnight to be worked between 6.00am and 6.00pm Monday to Friday..

(b) The ordinary hours of work for Shift Workers, exclusive of meal times, will not exceed 152 hours per 28 calendar days or 76 hours per fortnight or an average of 38 hours per week in each roster cycle.

(c) Ordinary hours of work

(i) The ordinary hours of work prescribed in subclauses (a) and (b) of this clause, for Employees employed before the date this Agreement comes into operation, may be arranged as follows:

(1) in each roster cycle of 28 calendar days the Employee will not work his/her ordinary hours of work on more than 19 days in the cycle; or

(2) Employees may work shifts of less than eight hours each over 20 days in each cycle of 28 days, resulting in a 38 hour week

(ii) The ordinary hours of work for all new Employees, employed on or after the date of operation of this Agreement, will be in accordance with a 38 hour week, with no accrual of a paid day off per month (**ADO**).

(1) Notwithstanding the provision of subclause (c)(ii) above, Employees may, with the agreement of the Employer in consideration of operational requirements, have their prescribed hours of work arranged in such a manner that in each roster cycle of 28 calendar days each Employee will not work his/her ordinary hours of work on more than 19 days in the cycle. Therefore the Employee will work an additional 2 hours a week (40 hours worked

in a week) over a four week period, in order to accrue a paid day off per month.

(d) Each Employee will be entitled to not less than four full days in each fortnight free from duty or two full days in each week free from duty (rostered days off).

(e) Each shift will consist of no more than ten hours on a day shift or 10 hours on a night shift with not less than eight hours break between each shift; provided that an Employee will not work more than seven consecutive shifts unless the Employee so requests and the Employer agrees. Except where mutually agreed between the Employer and the Employee, an Employee will not work more than two quick shifts in any period of seven days, ie an evening shift followed by a morning shift, where the break between ordinary shifts is less than ten hours.

(f) Part-time and casual Employees will receive a minimum payment of two hours for each start.

(g) Two separate ten-minute tea breaks (in addition to meal breaks) will be allowed each Employee on duty during each ordinary shift of 7.6 hours or more; where less than 7.6 ordinary hours are worked, Employees will be allowed one ten-minute tea break in each four-hour period. Subject to agreement between the Employer and the Employee, the two ten-minute tea breaks may alternatively be taken as one 20-minute tea break. Such tea break(s) will count as working time.

(h) Meal Breaks

(i) Each Employee will be allowed a break of not less than 30 minutes and not more than 60 minutes for each meal occurring on duty.

(ii) Where practicable, Employees will not be required to work more than five hours without a meal break. If an Employee is directed to work during their meal break they will be paid at the relevant overtime penalty rate until the meal break is given.

(iii) An Employee who is directed to remain on call during a meal break, but is free from duty, will be paid at the ordinary rate of pay for the 30-minute meal break. This period will not count as time worked when calculating ordinary hours for the purposes of overtime or penalties.

(i) Subclauses (g) and (h) of this clause will not apply to an Employee who, before going on night duty, is provided with a meal between 9.00 p.m. and 11.00 p.m. and who is allowed two intervals of 20 minutes each during the period of night duty, but such intervals will count as working time and will be paid for as such.

(j) Employees must receive a minimum break of eight hours between ordinary rostered shifts

(k) Except for meal breaks, all time from the commencement to the cessation of duty each shift will count as working time, except for shifts being worked as broken shifts.

16. PART-TIME EMPLOYMENT

(a) A part-time Employee is one who is permanently appointed by the Employer to work a specified number of hours which are less than those prescribed for a full-time Employee. By agreement between Employer and Employee, the specified number of hours may be balanced over a week and/or a fortnightly period. Provided further that there will be no interruption to the continuity of employment merely by reason of an Employee working on a "week on, week off" basis in accordance with this subclause.

(b) Part-time Employees will be paid an hourly rate calculated on the basis of one thirty-eighth of the appropriate rate and where applicable, one thirty-eighth of the appropriate allowance or allowances prescribed by Clause 20 - Allowances, with a minimum payment of two hours for each start.

(d) A public holiday occurring on an ordinary working day will be allowed to Employees without loss of pay; provided that an Employee who is required to and does work on a public holiday will be paid for the time actually worked at the rate of time and one-half in addition to his/her ordinary rate of pay. Payment will be made for a minimum of four hours' work, and any balance of the day or shift not worked will be paid at the ordinary rate of pay.

(e) To the leave prescribed by subclause (c) of this Part of this clause there will be added one working day for each public holiday or one half working day for each half public holiday which occurs on what would have been an ordinary working day during a period of annual leave.

(f) For the purpose of this Part of this clause, the following are to be public holidays, namely: New Year's Day, Australia Day, Good Friday, Easter Saturday, Easter Sunday, Easter Monday, Anzac Day, Queen's Birthday, local Labour Day, Christmas Day, Boxing Day and any other day duly proclaimed and observed as a public holiday within the area in which the Facility is situated.

(g) In addition to those public holidays prescribed in subclause (f) of this clause, Employees are entitled to an extra public holiday each year. Such public holiday will occur on a day between Christmas Day and New Year's Day as determined by the Employer. This subclause will apply in substitution for any local public holiday or half public holiday proclaimed in local government area.

(h) Part-time Employees will be entitled to all other benefits of this Agreement not otherwise expressly provided for herein in the same proportion as their ordinary hours of work bear to full-time hours.

(i) Where the Employee is regularly working more than their specified contract hours they may request that their contracted hours are reviewed by their Manager. The Manager will formally respond to the request by the Employee stating the reasons if the request is not agreed to. The Manager will not unreasonably reject the request. The Manager will also take into account that the hours worked in the following circumstances will not be incorporated to any adjustment made:

(i) if the increase in hours is as a direct result of an Employee being absent on leave, such as for example, annual leave, long service leave, maternity leave, workers compensation; and

(ii) if the increase in hours is due to a temporary increase in hours only due, for example, to the specific needs of a resident or client.

(iii) Any adjusted contracted hours resulting from a review by the Employer should however, be such as to readily reflect roster cycles and shift configurations utilised at the workplace.

17. CASUAL EMPLOYMENT

(a) A casual Employee is one engaged on an hourly basis otherwise than as a part-time or full-time Employee.

(b) A casual Employee will be paid an hourly rate calculated on the basis of one thirty-eighth of the weekly ordinary rate of pay plus 25% casual loading and where applicable, one thirty-eighth of the appropriate allowance or allowances prescribed by Clause 20 - Allowances, , with a minimum payment of two hours for each start.

(c) With respect to a casual Employee, the provisions of the Hours of Work, Rosters, Overtime; Annual Leave and Leave Loading; Personal/Carers Leave (excluding unpaid carers leave); Long Service Leave; Compassionate Leave (excluding unpaid compassionate leave) and Deputy Director of Care (Nursing) and Assistant Director of Care (Nursing) will not apply. Further, casual Employees will not be entitled to an accrued day off under this Agreement.

(d) In accordance with the Fair Work Act casual Employees have no entitlement to paid annual leave.

(e) For the entitlement to payment in respect of long service leave, see *Long Service Leave Act 1955,* as amended from time to time.

(f) A casual Employee who is required to and does work on a public holiday as defined in subclauses (a) and (b) of Clause 21 - Public Holidays, will be paid for the time actually worked at the rate of double time and one-half the ordinary rate of pay, such payment being in lieu of weekend or shift allowances which would otherwise be payable had the day not been a public holiday; provided that a casual Employee will not be entitled to be paid, in addition, the casual loading of twenty five per cent prescribed in subclause (b) of this Clause in respect of such work.

(g) Shift Penalties and Overtime

A casual Employee will be paid shift penalties calculated on the ordinary rate of pay excluding the casual loading with the casual loading component then added to the penalty rate of pay. For overtime, the penalty rate will be applied to the casual rate of pay. Overtime rates will only be payable to a casual Employee when he/she works in excess of 10 hours in a day, or 76 hours per fortnight.

(h) Casual Conversion

A casual Employee who has been rostered on a regular and systematic basis over 26 weeks, (provided that the rostering pattern has not resulted from coverage for extended absences such as maternity leave, long service leave, workers compensation leave and extended sick leave), has the right to request conversion to permanent employment and that request will not be unreasonably refused by the Employer.

(i) A casual Employee who has been rostered on a regular and systematic basis over a period of 6 months has the right to request conversion to permanent employment.

(ii) The Manager may consent to or refuse the request. The request will be refused where the hours worked are as a result of a casual Employee covering absences of permanent staff that are expected to return to work or fluctuations in occupancy/ resident care requirements.

17. ROSTERS

(a) The ordinary hours of work and allocated days off duty for each Employee will be displayed on a roster in a place conveniently accessible to Employees.

(b) The roster will, where practicable, be displayed at least two weeks', and in any event not less than one week, prior to the commencing date of the first working period in the roster.

(c) Notwithstanding the foregoing provisions of this clause, a roster may be altered at any time to enable the nursing service of the facility to be carried on where another Employee is absent from duty on account of illness or in an emergency; provided that where any such alteration involves a full-time Employee working on a day which would otherwise have been such Employee's day off, the day off in lieu thereof will be as mutually arranged.

(d) Prior to the date of the changed shift, such change of roster will be notified verbally or in writing to the Employee concerned.

(e) All rosters will be retained for at least six years.

18. SHIFT WORK AND WEEKEND WORK

(a) Employees working afternoon or night shift will be paid the following percentages in addition to the ordinary rate of pay for such shift. Provided that Employees who work less than 38 hours per week will only be entitled to the additional rates where their shifts commence prior to 6.00 a.m. or finish subsequent to 6.00 p.m.

Afternoon shift commencing at or after 10.00am and before midday	10 per cent.
Afternoon shift commencing at or after midday and before 4.00 p.m	12.5 per cent.
Night shift commencing at or after 4.00 p.m. and before 4.00 a.m	15 per cent.
Night shift commencing at or after 4.00 a.m. and before 6.00 a.m	10 per cent.

(b) "Ordinary rate of pay" and "ordinary time" will not include any percentages addition by reason of the fact that an Employee works less than 38 hours per week, but will include amounts payable under Clause 12 – Wages and Clause

20 (a) and (h)– Allowances (specifically in charge and on call allowances) . For clarity, the casual loading set out at clause 16 of the Agreement will be payable in addition to the shift penalties set out above.

(c) For the purposes of this clause, day, afternoon and night shifts will be defined as follows:

"**Day shift"** means a shift which is worked between the hours of 6am and 6pm..

"**Afternoon shift"** means a shift which commences at or after 10.00am and before 4.00 p.m.

"**Night shift"** means a shift which commences at or after 4.00 p.m. and before 6.00 a.m. on the day following.

(d) Employees whose ordinary working hours include work on a Saturday and/or Sunday, will be paid for ordinary hours worked between midnight on Friday and midnight on Saturday at the rate of time and one-half and for ordinary hours worked between midnight on Saturday and midnight on Sunday at the rate of time and three-quarters. These extra rates will be in substitution for and not cumulative upon the shift penalties prescribed in subclause (a) of this clause.

The foregoing subclause will apply to Employees who work less than 38 hours per week, but such Employees will not be entitled to be paid in addition any allowance/ casual loading prescribed by the casual employment provisions, in respect of their employment between midnight on Friday and midnight on Sunday.

(e) The additional payments prescribed by this clause will not form part of the Employee's ordinary pay for the purposes of this Agreement, except as provided in Clause 22 - Annual Leave and Leave Loading.

19. RECOGNITION OF SERVICE AND EXPERIENCE

(a) The Employer will notify each nurse of the requirements of this clause at the time of the nurse's commencement of employment. If the Employer does not so notify the nurse, then the requirements of this clause will not commence until the Employer does so notify the nurse.

(b) From the time of commencement of employment the nurse has three months in which to provide documentary evidence to their Employer detailing any other "service" or "experience", as defined in Clause 3 - Definitions, not disclosed at the time of commencement. This evidence, in the absence of other documentary evidence, may take the form of a statutory declaration.

(c) Until such time as the nurse furnishes any such documentation contemplated in subclause (b) above, the Employer will pay the nurse at the level for which proof has been provided.

(d) If within three months of commencing employment a nurse does provide documentary evidence of other previous service or experience not disclosed at the time of commencement, the Employer will pay the nurse at the appropriate

rate as and from the date of commencement that would have been paid from that date had the additional evidence been provided at that time.

(e) If a nurse provides documentary evidence of other previous service or experience not disclosed at the time of commencement after the said three month period, the nurse will be paid a rate appropriate for the previous service or experience then proved, but only from the date of providing that evidence to the Employer.

(f) A nurse who is working as a nurse for more than one organisation will notify the Employer under this Agreement within one month of the end of each quarter of their hours worked with those other Employers in the last quarter.

(g) A nurse who is entitled to progress to the next year of service or experience (by reason of hours worked with other Employers) as and from a particular date must provide proof of that entitlement within three months of that entitlement arising. If that proof is so provided, the nurse will be paid at the higher rate as and from the date they were entitled to progress to the next year of service or experience. If the proof is provided outside that three-month period, the nurse will be paid at the higher rate only from the date that proof is provided.

20. ALLOWANCES

(a) In Charge Allowances

(i) In the absence of the Facility Manager and Clinical Care Coordinator, a registered nurse appointed in charge during the day, evening or night of a nursing home facility having occupied beds of:

- less than 100 beds; or
- 100 beds or more

will be paid in addition to his or her appropriate salary, whilst so in charge, the relevant sum set out in Item 1A or 1B of Table 2 (as applicable) Allowances, of Appendix 1, Salaries and Allowance.

(ii) A registered nurse who is designated to be in charge of a shift in a ward will be paid, in addition to his or her appropriate salary, the sum set out in Item 2 of Table 2, per shift.

(iii) This subclause will not apply to registered nurses holding classified positions of a higher grade than of a registered nurse.

(iv) An enrolled nurse employed in a nursing home facility will not be required to be in charge of a nursing home facility, shift, ward or unit.

(b) Continuing Education Allowance

(i) A registered nurse or enrolled nurse who holds a continuing education qualification in a clinical field, in addition to the qualification leading to registration or enrolment, will be paid an allowance subject to the conditions set out in this clause.

(ii) The qualification must be accepted by the Employer to be directly relevant to the competency and skills used by the Employee in the duties of the position.

(iii) The allowance is not payable to Deputy Directors of Care (Nursing), Assistant Director of Care, Clinical Nurse Educators, Clinical Nurse Consultants or Nurse Practitioners.

(iv) An RN or EN holding more than one relevant qualification is only entitled to the payment of one allowance, being the allowance of the highest monetary value.

(v) The Employee claiming entitlement to a continuing education allowance must provide evidence to the Employer that they hold that qualification.

(vi) An RN who holds a relevant postgraduate certificate in a clinical field (not including a hospital certificate) that is accepted by the Employer to be directly relevant to the competency and skills used by the RN in carrying out the duties of the position will be paid a weekly allowance as set out in Item 1 of Table 3, continuing Education allowances of Appendix 1, Monetary Rates.

(vii) An RN who holds a relevant postgraduate diploma or degree in a clinical field (other than a nursing undergraduate degree) that is accepted by the Employer to be directly relevant to the competency and skills used by the RN in carrying out the duties of the position will be paid a weekly allowance as set out I Item 2 of Table 3, Continuing Education Allowances of Appendix 1, Monetary Rates.

(viii) An RN who holds a relevant master's degree or doctorate in a clinical field that is accepted by the Employer to be directly relevant to the competency and skills used by the RN in carrying out the duties of the position will be paid a weekly allowance as set out in Item 3 of Table 3, Continuing Education Allowances of Appendix 1, Monetary Rates.

(ix) An EN who holds a relevant certificate IV qualification in a clinical field (not including a certificate IV qualification which has the effect of upgrading the qualification leading to enrolment) that is accepted by the Employer to be directly relevant to the competency and skills used by the EN in carrying out the duties of the position will be paid a weekly allowance as set out in item 4 of Table 3, Continuing Education Allowances of Appendix 1, Monetary Rates.

(x) The allowances set out in sub-clauses (vii), (viii), and (x) hereof are not included in the Employee's ordinary rate of pay and will not constitute part of the all-purpose rate.

(xi) A registered nurse or enrolled nurse who is employed on a part-time or casual basis will be paid these allowances on a pro rata basis.

(xii) The rates for these allowances will be adjusted in accordance with increases in other wage-related allowances contained in this Agreement.

(c) Uniform and Laundry Allowance

(i) Subject to subclause (ii) of this clause, sufficient suitable and serviceable uniforms, including one pair of a special type of shoes per annum where applicable, which will be of a recognised acceptable standard for the

performance of nursing duties, and one cardigan or jacket, will be supplied free of cost to each Employee required to wear a uniform or part of a uniform.

(ii)

(1) In lieu of supplying uniforms and special type shoes to an Employee, an Employer will pay the said Employee the sum per week set in Item 10 of Table 2 - Other Rates and Allowances, of Part B, Monetary Rates, for uniforms and the sum per week set out in Item 11 of the said Table 2 for shoes.

(2) In lieu of supplying a cardigan or jacket to an Employee, an Employer will pay the said Employee the sum per week set out in Item 12 of Table 2.

(3) In lieu of supplying stockings to a female Employee, an Employer will pay the said Employee the sum per week set out in Item 13 of Table 2.

(4) In lieu of supplying socks to an Employee, the Employer will pay the said Employee the sum per week set out in Item 14 of Table 2.

(iii) If, in any facility, the uniforms of an Employee are not laundered at the expense of the Employer, the sum per week set out in Item 16 of Table 2 will be paid to the said Employee. Provided that the payment of such laundry allowance will not be made to any Employee on absences exceeding one week.

(iv) Where the Employer requires any Employee to wear headwear, the facility will provide headwear free of charge to the Employee.

(v) The allowances referred to in subclause (ii) are also payable during any period of paid leave.

(d)

(i) An Employee required and authorised to use their own motor vehicle in the course of their duties will be paid an allowance per kilometre as set out in Item 6 of Table 2.

(ii) When an Employee is involved in travelling on duty, if the Employer cannot provide the appropriate transport, all reasonably incurred expenses in respect to fares, meals and accommodation will be met by the Employer on production of receipted account(s) or other evidence acceptable to the Employer.

(iii) Provided further that the Employee will not be entitled to reimbursement for expenses referred to in paragraph 2 of subclause (iii) which exceed the mode of transport, meals or the standard of accommodation agreed with the Employer for these purposes.

(e) Higher Grade Duty Allowance

(i) Subject to subclauses (ii), (iii) and (iv) of this clause, an Employee who is called upon to relieve an Employee in a higher classification or is called upon to act in a vacant position of a higher classification, will be entitled to receive for the period of relief or the period during which he/she so acts the minimum payment for such higher classification.

(ii) The provisions of subclause (i) of this clause will not apply where the Employee of the higher classification is off duty due to an allocated day off, as a consequence of working a 38-hour week.

(iii) Further, the provisions of subclause (i) of this clause will not apply where a Director of Care (Nursing) is absent from duty for a period of three working days or less.

(iv) Subject to subclauses (ii) and (iii) above, the provisions of subclause (i) will not apply where a day worker is being relieved and is absent from duty for a period of three consecutive working days or less which have been rostered in advance.

(f) Special Allowance EEN - An allowance of (as stated in Appendix 1, Item 24) per hour will be paid to an EEN that is required by the Employer to be responsible for additional functions/ duties of higher work value, as determined by the Employer, on a regular or on-going basis. Such additional functions/ duties of a higher work value means work that requires a greater level of judgement by the Employee, whereby the Employee was required to make independent decisions and have a greater degree of accountability than would otherwise be expected of an equivalent EEN.

(g) An Employee who is directed to remain on call during a meal break will be paid the meal break allowance in Item 21 of Table 2 of Appendix 1.

(h) On call

Where an Employee is required to remain on-call they will be paid an on-call allowance per period of 24 hours or part thereof. The Allowance at item 22 is payable when on-call on a weekend or public holiday, and Item 23 is payable when on-call on a weekday.

(i) ACFI Responsibility Allowance

Where a registered nurse Employee is appointed by the Employer to undertake the task of collating resident funding documentation (ACFI), the Employee will be paid the ACFI responsibility allowance (**AR Allowance**) of $11.00 per week. Provided that:

(1) only one Employee may be appointed and paid the AR Allowance at any one Facility;

(2) the AR Allowance will be paid on a pro-rata basis to part-time and casual Employees.

21. PUBLIC HOLIDAYS

(a) The following days will be public holidays, viz: New Year's Day, Australia Day, Good Friday, Easter Saturday, Easter Sunday, Easter Monday, Anzac Day, Queen's Birthday, Labour Day, Christmas Day, Boxing Day, and any other day or part thereof proclaimed and observed as a public holiday within the area in which the facility is situated. All full-time Monday to Friday/ Day workers will be allowed every public holiday prescribed by this subclause without loss of pay.

(b) In addition to those public holidays prescribed in subclause (a) of this clause, Employees are entitled to an extra public holiday each year. Such public holiday will occur on a day between Christmas Day and New Year's Day as determined by the Employer. This subclause will apply in substitution for any local public holiday or half public holiday proclaimed in local government area.

(c)

(i) A full-time Employee who is covered by paragraph (ii) of subclause (a) of Clause 22 - Annual Leave and Leave Loading, and who is required to and does work on a public holiday prescribed by subclauses (a) and (b) of this clause will be paid for the time actually worked at the rate of time and one-half in addition to his/her weekly ordinary rate of pay. In respect of the time worked on a public holiday, payment will be made for a minimum of four hours' work, and any balance of the day or shift not worked will be paid at the ordinary rate of pay.

(3) Where requested by a permanent Employee and on the approval of the Employer, in lieu of the payment set out at (c)(i), an Employee may be paid for all time worked on the public holiday at the rate of time and a half and accrue paid time off at the ordinary rate of pay for each hour worked. Any balance of the day or shift not worked will be paid at the ordinary rate of pay.

(ii) Where a public holiday falls on a rostered day off of a full-time shift worker as defined in Clause 3 - Definitions, who receives four weeks annual leave in accordance with paragraph (ii) of subclause (a) of Clause 22 - Annual Leave and Leave Loading, such shift worker will be paid one day's ordinary pay in addition to the appropriate weekly ordinary rate of pay.

(d) Employees engaged upon a seven-day shift roster and who are required to work on any public holiday prescribed by subclause (a) of this clause will be paid, in addition to their ordinary rate of pay for that day, a 50% penalty for work performed within ordinary hours and double time and a half the ordinary rate of pay for all time worked outside ordinary hours.

22. ANNUAL LEAVE AND LEAVE LOADING

(a) Annual leave will accrue progressively during a year of service according to the Employee's ordinary hours of work and accumulates from year to year:

(i) Full-time Employees required to work on a seven-day basis – will accrue six weeks annual leave per annum. This entitlement includes the additional week of annual leave provided for under the NES for shiftworkers (as defined at subclause (a)(i)(1) below):

(1) For the purposes of the NES and this clause, a shiftworker is defined as an Employee who is regularly rostered to work over seven days of the week; and regularly works on weekends.

(ii) All other Employees – four weeks annual leave.

(iii) Part time Employees

Four weeks annual leave at the ordinary rate of pay will accrue per year of service in accordance with (a)(ii). Annual leave will accrue progressively during a year of service according to the employee's ordinary hours of work and accumulates from year to year. The provisions of subclauses (c) to (m) of this clause will apply to Employees engaged as part-time Employees and the remaining provisions of this clause will not apply.

(b)

(i) An Employee to whom paragraph (i) of subclause (a) of this clause applies and who is required to and does work on a public holiday will be paid, in addition to the appropriate weekly ordinary rate of pay, a 50% penalty rate for the time actually worked on such holiday. Such payment will be in lieu of any additional penalty for shift work or weekend work which would otherwise be payable had the day not been a public holiday.

(ii) To the leave prescribed by paragraph (i) of subclause (a) there will be added one working day or one half working day for each special public holiday or half public holiday, not being one of the specifically named public holidays prescribed by subclause (a) of Clause 21 - Public Holidays (or a special day proclaimed in lieu of any of them) which may occur during the accrual period for annual leave or during the period of annual leave.

(iii) To the leave prescribed by paragraph (ii) of subclause (a) of this clause there will be added one working day or one half working day for each public holiday or half public holiday which occurs on what would have been an ordinary working day during a period of annual leave; provided that in the case of a full-time shift worker the provisions of this paragraph will apply to any public holiday falling during the period of annual leave.

(c)

(i) Credit of time towards an accrued day off duty (**ADO**) will not accrue when an Employee is absent in accordance with subclause (a) of this clause. Employees entitled to ADOs in accordance with this Agreement, will accrue credit towards an ADO in respect of each day those Employees are absent on additional annual leave in accordance with paragraph (ii) of subclause (b) of this clause and paragraph (i) of subclause (c) of Clause 21 - Public Holidays.

(d) Paid annual leave may be taken for a period agreed between an Employee and the Employer, and may include the approval for taking a single day of annual leave.

(e) Notwithstanding the provisions of subclause (d), the Employer may direct an Employee to take a period of annual leave in accordance with this subclause. Where an Employee has accrued more than 8 weeks paid annual leave, (12 weeks in the case of shift workers as defined in this clause), such Employee has accrued excess annual leave (**Excess Leave**). In the circumstances of Excess Leave, annual leave shall be given at a time fixed by the Employer after not less than eight weeks' and not more than 12 months' notice to the Employee, provided:

(1) the Employee will first be given a reasonable opportunity to submit a plan to reduce their total annual leave accrued balance to not more than 6 weeks within a period of six months (**leave reduction plan**);

(2) the Employer will not unreasonably refuse to agree to an Employee's annual leave reduction plan which includes saving leave for an extended vacation within 12 months of the date of agreement to the leave reduction plan. The agreement is to be in writing and signed by both the Employer and Employee.

(3) the Employee cannot be directed to take annual leave where such direction would result in the Employee being directed to reduce the accrued leave to less than 6 weeks.

(f)

(i) Employees will receive their ordinary rate of pay during all periods of annual leave. Employees may request that before going on leave, such leave be paid in advance, otherwise the leave will be paid in the normal pay fortnights for the period of such leave.

(ii) An Employee to whom paragraph (i) of subclause (a) applies will be paid during the first 28 consecutive days while on annual leave his or her ordinary rate rate of pay plus shift and weekend penalties relating to ordinary time the Employee would have worked if he or she had not been on annual leave. Additional annual leave accrued under subclause (i) attracts shift and weekend penalties relating to ordinary time the Employee would have worked if he or she had not been on annual leave. Provided that the provisions of the preceding paragraphs of this subclause will not apply to public holidays which occur during a period of annual leave or days which have been added to annual leave in accordance with paragraph (ii) of subclause (a) of this clause and subclause (b) of Clause 21 - Public Holidays.

(g) Except as provided in subclauses (h) and (i) of this clause, payment for annual leave will not be made or accepted in lieu of annual leave.

(h) If, when the employment of an Employee ends, the Employee has a period of untaken paid annual leave, the Employer must pay the Employee the amount that would have been payable to the Employee had the Employee taken that period of leave (including any applicable annual leave loading).

(i)

(i) In addition to the leave prescribed by subclause (a) of this clause Employees who work their ordinary hours on Sundays and/or public holidays prescribed by Clause 21 are entitled to receive additional annual leave as follows:

Number of ordinary shifts worked on Sundays and/or public holidays during a qualifying period of employment for annual leave purposes -

4 to 10	1 day's additional annual leave
11 to 17	2 day's additional annual leave
18 to 24	3 day's additional annual leave
25 to 31	4 day's additional annual leave

32 or more	5 day's additional annual leave

Provided that, in the case of a part-time employee, such employee shall be entitled to additional annual leave in accordance with:

(i) subclause (i)(i) above; or

(ii) the definition of a shiftworker (for the purposes of the additional one week of annual leave provided by the NES), as set out at subclause 22(a)(i)(1);

whichever gives rise to the greater entitlement for the part-time employee.

(ii) On termination of employment, Employees are to be paid for any untaken annual leave due under this subclause, together with payment for any leave in respect of an uncompleted year of employment calculated in accordance with this subclause, together with payment for any untaken annual leave due in accordance with subclause (h) of this clause.

(iii) Part-time Employees will be entitled to the benefits of this subclause in the same proportion as their average weekly hours of work bear to full-time hours.

(j) Annual leave loading is payable in addition to the pay for the period of holiday given and taken and due to the Employee under paragraph (ii) of subclause (a) and paragraph (iii) of subclause (b), or in the case of part-time Employees, for the period of holiday given and taken and due to the Employee.

(k) The loading is the amount payable for the period or the separate periods, as the case may be, at the rate per week of 17½ per cent of the appropriate weekly ordinary rate of pay prescribed by this Agreement for the classification in which the Employee was employed immediately before commencing his/her annual holiday, together with any allowances prescribed by subclauses (a)(i) and (a)(ii) of Clause 20 – Allowances.

(l) This clause extends to an Employee who is given and takes an annual holiday and who would have worked as a shift worker if she/he had not been on holidays; provided that, if the amount to which the Employee would have been entitled by way of shift work allowances and weekend penalty rates for the ordinary time (not including time on a public or special holiday) which the Employee would have worked during the period of the holiday exceeds the loading calculated in accordance with this clause, then that amount will be paid to the Employee in lieu of the loading.

(m) Pay in lieu of an amount of annual leave

(i) Upon receipt of a written request by an Employee, the Employer may authorise the Employee in a separate written agreement to receive pay in lieu of an amount of annual leave.

(1) Paid annual leave must not be cashed out if the cashing out would result in the Employee's remaining accrued entitlement to paid annual leave being less than 4 weeks; and

(2) each cashing out of a particular amount of paid annual leave must be by a separate agreement in writing between the Employer and the Employee; and

(3) Where an Employee forgoes an entitlement to take an amount of annual leave, the Employee must be paid at least the full amount that would have been payable to the Employee had the Employee taken the leave that the Employee has forgone.

23. OVERTIME

(a) Employees will work reasonable overtime when required by the Employer.

(b) Where the Employer requires or requests the Employee to work reasonable additional hours, all relevant factors must be taken into account. Those factors may include, but are not limited to, the following:

(i) any risk to Employee health and safety that might reasonably be expected to arise if the Employee worked the additional hours;

(ii) the Employee's personal circumstances including family and carer responsibilities;

(iii) the operational requirements of the workplace, in relation to which the Employee is required or requested to work additional hours;

(iv) any notice given by the Employer of the requirement or request that the Employee work additional hours;

(v) any notice given by the Employee of the Employee's intention to refuse to work the additional hours;

(vi) whether any of the additional hours are on a public holiday;

(vii) the Employee's hours of work over the 4 weeks ending immediately before the Employee is required or requested to work the additional hours.

An Employee may refuse to work such overtime if it is considered unreasonable with regard to the factors in subclause (b)(i) to (vii).

(c) This subclause is subject to subclause (h) below. Hours worked in excess of the ordinary hours on any day or shift prescribed in clause 15—Ordinary hours of work, are to be paid as follows:

(i) Monday to Saturday (inclusive)—time and a half for the first two hours the ordinary rate of pay and double time the ordinary rate of pay thereafter;
(ii) Sunday—double time the ordinary rate of pay; and
(iii) Public holidays—double time and a half the ordinary rate of pay.
(iv) Overtime penalties as prescribed in clause (c) do not apply to the Director of Care or Deputy Director of Care.

(v) Overtime rates under this clause will be in substitution for and not cumulative upon the shift and weekend penalties prescribed in clause 18 of this Agreement.

(vi) Part-time employees

All time worked by part-time employees in excess of the rostered daily ordinary full-time hours (or up to 10 hours in a day if rostered for such shift) will be overtime and will be paid as prescribed in clause (c).

(d) Overtime Meal

(i) An Employee will be supplied with an adequate meal by the Employer or will be paid a meal allowance of $13.29 in addition to any overtime payment as follows:
(1) when overtime work exceeds one hour;
(2) Provided that where such overtime work exceeds four hours a further meal allowance of $11.98 will be paid.

(ii) The allowances set out at (i) above will not apply when an Employee who could reasonably return home for a meal within the meal break.

(e) An Employee recalled to work overtime after leaving the Employer's premises and who is required to work for more than four hours will be allowed 20 minutes for the partaking of a meal and a further 20 minutes after each subsequent four hours' overtime; all such time will be counted as time worked.

(f) Where an Employee is required to work an overtime shift on his or her rostered day off, the appropriate meal breaks for that shift will apply.

(g) Employees who work so much overtime:

(i) between the termination of their ordinary work on any day or shift and the commencement of their ordinary work on the next day or shift that they have not had at least eight consecutive hours off duty between these times; or

(ii) on a Saturday, a Sunday or a public holiday, not being ordinary working days, or on a rostered day off without having had eight consecutive hours off duty in the 24 hours preceding the ordinary commencing time on the next ordinary day or shift, will, subject to this subclause, be released after completion of such overtime until they have had eight consecutive hours off duty without loss of pay for ordinary working time occurring during such absence. If on the instruction of the Employer such an Employee resumes or continues to work without having such eight consecutive hours off duty, they will be paid at double time of the appropriate rate applicable on such day until they are released from duty for such period and they then will be entitled to be absent until they have had eight consecutive hours off duty without loss of pay for ordinary working time occurring during such absence.

(h) By agreement between the Employee and Employer, an Employee may be compensated by way of time off in lieu of payment of overtime on the following basis:

(i) The period of time off that an Employee is entitled to take is equivalent to the overtime payment that would have been made. Time off in lieu of overtime must be taken within three months of it being accrued.

(ii) Where it is not possible for the Employee to take the time off in lieu of overtime within the three-month period or the Employee has accrued

untaken time off in lieu at the time of the termination of the Employee's employment, it is to be paid out at the appropriate overtime rate applicable to the overtime when worked.

(iii) Nurses cannot be compelled to take time off in lieu of overtime.

(iv) Time off in lieu of overtime should only be considered as an option in those circumstances where the Employer is able to provide adequate replacement staff to ensure that the level of the quality of service that would otherwise have been provided had the overtime been worked, is in fact provided.

(v) Records of all time off in lieu of overtime owing to nurses and taken by nurses must be maintained by the Employer.

24. PERSONAL/ CARERS LEAVE

(a) Subject to the limitations and conditions set out in this clause, Employees (excluding casual Employees) are entitled to accrue paid personal/ carer's leave in accordance with the NES.

(i) An Employee will not be entitled to paid personal leave for any period in respect of which such Employee is entitled to workers' compensation; provided, however, that the Employer may pay to an Employee who has personal leave entitlement under this clause, the difference between the amount received as workers' compensation and the ordinary rate of pay. The Employee's personal leave entitlement under this clause will, for each week during which such difference is paid, be reduced by that proportion of 38 hours which the difference paid bears to full pay.

(ii) All periods of personal illness/ injury will be certified by a medical certificate from the Employee's registered health practitioner or statutory declaration, or such other evidence that would satisfy a reasonable person that the Employee was unfit for the reason of personal leave or carers leave. The Employer may dispense with the requirements of a medical certificate or statutory declaration when the absence does not exceed two consecutive days or where, in the Employer's opinion, the circumstances are such as not to warrant such requirement.

(iii) Each Employee will notify her/his Employer of an absence from work due to illness or injury prior to the commencement of her/his rostered shift or as soon as practicable thereafter and will, as far as possible, inform the Employer of the estimated duration of the absence.

(b) The Employer will not change the rostered hours of work of an Employee fixed by the roster or rosters applicable to the 14 days immediately following the commencement of sick leave merely by reason of the fact that she or he is on sick leave.

(c) For the purpose of this clause, "service" means service in the employment of the Employer.

(d) For the purpose of this clause, continuity of service in the employment will not be broken by paid absences from such employment on account of illness/ injury.

(e) An Employee, other than a casual Employee, with responsibilities in relation to a member of their immediate family or household, =, will be entitled to use, in accordance with this subclause, any current or accrued personal leave entitlement, for absences to provide care or support for such persons when they are ill/injured or in the case of an unexpected emergency. Such leave may be taken for part of a single day.

(f) The Employee will, if required, establish, by giving the Employer evidence that would satisfy a reasonable person which may include production of a medical certificate from an Employee's registered health practitioner or statutory declaration, the relationship to the Employee of the person requiring care or support (establishing that the person is a member of the Employee's immediate family or household member), the reasons for taking such leave and the estimated length of absence.

(h) An Employee will, wherever practicable, give the Employer notice, prior to the absence, of the intention to take leave, that person's relationship to the Employee, the reasons for taking such leave and the estimated length of absence. If it is not practicable for the Employee to give prior notice of absence, the Employee will notify the Employer by telephone of such absence at the first opportunity on the day of absence.

(i) Unpaid Carers Leave

An Employee, including casual Employees, will be entitled to up to two days unpaid carers leave per occasion in accordance with the *Fair Work Act.*

(j) An Employer must not fail to re-engage a casual Employee because the Employee accessed the entitlements provided for in this clause. The rights of an Employer to engage or not to engage a casual Employee are otherwise not affected.

25. COMPASSIONATE LEAVE

(a) An Employee is entitled to 2 days of compassionate leave for each occasion (a *permissible occasion*) when a member of the Employee's immediate family, or a member of the Employee's household:

(i) contracts or develops a personal illness that poses a serious threat to his or her life; or

(ii) sustains a personal injury that poses a serious threat to his or her life; or

(iii) dies.

(b) An Employee may take compassionate leave for a particular permissible occasion if the leave is taken:

(i) to spend time with the member of the Employee's immediate family or household who has contracted or developed the personal illness, or sustained the personal injury, referred to in subclause (a); or

(ii) after the death of the member of the Employee's immediate family or household referred to in subclause (a).

(c) An Employee may take compassionate leave for a particular permissible occasion as a single continuous 2 day period; or 2 separate periods of 1 day each; or any separate periods to which the Employee and the Employer agree.

(d) If the permissible occasion is the contraction or development of a personal illness, or the sustaining of a personal injury, the Employee may take the compassionate leave for that occasion at any time while the illness or injury persists.

(e) If, in accordance with this Clause, an Employee, other than a casual Employee, takes a period of compassionate leave, the Employer must pay the Employee at the Employee's base rate of pay for the Employee's ordinary hours of work in the period. For casual Employees, compassionate leave is unpaid leave.

(f) The Employee, if required by the Employer, will supply relevant evidence of the requirement for such leave. Such evidence may include a requirement to supply a medical certificate.

26. LONG SERVICE LEAVE

(a) Employees, other than casual Employees, will be entitled to the following:

(i) Every Employee after ten years' continuous service with the same Employer will be entitled to two months' long service leave on full pay; after 15 years' continuous service to an additional one month's long service leave on full pay; and for each five years' continuous service thereafter to an additional one and one-half months' long service leave on full pay.

Such leave will be taken at a time to be mutually arranged between the Employer and the Employee as soon as practicable after each period of leave falls due, having regard to the reasonable preferences of each party. Where required by the Employer, the term as soon as practicable will mean that leave is taken by the Employee within 12 months of the date that the leave falls due. The leave is to be taken in one continuous period unless the Employer and Employee agree otherwise.

"Notwithstanding anything contained elsewhere in this clause, an Employer and an Employee may mutually agree that the taking of the leave be deferred beyond the initial twelve months referred to above. In such a case the Employer and Employee may agree that the Employee will be paid for that leave at the rate of pay applicable at the time of the agreement to further postpone the leave, and not at the rate of pay applicable at the time that the leave is taken. For any such agreement to be valid, it must be in writing and be signed by both the Employer and the Employee".

(ii) Where the service of an Employee with at least five years' service is terminated, the Employee will be entitled to long service leave as follows:

- For the first five years' service one month.
- For the next ten years' service a proportionate amount calculated on the basis of one month for each additional five years. For the purpose of calculation, each completed whole month of continuous service gives an entitlement equal to 0.0722 weeks' pay.
- For all subsequent service a proportionate amount calculated on the basis of 1.5 months for each additional five years. For the purpose of calculation, each completed whole year of continuous service gives an entitlement equal to 1.2996 weeks' pay.

(b) Subject to subclause (a) of this clause, where an Employee has acquired a right to long service leave, then:

(i) If, before such leave has been entered upon, the employment of such Employee has been terminated, such Employee will be entitled to receive the monetary value of the leave to which such Employee has become entitled, computed at the rate of salary which such Employee had been receiving immediately prior to the termination of employment.

(ii) If such Employee dies before entering upon such long service leave, or if after having entered upon the same dies before its termination, any accrued long service leave will be paid out in accordance with Section 4 (Long Service Leave) subsection (5)(b) of the Long Service Leave Act 1955 (NSW). This provision provides that:

Where a worker dies and any long service leave:

(A) to which the worker was entitled has not been taken; or

(B) accrued upon termination of the services of the worker by reason of the worker's death and has not been taken,

the Employer will upon request by the worker's personal representative pay to the worker's personal representative in full the ordinary pay that would have been payable to the worker in respect of long service leave less any amount already paid to the worker in respect of that leave.

(c) For the purpose of this clause:

(i) Continuous service with the Employer prior to the coming into force of this Agreement will be taken into account.

(ii) One month equals four and one-third weeks.

(iii) Continuous service will be deemed not to have been broken by:

(A) absence of an Employee from the facility while a member of the Defence Forces of the Commonwealth in time of war;
(B) any period of absence on leave without pay not exceeding six months.

(d) Where any Employee has been granted a period of long service leave prior to the coming into force of this Agreement, the amount of such leave will be debited against the amount of leave due under this Agreement.

(e) Employees, other than casuals, employed on or before 18 October 2011, that had a preserved long service leave entitlement in accordance with the *CatholicCare (Diocese of Maitland-Newcastle) Aged Care Enterprise Agreement 2008 – 2009*, will continue to be entitled to the long service leave provisions of the *CatholicCare (Diocese of Maitland-Newcastle) Aged Care Enterprise Agreement 2008 – 2009* as these provisions are incorporated into this Agreement for these Employees. The above subclauses (a) to (d) will not apply to these Employees. (Appendix 4 refers)

(f) Requests for alterations to payment and quantum of leave

(i) At the request in writing of the Employee, and then by agreement of the Employer, Long Service Leave entitlements may be taken as double the quantum of leave at half pay.

27. MEDICAL EXAMINATION OF NURSES

(a) The Employer will provide Influenza vaccinations to Employees upon request.

(b) Where an Employee is directed to undertake screening and protection procedures by the Employer, the costs involve will be borne by the Employer.

28. ESCORT DUTY

(a) Periods during which an Employee, is engaged in nursing duties, viz., in attendance on a resident, will be paid as working time under this Agreement. Where applicable, overtime will be payable.

(b) All reasonable out-of-pocket expenses will be reimbursed.

(c) Rostered time will be paid as such, even though an Employee may be travelling, in hotel/motel accommodation or waiting for transport.

(d) In respect of non-rostered time not spent in nursing duties -

(i) Periods in hotel/motel accommodation or waiting for transport will not be counted as working time.

(ii) Periods in travelling will count as working time.

29. REGISTRATION OR ENROLMENT PENDING

(a) A registered nurse or enrolled nurse who has trained outside New South Wales will be paid as a registered nurse or enrolled nurse as from the date she or he is notified that she or he is eligible for registration or enrolment as a registered nurse or enrolled nurse; provided that she or he makes application for registration within seven days after being so notified.

(b) He or she will notify the Employer as soon as possible after he or she has applied.

30. TERMINATION OF EMPLOYMENT

(a) Notice of termination by the Employer

(i) In order to terminate the employment of an Employee the Employer will give to the Employee the following notice:

Period of continuous service	**Period of notice**
Less than 1 year	1 week
1 year but less than 3 years	2 weeks
3 years but less than 5 years	3 weeks
5 years and over	4 weeks

(ii) In addition to the notice in (a)(i) hereof, Employees over 45 years of age at the time of the giving of the notice with not less than two years' continuous service, will be entitled to an additional week's notice.

(iii) Payment in lieu of the notice prescribed in (a)(i) and/or (a)(ii) hereof will be made if the appropriate notice period is not given. Provided that employment may be terminated by part of the period of notice specified and part payment in lieu thereof.

(iv) The required amount of payment in lieu of notice must equal or exceed the total of all amounts that, if the Employee's employment had continued until the end of the required period of notice, the Employer would have become liable to pay to the Employee because of the employment continuing during that period. That total must be calculated on the basis of:

(1) the Employee's ordinary hours of work (even if not standard hours); and

(2) the amounts ordinarily payable to the Employee in respect of those hours, including (for example) allowances, loading and penalties; and

(3) any other amounts payable under the Employee's contract of employment.

(v) The period of notice in this clause does not apply:

(1) in the case of dismissal for serious misconduct;

(2) to Employees engaged for a specific period of time or for a specific task or tasks;

(3) to trainees whose employment under a traineeship agreement or an approved traineeship is for a specified period or is, for any other reason, limited to the duration of the training agreement; or

(4) to casual Employees.

(vi) For the purposes of this clause, continuity of service will be calculated in the manner prescribed in the Long Service Leave clause of this Agreement.

(b) Notice of termination by the Employee

(i) The notice of termination required to be given by an Employee will be the same as that required of an Employer, save and except that there will be no additional notice based on the age of the Employee concerned.

(ii) Subject to financial obligations imposed on the Employer by an Act, if an Employee fails to give notice the Employer will have the right to withhold monies due to the Employee with a maximum amount equal to the ordinary time rate of pay for the period of notice in accordance with the requirements of s. 324(1)(b) of the Fair Work Act.

(c) Time off work during notice period

Where an Employer has given notice of termination to an Employee, an Employee will be allowed up to one day's time off without loss of pay for the purpose of seeking other employment. The time off will be taken at times that are convenient to the Employee after consultation with the Employer.

31. TRAINING FOR NURSES

(a) As part of the Employer's ongoing commitment to training and development, the Employer will provide a minimum of 12 hours of in-service training which will include mandatory training such as fire and safety and OH&S, per annum to Assistants in Nursing Care.

(b) The Employer will either provide or pay for Mandatory training such as first aid courses.

(c) The Employer will support registered and enrolled nurses in maintaining their registration by providing internal training opportunities. The Employer will review all requests for external training on a case by case basis.

(d) Each Employee will provide to their Employer details of their attendance at in-service training and the Employer will keep a record of this attendance.

(e) Upon termination of the Employee's employment the Employer will provide to the Employee a written statement of the hours of in- service training attended by the Employee.

(f) Where practicable, such training will be provided to Employees during the normal rostered hours of work. Where it is not practicable to provide such training during the normal rostered hours of work then:

(i) Employees will attend in-service training outside their normal rostered working hours when required to do so by the Employer.

(ii) An Employer will provide Employees with two weeks' notice of the requirement to attend training outside of their normal rostered working hours.

(iii) Where an Employee, other than during the course of a rostered ordinary shift, is required to attend or undertake mandatory training, the Employee will be entitled to be paid for the length of the training or one hour; whichever is the greater, at the relevant overtime penalty rate of pay.

(g) Subject to a selection process, the Employer will pay course fees for Assistant in Nursing Care approved to undertake Certificate IV.

(i) Where practicable, such training will be provided on site to Employees during normal rostered hours of work.

(ii) Following approval by the Employer, the Employer will grant the Assistant In Nursing Care Employees paid leave to attend relevant course requirements including examinations.

(h) E- learning

The Employer may require Employees to complete core modules through e-learning and will pay Employees for the approved time taken to complete this training.

E-learning modules will normally be completed within the ordinary working hours in the workplace. With prior approval from the manager and the agreement of the Employee, modules can be completed outside of working hours.

The Employer will allocate an amount of time for the completion of each core module. When an Employee completes a module outside of working hours, the Employee will be paid at their base hourly rate of pay for the allocated time taken to complete the module.

Where an Employee finds that it takes more than the allocated time to complete a module, they should log out of the training (which will save it automatically) and bring this to the attention of their manager. The manager will take steps to ensure the Employee is able to complete the training by:

(1) arranging for the module to be completed in working hours in the workplace and ensuring access to IT resources to allow this to occur; and/or

(2) approving payment for additional time required to complete the module outside working hours. If an Employee is still unable to complete the module after the additional time, they should again bring this to the attention of the manager; and / or

(3) taking steps to assist the Employee to complete the modules (for instance by providing training on computer literacy or on increased proficiency in reading the English language).

32. PARENTAL LEAVE

(a) Employees are entitled to parental leave in accordance with the provisions of the Fair Work Act.

(i) Full-time Employees and part-time Employees are eligible for paid parental leave in accordance with the following provisions:

(1) Permanent Employees are eligible for paid parental leave when they have completed at least 40 weeks' of continuous service prior to the expected date of birth or prior to the date of taking custody of the child.

(ii) Employees who are eligible for paid parental leave are entitled to such leave as follows:

(1) Paid Leave

(A) Paid Maternity Leave - an eligible Employee is entitled to nine weeks paid maternity leave at ordinary pay from the date the maternity leave commences.

In accordance with the provisions of s.73 of the Fair Work Act 2009, a female Employee will be entitled to work during the 6 week period before the estimated date of birth of the child, provided that if requested by the Director of Care or nominee, the Employee will provide a statement from her medical practitioner or midwife to the effect that continuing employment until the date of birth is not a risk to the Employee or the unborn child.

(B) Paid Partner Leave - an eligible Employee is entitled to one week paid partner leave in any one year at ordinary pay which must commence within four weeks of the birth of the child. (Eligible Employees will be as defined in the *Fair Work Act.)*

(C) Paid Adoption Leave - an eligible Employee is entitled to paid adoption leave of nine weeks from and including the date of taking custody of the child.

(D) An Employee may only access one of the paid leave types set out above for any single birth or adoption giving rise to a period of parental leave.

(E) Such leave may be paid:

(i) on a normal fortnightly basis;

(ii) in advance in a lump sum;

(iii) at the rate of half pay over a period of 18 weeks on a regular fortnightly basis for maternity leave and at the rate of half pay over a period of six weeks on a regular fortnightly basis for adoption leave.

Annual and/or long service leave credits can be combined with periods of maternity leave or adoption leave on half pay to enable an Employee to remain on full pay for that period.

(F) Commonwealth Government scheme;

The amount of paid leave provided in this Agreement will not be reduced in terms of its monetary value by the paid parental leave provided for under the *Paid Parental Leave Act 2010*. For the avoidance of doubt the value of the paid parental leave provided under this Agreement will be in addition to the value of the leave provided by the Commonwealth scheme.

(2) Unpaid Leave

(A) Unpaid Maternity Leave - An Employee is entitled to a further period of unpaid maternity leave of not more than twelve months after the actual date of birth of the child or such further unpaid period in accordance with the Fair Work Act.

(B) Unpaid Partner Leave - An Employee is entitled to a further period of unpaid partner leave of not more than eight weeks, to be taken in conjunction with a period of paid partner leave, unless otherwise agreed by the Employer and Employee.

(C) Unpaid Adoption Leave - An Employee is entitled to unpaid adoption leave as follows:

12 months of unpaid leave if the leave is associated with the placement of a child with the Employee for adoption; and the Employee has or will have responsibility for the care of the child. For the purposes of the age of the child section 68 of the Fair Work Act will apply.

(iii) An Employee who has once met the conditions for paid maternity leave and paid adoption leave will not be required to again work the 40 weeks' continuous service in order to qualify for a further period of paid maternity leave or adoption leave, unless:

(1) there has been a break in service where the Employee has been re-employed or re-appointed after a resignation, medical retirement or after her services have been otherwise dispensed with; or

(2) the Employee has completed a period of leave without pay of more than 40 weeks. In this context, leave without pay does not include sick leave without pay, maternity leave without pay, or leave without pay associated with an illness or injury compensable under the applicable *Workers' Compensation* legislation.

(iv) An Employee who intends to proceed on maternity or partner leave should formally notify the Employer of such intention as early as possible, so that arrangements associated with the absence can be made. Written notice of not less than eight weeks prior to the commencement of the leave should accordingly be given. This notice must include a medical certificate stating the expected date of birth and should also indicate the period of leave desired.

(v) In the case of notification of intention to take adoption leave, due to the fact that an Employee may be given little notice of the date of taking custody of a child, Employees who believe that, in the reasonably near future, they will take custody of a child, should formally notify their Employer as early as practicable of the intention to take adoption leave. This will allow arrangements associated with the adoption leave to be made.

(vi) After commencing maternity leave or adoption leave, an Employee may vary the period of her maternity leave or adoption leave, once, without the consent of the Employer and otherwise, with the consent of the Employer. A minimum of four weeks' notice must be given, although an Employer may accept less notice if convenient.

(vii) When an employee has resumed duties after returning from a period of parental leave, any period of full pay maternity or adoption leave is counted in full for the accrual of annual and long service leave and any period of maternity leave or adoption leave on half pay is taken into account to the extent of one-half thereof when determining the accrual of annual and long service leave.Parental leave without pay does not count as service for incremental purposes. Periods of parental leave on full pay and at half pay are to be regarded as service for incremental progression on a pro-rata basis. Where public holidays occur during a period of paid parental leave, payment is at the rate of parental leave received, that is the public holidays occurring in a period of full pay parental leave are paid at the full rate and those occurring during a period of half pay leave are paid at the half rate.

33. STAFF AMENITIES

(a) The Employer will provide for the use of Employees:

(i) a locker fitted with lock and key or other suitable place for the safe keeping of clothing and personal effects of such Employee.

(ii) morning and afternoon tea, supper and early morning tea (ie tea, coffee, milk and sugar).

34. REDUNDANCY

(a) Where the Employer has made a definite decision to introduce a major change to production, program, organisation, structure, or technology in relation to its enterprise; and the change is likely to have a significant effect on Employees of

the Employer, the Employer will consult with affected Employees in accordance with the consultation regarding change provision of this Agreement.

Transfer to lower paid duties

(b) Where an Employee is transferred to lower paid duties by reason of their position being made redundant the Employee will be entitled to the same period of notice of transfer as she/he would be entitled to if her/his employment had been terminated, and the Employer may at the Employer's option, make payment in lieu thereof of an amount equal to the difference between the former ordinary rate of pay and the new lower ordinary rate of pay for the number of weeks' notice still owing.

Severance pay

(c) In addition to the period of notice prescribed for termination, an Employee whose employment is terminated by reason of redundancy will be paid the following amount of severance pay in respect of a period of continuous service.

(i) Where the Employee is under 45 years of age, the Employer will pay the Employee in accordance with the following scale:

Period of continuous service	**Severance pay**
Less than 1 year	Nil
1 year and less than 2 years	4 weeks' pay*
2 years and less than 3 years	7 weeks' pay
3 years and less than 4 years	10 weeks' pay
4 years and less than 5 years	12 weeks' pay
5 years and less than 6 years	14 weeks' pay
6 years and over	16 weeks' pay

(ii) Where the Employee is 45 years of age or over, the Employer will pay the Employee in accordance with the following scale:

Period of continuous service	**Severance pay**
Less than 1 year	Nil
1 year and less than 2 years	5 weeks' pay*
2 years and less than 3 years	8.75 weeks' pay
3 years and less than 4 years	12.5 weeks' pay
4 years and less than 5 years	15 weeks' pay
5 years and less than 6 years	17.5 weeks' pay
6 years and over	20 weeks' pay

*Weeks' pay is defined at subclause (d) below.

Definitions

(d) "Week's pay" means the ordinary rate of pay for the Employee concerned at the date of termination and will include in addition to the ordinary pay any shift penalties and/ or weekend penalties.

Employee Leaving During Notice Period

(e) An Employee whose employment is terminated for reasons set out in paragraph (a) may terminate her/his employment during the period of notice and, if so, will be entitled to the same benefits and payments under this clause had she/he remained with the Employer until the expiry of such notice. Provided in such circumstances the Employee will not be entitled to payment in lieu of notice.

Alternative Employment

(f) Where the Employer obtains acceptable alternative employment for the Employee, no severance payment is payable, subject to an order of the FWC in accordance with the Fair Work Act.

Time off Period of Notice

(g) During the period of notice of termination given by the Employer an Employee will be allowed up to one day's time off without loss of pay during each week of notice for the purpose of seeking other employment.

(h) If the Employee has been allowed paid leave for more than one day during the notice period for the purpose of seeking other employment, the Employee will, at the request of the Employer, produce proof of attendance at an interview or she/he will not receive payment for the time absent.

(i) For this purpose a statutory declaration will be sufficient.

Employees with Less Than One Year's Continuous Service

(j) This clause does not apply to Employees with less than one year's continuous service.

Employees Exempted

(k) This clause will not apply where employment has been terminated because the conduct of an Employee justifies instant dismissal or in the case of casual Employees, or Employees engaged for a specific period of time or for a specified task or tasks in accordance with the Fair Work Regulations 2009.

35. CRIMINAL CHECKS

(a) The Employer will meet the costs and make the necessary arrangements for Criminal Record History Checks for all Employees as required to meet the relevant legislation.

(b) The Employer will ensure that all checks are conducted in a confidential manner.

37. FLEXIBILITY ARRANGEMENT

(a) The Employer and Employees covered by this enterprise agreement may agree to make an individual flexibility arrangement to vary the effect of terms of the agreement if:

(i) the agreement deals with 1 or more of the following matters:
    (1) arrangements about when work is performed;
    (2) overtime rates;
    (3) penalty rates;
    (4) allowances;
    (5) leave loading; and

(ii) the arrangement meets the genuine needs of the Employer and Employee in relation to 1 or more of the matters mentioned in paragraph (i); and

(iii) The Employer and the individual Employee must have genuinely made the agreement without coercion or duress.

(b) The Employer must ensure that the terms of the individual flexibility arrangement:

(i) are about permitted matters under section 172 of the *Fair Work Act*; and
(ii) are not unlawful terms under section 194 of the *Fair Work Act*; and
(iii) result in the Employee being better off overall than the Employee would be if no arrangement was made.

(c) The Employer must ensure that the individual flexibility arrangement:

(i) is in writing; and
(ii) includes the name of the Employer and Employee; and
(iii) is signed by the Employer and Employee and if the Employee is under 18 years of age, signed by a parent or guardian of the Employee; and
(iv) includes details of:

    (1) the terms of the enterprise agreement that will be varied by the arrangement; and
    (2) how the arrangement will vary the effect of the terms; and
    (3) how the Employee will be better off overall in relation to the terms and conditions of his or her employment as a result of the arrangement; and

(v) states the day on which the arrangement commences.

(d) The Employer must give the Employee a copy of the individual flexibility arrangement within 14 days after it is agreed to.

(e) The Employer or Employee may terminate the individual flexibility arrangement:

(i) by giving no more than 28 days written notice to the other party to the arrangement; or
(ii) if the Employer and Employee agree in writing — at any time.

38. WORKLOAD MANAGEMENT

(a) The parties to this agreement acknowledge that Employees and management have a responsibility to maintain a balanced workload and recognise the adverse effects that excessive workloads may have on Employee/s and the quality of resident care.

(b) To ensure that Employee concerns involving excessive workloads are effectively dealt with by Management the following procedures should be applied:
   (i) In the first instance, Employee/s should discuss the issue with their immediate supervisor and, where appropriate, explore solutions.
   (ii) If a solution cannot be identified and implemented within 72 hours, the matter should be referred to an appropriate senior manager, within their work site/location, for further discussion.
   (iii) If a solution still cannot be identified and implemented, the matter should be referred to the General Manager or equivalent for further discussion and possible consultation with specialist leads such as Human Resources, WHS, Clinical or other as required to determine a solution.
   (iv) The outcome of the discussions at each level and any proposed solutions should be recorded and fed back to the affected Employees.

(c) Workload management will be an agenda item at staff meetings on at least a quarterly basis. Items in relation to workloads must be recorded in the minutes of the staff meeting, as well as actions to be taken to resolve the workloads issue/s. Resolution of workload issues should be based on the following criteria including but not limited to:
   (i) Clinical assessment of residents' needs;
   (ii) The demand of the environment such as facility layout;
   (iii) The requirements of relevant legislation;
   (iv) Operational Requirements;
   (v) Reasonable workloads;
   (vi) Accreditation standards; and
   (vii) Budgetary considerations.

(d) If the issue is still unresolved, the Employee/s may advance the matter through Clause 10 - Dispute Resolution Procedure.

39. REPRESENTATIVE LEAVE

(a) Leave to attend trade union and union delegate courses/ seminars will be as follows:

   (i) To a maximum of five (5) days per year (1 January to 31 December) for each facility listed in Appendix 4 for the totality of all applications of paid trade union, union delegate training leave, attendance at Union conferences, meetings and courses provided that:

      1. The scope, content and level of the courses are directed to the enhancement of the operation of the settlement of dispute procedures;

      2. That two (2) weeks notice is provided to the Employer;

      3. The approval of leave must have regard to the operational requirements of the Employer;

      4. This leave will be paid at the ordinary rate of pay.

(b) Leave of absence granted pursuant to this clause will count as service for all purposes of this Agreement.

40. PAID EMERGENCY SERVICES LEAVE

In addition to the unpaid community services leave prescribed under the NES, at the discretion of the Employer, whose discretion will be exercised on the basis of operational requirements and what is reasonable in a particular circumstance, the Employer will facilitate an Employee who is a member of a voluntary emergency relief organisation such as the Rural Fire Services, Red Cross, St John Ambulance and the State Emergency Services to be released from normal duty without loss of pay (up to a maximum of three shifts per year) to assist in regard to a critical incident where a local emergency situation arises that requires the attendance of the Employee.

41. STUDY/ PROFESSIONAL DEVELOPMENT LEAVE

(a) Each full time nurse (pro rata, for part time nurse) may make application to the Employer in order to access study/ professional development leave. Each application will be assessed on its merits in the context of the applicability of the conference/ seminar, the number of other similar applications and the resources available to the Employer.

(b) In accordance with subclause (a) above the Employee may apply to the Employer in order to access up to 16 hours paid leave per year for the purposes of attendance at approved conferences/ seminars.

(c) The time and manner of taking any such approved leave under this provision is to be mutually agreed between the Employer and the Employee and the course and means of dissemination of conference/seminar information is to be approved by hospital management. Should mutual agreement not be possible on repeated occasions this matter is to be referred to the Director of Care or their delegate for resolution under the dispute resolution process.

(d) Reasonable travel, accommodation and registration costs may be paid by the Employer, when the Employer approves the Employee's attendance at the conference/seminar.

(e) All staff granted conference/seminar leave will be required to provide an in-service to other staff on the learning from the leave and to provide a report to the Director of Care on the learning's from the conference/seminar.

42. CEREMONIAL LEAVE

An Employee who is legitimately required by Aboriginal or Torres Strait Islander tradition to be absent from work for Aboriginal or Torres Strait Islander ceremonial purposes will be entitled to up to ten working days unpaid leave in any one year, with the approval of the Employer.

43. JURY SERVICE

(a) An Employee other than a casual Employee, required to attend for jury service during his or her ordinary working hours will be reimbursed by the Employer an amount equal to the difference between the amount paid in respect of his or her attendance for such jury service and the amount of ordinary salary he or she would have received in respect of the ordinary time he or she would have

worked had he or she not been on jury service. The period of payments of jury service will be limited to the period prescribed under relevant Legislation.

(b) An Employee will notify his or her Employer as soon as possible of the date upon which he or she is required to attend for jury service. Further the Employee will give his or her Employer proof of his or her attendance at the court, the duration of such attendance and the amount received in respect of such jury service

44. WORKPLACE HEALTH AND SAFETY

Calvary Retirement Community NSW is commitment to continuous improvement in health and safety standards and has established consultative arrangements which are in accordance with the relevant occupational health and safety act and regulations. Calvary Retirement Community NSW ensures ongoing training and support for managers, supervisors and staff in respect to occupational health and safety standards.

45. PURCHASED LEAVE

(a) Purchased leave is where Employees have planned absences of two weeks of leave which is funded by salary deductions spread evenly over the year. This allows Employees to continue to receive pay during such leave.

(b) Purchased leave must be utilised within the twelve months in which it is purchased.

(c) Purchased leave counts as service for all purposes.

(d) Applications for purchased leave must be made by a date nominated by the Employer.

(e) The Employer's approval of purchased leave will be based on the operational requirements of the Employer, having regard to the personal needs and family responsibilities of staff.

(f) Once a period of purchased leave has been approved, it may only be revoked by the Employer where exceptional circumstances exist. In the event of revocation, any accumulated leave may be paid out to the Employee, or the leave deferred to a date mutually agreed by Employer and Employee.

(g) Where an Employee leaves the Employer during a year in which purchased leave has been approved, final payment will be adjusted to take account of deductions not yet made and leave not taken.

(h) Annual leave loading is not payable on purchased leave.

46. REGISTERED NURSE 24 HOUR COVERAGE (CESSNOCK, RYDE AND ST JOSEPH FACILITIES ONLY)

The Employer will ensure that there is at least one Registered Nurse coverage 24 hours a day, seven days a week at Calvary Cessnock, Calvary Ryde and St Josephs.

47. LEAVE TO DEAL WITH FAMILY AND DOMESTIC VIOLENCE

(a) This clause applies to all Employees, including casuals.

(b) Definitions

(i) In this clause:

family and domestic violence means violent, threatening or other abusive behaviour by a family member of an Employee that seeks to coerce or control the Employee and that causes them harm or to be fearful.

family member means:

(1) a spouse, de facto partner, child, parent, grandparent, grandchild or sibling of the Employee; or
(2) a child, parent, grandparent, grandchild or sibling of a spouse or de facto partner of the Employee; or
(3) a person related to the Employee according to Aboriginal or Torres Strait Islander kinship rules.

(ii) A reference to a spouse or de facto partner in the definition of family member in clause 47(b)(i) includes a former spouse or de facto partner.

(c) Entitlement to leave

(i) An Employee is entitled to 10 days' leave to deal with family and domestic violence, as follows:

(1) The entitlement to leave is paid for full and part time employees and unpaid for casual employees;
(2) the leave is available in full at the start of each 12 month period of the Employee's employment; and
(3) the leave does not accumulate from year to year;

(ii) A period of leave to deal with family and domestic violence may be less than a day by agreement between the Employee and the Employer.

(iii) The Employer and Employee may agree that the Employee may take additional unpaid leave to deal with family and domestic violence.

(d) Taking leave to deal with family and domestic violence

(i) An Employee may take leave to deal with family and domestic violence if the Employee:

(1) is experiencing family and domestic violence; and
(2) needs to do something to deal with the impact of the family and domestic violence and it is impractical for the Employee to do that thing outside their ordinary hours of work.

(ii) The reasons for which an Employee may take leave include making arrangements for their safety or the safety of a family member (including

relocation), attending urgent court hearings, or accessing police services.

(e) Service and continuity

The time an Employee is on leave to deal with family and domestic violence, which is:

- paid leave – does count as service for all purposes.
- unpaid leave - does not count as service but does not break the Employee's continuity of service

(f) Notice and evidence requirements

(i) Notice

An Employee must give the Employer notice of the taking of leave by the Employee under this clause. The notice:

(1) must be given to the Employer as soon as practicable (which may be a time after the leave has started); and
(2) must advise the Employer of the period, or expected period, of the leave.

(ii) Evidence

(1) An Employee who has given the Employer notice of the taking of leave under this clause must, if required by the Employer, give the Employer evidence that would satisfy a reasonable person that the leave is taken for the purpose specified in clause 43(d).

(2) Depending on the circumstances such evidence may include a document issued by the police service, a court or a family violence support service, or a statutory declaration.

(g) Confidentiality

(i) Employers must take steps to ensure information concerning any notice an Employee has given, or evidence an Employee has provided under clause 47(f), is treated confidentially, as far as it is reasonably practicable to do so.

(ii) Nothing in clause 47(g) prevents the Employer from disclosing information provided by an Employee if the disclosure is required by an Australian law or is necessary to protect the life, health or safety of the Employee or another person.

Note: Information concerning an Employee's experience of family and domestic violence is sensitive and if mishandled can have adverse consequences for the Employee. The Employer may consult with such Employees regarding the handling of this information.

(h) Compliance

An Employee is not entitled to take leave under clause 47 unless the Employee complies with clause 47.

48. FLEXIBLE WORKING ARRANGEMENTS

The NES provides particular Employees with an entitlement to request a flexible working arrangement, including:

- that the Employee's request be in writing and set out the details of the change sought and of the reasons for the change;
- that the Employer must give the Employee a written response to the request within 21 days.

In addition to the NES, if the Employer does not agree to the Employee's request, the Employer must discuss the request with the Employee to better understand the Employee's circumstances and then the Employer must provide any available counter-proposals to the Employee in writing. Any agreed arrangement must be recorded in writing.

I am authorised to sign this Agreement on behalf of CALVARY RETIREMENT COMMUNITIES LIMITED

K Mitchell

SIGNATURE

Kelsie Mitchell
Director of Human Resources

PRINT NAME AND TITLE

Address: 342 - 344 main Road
Cardiff NSW 2285

Date 26 November 2019

Brett Howard Holmes
Branch Secretary
Australian Nursing and Midwifery Federation
New South Wales Branch
50 O'Dea Ave
WATERLOO NSW 2017

WITNESS
Margaret Mary Potts
50 O'Dea Ave, Waterloo

O'Bray Smith
President
Australian Nursing and Midwifery Federation
New South Wales Branch
50 O'Dea Ave
WATERLOO NSW 2017

WITNESS
Margaret Mary Potts
50 O'Dea Ave, Waterloo

Authority to sign Agreement on behalf of employees is in accordance with Rule 40 of the Rules of the Australian Nursing and Midwifery Federation and as bargaining representative in accordance with the Fair Work Act 2009.

APPENDIX 1 – SALARIES AND ALLOWANCES

Table 1 – Salaries

		FFPPOA 1.7.18	FFPPOA 1.7.19	FFPPOA 1.7.20	FFPPOA 1.7.21
			2.5%	2.5%	2.5%
Assistant in Nursing (AIN) Care/Trainee Enrolled Nurse					
	1st year	22.25	22.81	23.38	23.96
	2nd year	22.93	23.50	24.09	24.69
	3rd year	23.61	24.20	24.81	25.43
	Thereafter	24.32	24.93	25.55	26.19
	AIN Team Leader	28.33	29.04	29.76	30.51
Enrolled Nurse :	1st year	27.08	27.76	28.45	29.16
	2nd year	27.63	28.32	29.03	29.75
	3rd year	28.01	28.71	29.43	30.16
	4th year	28.59	29.30	30.04	30.79
	Thereafter	29.17	29.90	30.65	31.41
Endorsed EN Rate:	1st year	27.68	28.37	29.08	29.81
	2nd year	28.23	28.94	29.66	30.40
	3rd year	28.60	29.32	30.05	30.80
	4th year	29.18	29.91	30.66	31.42
	Thereafter	29.76	30.50	31.27	32.05
Enrolled Nurse(Unit Coordinator)		35.48	36.37	37.28	38.21
Registered Nurse, General, M.R. Psych., Infants, Geriatric, Midwifery	1st year	31.96	32.76	33.58	34.42
	2nd year	33.56	34.40	35.26	36.14
	3rd year	35.29	36.17	37.08	38.00
	4th year	36.99	37.91	38.86	39.83
	Thereafter	42.29	43.35	44.43	45.54
Clinical Nurse Specialist		43.98	45.08	46.21	47.36
Clinical Nurse Educator		43.98	45.08	46.21	47.36
Nurse Educator	1st year	46.80	47.97	49.17	50.40
	2nd year	48.10	49.30	50.54	51.80
	3rd year	49.26	50.49	51.75	53.05
	4th year	51.79	53.08	54.41	55.77
Clinical Care Coordinator (Nursing)	30-70 beds	43.08	44.16	45.26	46.39
	71-150 beds	44.15	45.25	46.39	47.54
	151 plus beds	45.23	46.36	47.52	48.71
Clinical Nurse Consultant		50.23	51.49	52.77	54.09
Nurse Practitioner	1st year	52.84	54.16	55.52	56.90
	2nd year	53.63	54.97	56.35	57.75
	3rd year	57.66	59.10	60.58	62.09
	4th year	59.26	60.74	62.26	63.82
Assistant Director of Care (Nursing)					
	<150 beds	48.10	49.30	50.54	51.80
	150-250 beds	51.79	53.08	54.41	55.77
	250 beds & over	53.02	54.35	55.70	57.10
Deputy Director of Care (Nursing)					
	< 20 beds	48.72	49.94	51.19	52.47
	20-75 beds	49.96	51.21	52.49	53.80
	75-100 beds	51.10	52.38	53.69	55.03
	100-150 beds	52.53	53.84	55.19	56.57
	150-200 beds	54.09	55.44	56.83	58.25
	200-250 beds	55.87	57.27	58.70	60.17
	250-350 beds	57.93	59.38	60.86	62.38

Table 2 - Allowances

Item	Brief Description of Allowance	FFPPOA 1.7.18	FFPPOA 1.7.19	FFPPOA 1.7.20	FFPPOA 1.7.21
No					
1A	In Charge of Nursing Home 100 beds or more (per shift)	44.16	45.26	46.40	47.56
1B	In Charge of Nursing Home Less than 100 Beds (per shift)	27.41	28.10	28.80	29.52
2	In Charge Ward/Unit (per shift)	27.41	28.10	28.80	29.52
6	Travel Allowance (per km)	0.86	0.88	0.90	0.93
9	**Overtime Meal**				
	Meal allowance A		13.29	13.62	13.96
	Meal allowance B		11.98	12.28	12.59
10	Uniform (per week)	7.92	8.12	8.32	8.53
11	Shoe Allowance (per week)	2.42	2.48	2.54	2.61
12	Cardigan/ Jacket Allowance (per week)	2.35	2.41	2.47	2.53
13	Stocking Allowance (per week)	4.04	4.14	4.24	4.35
14	Sock Allowance (per week)	0.80	0.82	0.84	0.86
16	Laundry (per week)	6.52	6.68	6.85	7.02
20	Broken Shift Allowance	10.56	10.82	11.09	11.37
21	On call during meal break	12.85	13.17	13.50	13.84
22	On call (Weekend & PH) p/24 hr period	44.70	45.82	46.96	48.14
23	On call (weekday) p/24 hour period	22.35	22.91	23.48	24.07
24	EEN Special Allowance (per hour)	2.15	2.20	2.26	2.32

Item	Brief Description of Allowance	FFPPOA 1.7.18	FFPPOA 1.7.19	FFPPOA 1.7.20	FFPPOA 1.7.21
1	Continuing education allowance: RN	23.01	23.59	24.17	24.78
2	Continuing education allowance: RN	38.35	39.31	40.29	41.30
3	Continuing education allowance: RN:	45.98	47.13	48.31	49.52
4	Continuing education allowance: EN	15.32	15.70	16.10	16.50

APPENDIX 2 – PERSONS EXCLUDED FROM AGREEMENT COVERAGE

The Employees listed in this Appendix are paid in accordance with the Public Health System.

Employee No.	Surname	Given Name	Start Date	Class	Year
2116344	Chester	Richelle	2/04/2003	AIN	AIN-TA
2116214	Desmond	Deborah D	24/07/2000	EN	RN-8
2116192	Diven	Nathanial	25/06/2001	AIN	AIN-TA
2116264	Forster	Christine A	1/01/1996	RN	RN-8
2116157	Foster	Donna M	31/07/1996	AIN	AIN-TA
2116158	Fowler	Rosanne M	6/04/1997	AIN	AIN-TA
2116217	Genoli	Lynette	25/12/2000	AIN	AIN-TA
2116168	Holz	Jennifer M	11/08/2001	AIN	AIN-TA
2116169	Houle	Elizabeth J	29/11/2000	AIN	AIN-TA
2116270	House	Margaret M	26/01/1978	RN	RN-8
2116237	McLoughney	Kathleen J	10/03/1996	AIN	AIN-TA
2116239	McMillan	Vicki A	13/06/1999	AIN	AIN-TA
2116249	Mitchell Snelgrove	Renae A	3/02/1998	EEN	EEN-4
2116301	Moore	Michelle G	27/06/1988	RN	RN-8
2116242	Parkhouse	Christina L	27/11/2000	EN	EN-TA
2116527	Rettig	Marie	2/04/2003	EEN	EEN-TA
2117372	Robertson	Marlene	13/06/1988	EN	EN-TA
2116316	Small	Kristine M	24/07/2000	AIN	AIN-TA
2118377	Smith	Rose	26/04/2004	EN	EN-TA
2116832	Wilkinson	Sandra	10/07/1993	AIN	AIN-TA
2116206	Wilson	Judith G	2/04/2003	AIN	AIN-TA
2101407	Ladocki	Janine	6/02/1984	EN	EN-TA
2101742	Toll	Gail	15/02/1989	EN	EN-TA
2101417	Lees	Lindsay	26/03/1990	EEN	EEN-TA

APPENDIX 3 – FACILITIES

Calvary Muswellbrook Retirement Community – 15 Cassidy Avenue Muswellbrook NSW 2333

Calvary Retirement Community Cessnock – 19 Wine Country Drive, Cessnock, NSW 2325

Calvary Retirement Community Ryde – 678 Victoria Road, Ryde, NSW 2112

Cooinda Aged Care, Singleton – 42 Bathurst Street, Singleton, NSW, 2330

Mt Carmel Village, Maitland – 9 Dwyer Street, Maitland, NSW, 2320

Nazareth Village, Belmont – Vincent Street, Belmont North, NSW, 2280

St Francis Village, Eleebana – Gleeson Crescent, Eleebana, NSW, 2282

St Joseph's Home, Sandgate – 240 Maitland Road, Sandgate, NSW, 2304

St Martin de Porres Aged Care – 26 Lorna Street, Waratah, NSW, 2298

St Pauls Aged Care – 54 River Street, Cundletown, NSW, 2430

Tanilba Shores Village – 71 Tanilba Avenue, Tanilba Bay, NSW, 2319

APPENDIX 4-PRESERVATION OF LSL ENTITLEMENT

Employees employed on or before 18 October 2011 that had a preserved LSL entitlement in accordance with the CatholicCare (Diocese of Maitland-Newcastle) Aged Care Enterprise Agreement- Clause 26 sub-clause (e) refers

Facility	Staff Member	Surname	First Name	Joined	Title
STJOSEPHS	2101101	Gayner	Helen	11/08/1980	Residential Care Manager
STJOSEPHS	2101261	French	Nicole	15/05/1985	Endorsed Enrolled Nurse
STJOSEPHS	2101607	Rabl	Jarmila	5/08/1991	Assistant in Nursing
STJOSEPHS	2101361	Hudson	Merilee	16/09/1993	Registered Nurse
STJOSEPHS	2101588	Pluta	Ewa	19/11/1993	Enrolled Nurse
STJOSEPHS	2101596	Price	Kym	15/04/1998	Registered Nurse
STJOSEPHS	2101345	Hitchcock	Juanita	5/10/1998	Registered Nurse
STJOSEPHS	2101460	Mason	Suzanne	8/12/1999	Registered Nurse
STJOSEPHS	2101509	Keegan	Gai	6/03/2000	Deputy Director of Care
STJOSEPHS	2101589	Popescu	Alexandrina	26/07/2000	Assistant in Nursing
STJOSEPHS	2101273	Geens	Patricia	5/10/2000	Assistant in Nursing
STJOSEPHS	2101404	Kuharic	Jennifer	7/12/2000	Assistant in Nursing

IN THE FAIR WORK COMMISSION

FWC Matter No.:
AG2019/4552

Applicant:
Calvary Retirement Communities Limited

Section 185 – Application for approval of a single enterprise agreement

Undertaking - Section 190

I, Kaivalya Prasad, Acting Director of Human Resources for Calvary Retirement Communities Limited give the following undertakings with respect to the *Calvary Retirement Communities Limited (New South Wales) and the Australian Nursing and Midwifery Federation (New South Wales Branch) - Nursing Employees Enterprise Agreement 2019* ("the Agreement"):

1. I have the authority given to me by Calvary Retirement Communities Limited to provide this undertaking in relation to the application before the Fair Work Commission.

2. The undertakings are as follows:

   a. Calvary undertakes that a casual employee will be entitled to receive the below penalty rate for work performed on a Saturday or Sunday. For clarity no other loadings or penalty rate will apply to such work:

	Saturday	Sunday
Registered Nurse	50%	75%
AIN	75%	105%
Enrolled Nurse	60%	85%

   b. Notwithstanding clause 17(c) of this Agreement (Casual Employment):

      i. the provisions related to Overtime will apply to casual employees in accordance with clause 17(g). Under clause 17(g) a casual employee is entitled to overtime rates when he / she works in excess of 10 hours in a day or 76 hours in a fortnight. For clarity, this means that the overtime rate at clause 23(c) (i), (ii) or (iii) (as applicable) will apply to a casual employee and be applied to the casual rate of pay.
      ii. clauses 15(f) and 15(h) of this Agreement apply to casual employees.

3. These undertakings are provided on the basis of issues raised by the Fair Work Commission in the application before the Fair Work Commission.

Kaivalya

_____ 17January 2020

Signature Date

BW-3

DECISION

Fair Work Act 2009
s.185—Enterprise agreement

Japara Administration Pty Ltd
(AG2019/4304)

JAPARA ADMINISTRATION PTY LTD NEW SOUTH WALES EMPLOYEE ENTERPRISE AGREEMENT 2019

Aged care industry

COMMISSIONER JOHNS SYDNEY, 10 DECEMBER 2019

Application for approval of the Japara Administration Pty Ltd New South Wales Employee Enterprise Agreement 2019.

[1] An application has been made for approval of an enterprise agreement known as the *Japara Administration Pty Ltd New South Wales Employee Enterprise Agreement 2019* (**the Agreement**). The application was made pursuant to s.185 of the *Fair Work Act 2009* (Cth) (**the Act**). It has been made by Japara Administration Pty Ltd. The Agreement is a single enterprise agreement.

[2] The Employer has provided written undertakings. A copy of the undertakings is attached in **Annexure A**. I am satisfied that the undertakings will not cause financial detriment to any employee covered by the Agreement and that the undertakings will not result in substantial changes to the Agreement. The undertakings are taken to be a term of the Agreement.

[3] Subject to the undertakings referred to above, I am satisfied that each of the requirements of ss.186, 187, 188 and 190 as are relevant to this application for approval have been met.

[4] The Australian Nursing and Midwifery Federation (**ANMF**) and the Health Services Union of Australia (**HSU**) being bargaining representatives for the Agreement, have given notice under s.183 of the Act that they want the Agreement to cover them. In accordance with s.201(2) I note that the Agreement covers these organisations.

[5] The Agreement is approved and, in accordance with s.54 of the Act, will operate from 17 December 2019. The nominal expiry date of the Agreement is 30 June 2022.



COMMISSIONER

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Annexure A

Attachment A

FAIR WORK COMMISSION

MATTER NO: AG2019/4304

APPLICANT: Japara Administration Pty Ltd

UNDERTAKINGS

I, Jennifer Anderson, Industrial Relations Manager, give the following undertakings on behalf of the Applicant employer in accordance with section 190 of the *Japara Administration Pty Ltd New South Wales Employee Enterprise Agreement 2019* (**Agreement**):

1. Clause 34.4 of the Agreement will be replaced with the following:

> *34.4. Public holiday substitution*
>
> *The Employer and an Employee may, by agreement, substitute a day (or part-day) for a day (or part-day) that would otherwise be a public holiday under the NES.*

2. Clause 42 will be amended to include the following subclause 42.3:

> *For Aged Care Employees - notwithstanding clauses 42.1 and 42.2, where meetings and/ or fire drills are held/ undertaken outside of an Employee's ordinary hours:*
> *(i) the first 8 hours will be paid at the ordinary rate;*
> *(ii) any remaining meetings/ fire drills beyond 8 hours per year will be paid at the applicable overtime penalty rate.*

3. Clause 12.3(f)(iii) is to be amended (as underlined):

> *(f) Aged Care Employees only*
>
> ...
>
> *(iii) No part-time Employee shall be directed to work in excess of their rostered ordinary hours (**Additional Hours**) at the ordinary rate of pay. Where a part-time Employee:*
>
> *(1) does not agree to work Additional Hours at the ordinary rate of pay; or*
>
> *(2) is directed to work Additional Hours by the Employer;*
>
> *the Employee will be paid the applicable overtime penalty rate for such Additional Hours worked.*

Jenny Anderson

Jennifer Anderson
Industrial Relations Manager
Date: 6 November 2019

Japara Administration Pty Ltd New South Wales Employee Enterprise Agreement 2019

Note - this agreement is to be read together with an undertaking given by the employer. The undertaking is taken to be a term of the agreement. A copy of it can be found at the end of the agreement.

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Part 1—Application and Operation

1. Title

This Agreement is the Japara Administration Pty Ltd New South Wales Employee Enterprise Agreement 2019.

2. Commencement and expiry

This Agreement shall commence operation from the 7th day after the agreement is approved by the Fair Work Commission and will remain in place until the nominal expiry date of 30 June 2022 or thereafter in accordance with the *Fair Work Act 2009*.

The parties agree that discussions shall commence for a new Agreement no later than three months prior to the nominal expiry date of the Agreement.

3. Definitions and interpretation

3.1. In this Agreement, unless the contrary intention appears:

(a) **Unions** means the Australian Nursing and Midwifery Federation NSW Branch ("**ANMF**") and HSU New South Wales Branch ("**HSU**")

(b) **Act** means the Fair Work Act 2009 (Cth)

(c) **Agreement** means the Japara Administration Pty Ltd New South Wales Employee Enterprise Agreement 2019.

(d) **Aged care industry** means the provision of accommodation and care services for aged persons in a hostel, nursing home, aged care independent living units, aged care serviced apartments, garden settlement, retirement village or any other residential accommodation facility

(e) **FWC** means the Fair Work Commission the statutory body established under the *Fair Work Act* or any successor organisation established under Commonwealth legislation.

(f) **Employee** means an Employee of the Employer in the State of New South Wales employed in a classification set in this Agreement.

(g) **Employer** means Japara Administration Pty Ltd

(h) **NES** means National Employment Standards being the legislated minimum standards for workplace conditions under the Fair Work Act.

(i) Immediate family member of an Employee means

(i) a spouse, de facto partner, child, step child**,** parent including parent in law and step parent, grandparent, grandchild or sibling of the Employee; or

(ii) a child, step child**,** parent including parent in law and step parent, grandparent, grandchild or sibling of a spouse or de facto partner of the Employee.

(iii) spouse includes a former spouse.

(iv) de facto partner of an Employee.

(1) means a person who, although not legally married to the Employee, lives with the Employee in a relationship as a couple on a genuine domestic basis (whether the Employee and the person are of the same sex or different sexes); and

(2) includes a former de facto partner of the Employee.

(j) **Ordinary time rate of pay** is the rate of pay payable to the Employee for his or her ordinary hours of work, but not including any of the following:

(i) loadings;

(ii) monetary allowances;

(iii) overtime or penalty rates;

(iv) any other separately identifiable amounts.

(k) **Superannuation Law** means any requirement under the Superannuation Industry (Supervision) Act 1993 (Cth), Superannuation Industry (Supervision) Regulations 1994 (Cth), Superannuation Guarantee (Administration) Act 1992 (Cth), Superannuation Guarantee (Administration) Regulations 1993 (Cth), Superannuation Guarantee Charge Act 1992 (Cth), and any other present or future legislation which the Employer must comply with to satisfy its superannuation obligations to the Employees.

3.2. Where this Agreement refers to an entitlement provided for in the NES, the NES definition applies.

4. Coverage

4.1. This Agreement shall cover the following:

(a) Japara Administration Pty Ltd ("the Employer");

(b) all Employees of the Employer performing work within the classifications contained in this Agreement and employed by the Employer in the State of New South Wales;

(c) subject to the requirements of the Fair Work Act 2009,

(i) the New South Wales Nurses and Midwives' Association and the Australian Nursing and Midwifery Federation NSW Branch (ANMF); and

(ii) HSU New South Wales Branch (HSU).

5. Scope of the Agreement

The Agreement sets out the minimum terms and conditions of employment for Employees.

6. Access to the Agreement and the National Employment Standards

The Employer must ensure that copies of this Agreement and the NES are available to all Employees to whom they apply either on a noticeboard which is conveniently located at or near the workplace or through electronic means.

7. Relationship to the NES

This Agreement contains terms that are also matters under the NES. It is not the intention of the parties to exclude the NES or any provision of the NES and it is acknowledged that such terms can only operate in the manner and to the extent prescribed by s.55 of the Fair Work Act.

8. Flexibility Arrangement

8.1. The Employer and an Employee covered by this enterprise agreement may agree to make an individual flexibility arrangement to vary the effect of terms of the agreement if:

(a) the agreement deals with 1 or more of the following matters:

(i) arrangements about when work is performed;

(ii) overtime rates;

(iii) penalty rates;

(iv) allowances;

(v) leave loading; and

(b) the arrangement meets the genuine needs of the Employer and Employee in relation to 1 or more of the matters mentioned in paragraph (a); and

(c) The Employer and the individual Employee must have genuinely made the agreement without coercion or duress.

8.2. The Employer must ensure that the terms of the individual flexibility arrangement:

(a) are about permitted matters under section 172 of the *Fair Work Act 2009*; and

(b) are not unlawful terms under section 194 of the *Fair Work Act 2009*; and

(c) result in the Employee being better off overall than the Employee would be if no arrangement was made.

8.3. The Employer must ensure that the individual flexibility arrangement:

(a) is in writing; and

(b) includes the name of the Employer and Employee; and

(c) is signed by the Employer and Employee and if the Employee is under 18 years of age, signed by a parent or guardian of the Employee; and

(d) includes details of:

(i) the terms of the enterprise agreement that will be varied by the arrangement; and

(ii) how the arrangement will vary the effect of the terms; and

(iii) how the Employee will be better off overall in relation to the terms and conditions of his or her employment as a result of the arrangement; and

(e) states the day on which the arrangement commences.

8.4. The Employer must give the Employee a copy of the individual flexibility arrangement within 14 days after it is agreed to.

8.5. The Employer or Employee may terminate the individual flexibility arrangement:

(a) by giving no more than 28 days written notice to the other party to the arrangement; or

(b) if the Employer and Employee agree in writing — at any time.

8.6. The relevant Employee may appoint a representative for the purposes of the procedures in this term.

Part 2—Consultation and Dispute Resolution

9. Consultation regarding major workplace change

9.1. This term applies if the Employer:

(a) has made a definite decision to introduce a major change to production, program, organisation, structure, or technology in relation to its enterprise; and the change is likely to have a significant effect on Employees of the Employer; or

(b) proposes to introduce a change to the regular roster or ordinary hours of work of Employees.

9.2. The Employer must consult the Employees to whom the agreement applies about:

(a) a major workplace change that is likely to have a significant effect on the Employees; or

(b) a change to their regular roster or ordinary hours of work.

9.3. The relevant Employees may appoint a representative, which may be a representative from the ANMF or HSU for the purposes of the procedures in this term.

9.4. If:

(a) a relevant Employee appoints, or relevant Employees appoint, a representative for the purposes of consultation; and

(b) the Employee or Employees advise the Employer of the identity of the representative;

the Employer must recognise the representative.

9.5. As soon as practicable after making its decision, the Employer must

(a) discuss with the relevant Employees:

(i) the introduction of the change; and

(ii) the effect the change is likely to have on the Employees; and

(iii) measures the Employer is taking to avert or mitigate the adverse effect of the change on the Employees; and

(b) for the purposes of the discussion — provide, in writing, to the relevant Employees:

(i) all relevant information about the change including the nature of the change proposed; and

(ii) information about the expected effects of the change on the Employees; and

(iii) any other matters likely to affect the Employees.

(c) Subject to 9.5(a) and (b), for a change to the Employees' regular roster or ordinary hours of work, the Employer is required to:

(i) to provide information to the Employees about the change; and

(ii) to invite the Employees to give their views about the impact of the change (including any impact in relation to their family or caring responsibilities); and

(iii) to consider any views given by the Employees about the impact of the

change.

9.6. However, the Employer is not required to disclose confidential or commercially sensitive information to the relevant Employees.

9.7. The Employer must give prompt and genuine consideration to matters raised about the major change by the relevant Employees.

9.8. If a term in the enterprise agreement provides for a major change to production, program, organisation, structure or technology in relation to the enterprise of the Employer, the requirements set out in subclauses 9.2, 9.3 and 9.5 are taken not to apply.

9.9. In this term, a major change is ***likely to have a significant effect on Employees*** if it results in the termination of the employment of Employees; or major change to the composition, operation or size of the Employer's workforce or to the skills required of Employees; or the elimination or diminution of job opportunities (including opportunities for promotion or tenure); or the alteration of hours of work; or the need to retrain Employees; or the need to relocate Employees to another workplace; or the restructuring of jobs.

9.10. In this term, ***relevant Employees*** means the Employees who may be affected by the major change.

10. Dispute resolution

10.1. In the event of a dispute about any matter under this Agreement, or the NES, in the first instance the parties must attempt to resolve the matter at the workplace by discussions between the Employee or Employees concerned and the relevant supervisor. If such discussions do not resolve the dispute, the parties will endeavour to resolve the dispute in a timely manner by discussions between the Employee or Employees concerned and more senior levels of management as appropriate.

10.2. If a dispute about a matter arising under this Agreement or a dispute in relation to the NES is unable to be resolved at the workplace, and all appropriate steps under clause 10.1 have been taken, a party to the dispute may refer the dispute to the FWC.

10.3. Unless otherwise stated in this Agreement, the parties agree that the FWC shall have the power to do all such things as are necessary for the just resolution of the dispute including mediation, conciliation and finally arbitration.

10.4. Where the matter in dispute remains unresolved, the FWC may exercise any method of dispute resolution permitted by the Act that it considers appropriate to ensure the settlement of the dispute.

10.5. The Employer or the Employee may appoint another person, organisation or association to accompany and/or represent them for the purposes of this clause.

10.6. While the dispute resolution procedure is being conducted, work must continue in accordance with this agreement and the Act. Subject to applicable occupational health and safety legislation, an Employee must not unreasonably fail to comply with a direction by the Employer to perform work, whether at the same or another workplace, that is safe and appropriate for the Employee to perform.

11. Workload Management

11.1. The parties to this agreement acknowledge that Employees and management have a

responsibility to maintain a balanced workload and recognise the adverse affects that excessive workloads may have on Employee/s and the quality of resident/client care.

11.2. To ensure that Employee concerns involving excessive workloads are effectively dealt with by Management the following procedures should be applied:

(a) In the first instance, Employee/s should discuss the issue with their immediate supervisor and, where appropriate, explore solutions.

(b) If a solution cannot be identified and implemented, the matter should be referred to an appropriate senior manager for further discussion.

(c) If a solution still cannot be identified and implemented, the matter should be referred to the Facility Manager for further discussion.

(d) The outcome of the discussions at each level and any proposed solutions should be recorded in writing and fed back to the effected Employees.

11.3. Management will respond to all workload matters that have been raised by employees and will outline actions that can be taken in respect to those specific issues. Workload management must be an agenda item at staff meetings on at least a quarterly basis. Resolution of workload issues should be based on the following criteria including but not limited to:

(a) Clinical assessment of residents' needs;

(b) The demand of the environment such as facility layout;

(c) Statutory obligation, (including, but not limited to, workplace health and safety legislation;

(d) The requirements of nurse regulatory legislation;

(e) Reasonable workloads;

(f) Accreditation standards; and

(g) Budgetary considerations.

11.4. If the issue is still unresolved, the Employee/s may advance the matter through Clause 10-Dispute Resolution. Arbitration of workload management issues may only occur by agreement of the Employer, Employee and, if applicable, the relevant union.

Part 3—Types of Employment and Termination of Employment

12. Types of employment

12.1. Employment categories

Employees under this Agreement will be employed in one of the following categories:

(a) full-time;

(b) part-time; or

(c) casual.

At the time of engagement an Employer will inform each Employee whether they are employed on a full-time, part-time or casual basis. An Employer may direct an Employee to carry out such

duties that are within the limits of the Employee's skill, competence and training, consistent with the respective classification.

12.2. Full-time employment

(a) A full-time Employee is one who is engaged to work 38 hours per week or an average of 38 hours per week pursuant to clause 22.1 of this Agreement.

(b) A full-time Employee will be paid a minimum of four (4) hours pay for each engagement in respect of an ordinary shift.

12.3. Part-time employment

(a) A part-time Employee is an Employee who is engaged to work less than full-time hours of an average of 38 hours per week and has reasonably predictable hours of work.

(b) Before commencing part-time employment, the Employer and Employee will agree in writing the guarantee minimum number of hours to be worked and the rostering arrangements which will apply to those hours.

(c) A part-time Employee will be paid a minimum of three hours pay for each engagement.

(d) The terms of the agreement in (b) may be varied by agreement and recorded in writing.

(e) Unless otherwise stated, the terms of this agreement will apply on a pro rata basis to part-time Employees on the basis that the ordinary weekly hours for full-time Employees are 38.

(f) Aged Care Employees only

Notwithstanding the provisions set out at 12.3(a) to (e) above, the following provisions shall apply to aged care Employees:

(i) Before commencing employment, the Employer and Employee will agree in writing on:

(1) the span of hours that the Employee may be rostered within a fortnight. This span of hours shall include which shifts the Employee may be rostered to work; and

(2) the days of the week the Employee may be rostered to work within a fortnight; and

(3) the agreed minimum number of contracted hours to be worked per fortnight.

(ii) Notwithstanding the overtime provisions prescribed at clause 30 -Overtime of the Agreement, a part time aged care Employee may agree to work in excess of their rostered ordinary hours at the ordinary time rate of pay, provided that all time worked by a part-time Employee which exceeds 10 hours per day, or 76 hours per fortnight, will be paid at the rate of time and a half for the first two hours and double time thereafter, except on Saturdays and Sundays when overtime will be paid for at the rate of double time, and on public holidays at the rate of double time and a half.

(iii) No part-time Employee shall be directed to work in excess of their rostered ordinary hours at the ordinary rate of pay.

12.4. Review of part-time hours

(a) At the request of an Employee, the hours worked by the Employee will be reviewed 6 monthly. Where the Employee is regularly working more than their specified contract hours then such contract hours shall be adjusted by the Employer, to reflect the hours regularly worked in the preceding 6 months. The hours worked in the following circumstances will not be incorporated in the adjustment:

(i) if the increase in hours is as a direct result of an Employee being absent on leave, such as for example, annual leave, long service leave, maternity leave, workers compensation; and

(ii) if the increase in hours is due to a temporary increase in hours only due, for example, to the specific needs of a resident or client, special workplace project or initiative.

(b) Any adjusted contracted hours resulting from a review, should, however, be such as to readily reflect roster cycles and shift configurations utilised at the workplace.

12.5. Japara is committed to maximising its permanent workforce (full time and/or part time staff) whilst ensuring that staffing is in line with occupancy levels. Japara will ensure that current part time staff who have advised their supervisor/manager that they are available to work will be offered additional shifts in the first instance where practicable. Where a part time employee is not available additional shifts would then be offered to casual staff where applicable.

12.6. Casual employment

(a) A casual Employee is an Employee engaged as such on an hourly basis.

(b) A casual Employee will be paid an hourly rate equal to 1/38th of the weekly rate appropriate to the Employee's classification plus a casual loading of 25%.

(c) Casual Employees will be paid a minimum of three hours for each engagement.

(d) A casual Employee will be paid shift allowances and overtime calculated on the ordinary rate of pay excluding the casual loading with the casual loading component then added to the penalty rate of pay.

Provided that a casual AIN will be paid overtime as follows (in lieu of the casual loading):

(i) Monday to Saturday (inclusive)–181% of the ordinary rate of pay for the first two hours and 241% of the ordinary rate of pay thereafter;

(ii) Sunday–241% of the ordinary rate of pay;

Overtime rates shall only be payable to a casual when he/she works in excess of 10 hours in a day, or, 38 hours per week or 76 hours per fortnight depending on the pay period.

(e) A casual Employee's entitlement to long service leave is in accordance with the *Long Service Leave Act 1955*. The provisions of clause 38 do not apply to casual Employees.

12.7. Casual Conversion

(a) A casual Employee who has been rostered on a regular and systematic basis over a period of 26 weeks has the right to request conversion to permanent employment:

(i) on a full-time basis where the Employee has worked 38 hours per week or an average of 38 hours per week (excluding overtime) throughout the period of casual employment; or

(ii) on a permanent part-time basis where the Employee has worked a regular number of hours each week or fortnight (depending upon the roster) throughout the period of casual employment. Such part-time engagement would be on the basis of the same number of hours as previously worked, unless other arrangements are agreed between the Employer and the Employee.

(b) The Employer may consent to or refuse the request, but shall not unreasonably withhold agreement to such a request. Arbitration of an Employee's request for conversion may only occur by agreement of the Employer and the relevant Employee.

(c) Casual conversion will not apply where a casual has covered absences of permanent staff that are expected to return to work.

13. Termination of employment

13.1. Notice of termination is provided for in the NES.

13.2. Notice of termination by an Employee

(a) The notice of termination required to be given by an Employee is the same as that required of an Employer except that there is no requirement on the Employee to give additional notice based on the age of the Employee concerned.

(b) If an Employee fails to give the required notice the Employer may withhold from any monies due to the Employee on termination under this Agreement or the NES, an amount not exceeding the amount the Employee would have been paid under this Agreement in respect of the period of notice required by this clause less any period of notice actually given by the Employee, subject to the requirements of s.324(1)(b) of the Fair Work Act 2009.

13.3. Job search entitlement

Where an Employer has given notice of termination to an Employee, an Employee must be allowed up to one day's time off without loss of pay for the purpose of seeking other employment. The time off is to be taken at times that are convenient to the Employee after consultation with the Employer.

14. Redundancy

14.1. Definitions

(a) **Redundancy** occurs where the Employer has made a definite decision that the Employer no longer wishes the job the Employee has been doing to be done by anyone and that decision leads to the termination of the employment of the Employee, except where this is due to the ordinary and customary turnover of labour (**Redundant** has a corresponding meaning)

(b) Redundancy Pay means the severance payment set out in clause 14.3, as applicable to an Employee.

(c) "Weeks pay" means the Employee's average actual weekly earnings over the preceding three months from the date of termination, and shall include in addition to the ordinary pay any over-agreement payments and the following, if applicable:

(i) Incentive-based payments and bonuses;

(ii) Shift Allowances;

(iii) Overtime or Penalty rates;

(iv) Monetary allowances;

(v) Any other separately identifiable amount.

14.2. Where the Employer has made a definite decision to introduce a major change to production, program, organisation, structure, or technology in relation to its enterprise; and the change is likely to have a significant effect on Employees of the Employer, the Employer shall consult with affected Employees in accordance with clause 9 consultation regarding change of this Agreement.

14.3. In addition to the period of notice prescribed for termination, an Employee whose employment is terminated by reason of Redundancy shall be paid the following amount of Redundancy Pay in respect of a period of continuous service.

(a) Where the Employee is under 45 years of age, the Employer shall pay the Employee

Minimum Years of Service	**Redundancy Pay**
Less than 1 year	Nil
1 year and less than 2 years	4 weeks' pay
2 years and less than 3 years	7 weeks' pay
3 years and less than 4 years	10 weeks' pay
4 years and less than 5 years	12 weeks' pay
5 years and less than 6 years	14 weeks' pay
6 years and over	16 weeks' pay.

(b) Where the Employee is 45 years of age or over, the Employer shall pay the Employee in accordance with the following scale:

Minimum Years of Service	**Redundancy Pay**
Less than 1 year	Nil
1 year and less than 2 years	5 weeks' pay
2 years and less than 3 years	8.75 weeks' pay
3 years and less than 4 years	12.5 weeks' pay
4 years and less than 5 years	15 weeks' pay
5 years and less than 6 years	17.5 weeks' pay
6 years and over	20 weeks' pay

14.4. Transfer to lower paid duties

Where an Employee is transferred to lower paid duties by reason of Redundancy, the same period of notice must be given as the Employee would have been entitled to if the employment had been terminated and the Employer may, at the Employer's option, make payment instead of an amount equal to the difference between the former ordinary rate of pay and the ordinary rate of pay for the number of weeks of notice still owing.

14.5. Employee leaving during notice period

An Employee given notice of termination in circumstances of Redundancy may terminate their employment during the period of notice. The Employee is entitled to receive the benefits and payments they would have received under this clause had they remained in employment until the expiry of the notice, but is not entitled to any payment in lieu of any remaining notice.

14.6. Alternative Employment

(a) Where an offer of acceptable alternative employment is rejected by an Employee, no Redundancy Pay is payable by the Employer, subject to an order by the FWC.

(b) On application by the Employer, FWC may determine that the amount of Redundancy Pay is reduced to a specified amount (which may be nil) that FWC considers appropriate.

(c) The amount of Redundancy Pay to which the Employee is entitled under s.119 of the Fair Work Act is the reduced amount specified in the determination.

14.7. Job search entitlement

(a) An Employee given notice of termination in circumstances of Redundancy must be allowed up to one day's time off without loss of ordinary pay during each week of notice for the purpose of seeking other employment.

(b) If the Employee has been allowed paid leave for more than one day during the notice period for the purpose of seeking other employment, the Employee must, at the request of the Employer, produce proof of attendance at an interview or they will not be entitled to payment for any time absent. For this purpose a statutory declaration is sufficient.

(c) This entitlement applies instead of clause 13.3.

14.8. Employees Exempted

(a) Clause 14.3 of this Agreement does not apply to:

(i) an Employee employed for a specified period of time, for a specified task or tasks;

(ii) an Employee whose employment is terminated because of serious misconduct;

(iii) a casual Employee;

14.9. Transfer of Employment

(a) An Employee is not entitled to Redundancy Pay in relation to the termination of his or her employment with the Employer where:

(i) the Employee is offered and accepts employment with a new Employer (**new Employer**) which recognises the period of service which the Employee had with the Employer to be service of the Employee with the new Employer, and there is a transfer of employment in relation to the Employee for the purposes of the Fair Work Act; or

(ii) the Employee rejects an offer of employment with the new Employer that:

(1) is on terms and conditions substantially similar and no less favourable, considered on an overall basis, than the terms and conditions applicable to the Employee at the time of ceasing employment with the Employer; and

(2) recognises the period of service which the Employee had with the Employer to be service of the Employee with the new Employer;

had the Employee accepted the offer of employment, there would have been a transfer of employment in relation to the Employee for the purposes of the Fair Work Act.

(b) The FWC may vary paragraphs 14.9(a)(i) or 14.9(a)(ii) if it is satisfied that this provision would operate unfairly in a particular case.

14.10. Incapacity to Pay

The FWC may vary an Employee's entitlement to Redundancy Pay on the basis of the Employer's incapacity to pay. An application for variation may be made by the Employer.

Part 4—Minimum Wages and Related Matters

15. Classifications

15.1. Nursing classification definitions are set out in Schedule A—Classification Definitions.

15.2. Aged Care classification definitions are set out in Schedule B —Classification Definitions.

15.3. Employers must advise their Employees in writing of their classification upon commencement and of any subsequent changes to their classification.

16. Salaries

16.1. The salaries of Employees covered by this Agreement are set out at Schedule C.

17. Progression

For progression for all classifications under this agreement, refer to Schedule A (Nursing) and Schedule B (Aged Care)

18. Allowances

The allowance rates are set out in Schedule D.

The expense related allowances below will be increased annually in accordance to the first full pay period commencing on or after dates as per Schedule D.

18.1. Clothing and equipment

(a) Employees required by the Employer to wear uniforms will be supplied with an adequate number of uniforms appropriate to the occupation free of cost to Employees. Such items are to remain the property of the Employer and be laundered and maintained by such Employer free of cost to the Employee.

(b) Instead of the provision of such uniforms in accordance with (a), the Employer may pay such Employee a uniform allowance at the rate set out in item 1 of Schedule D. This rate is expressed as per shift or part thereof, or as a weekly rate – an Employee is to be paid whichever is the lesser amount.

(c) Where an Employee's uniforms are not laundered by or at the expense of the Employer, the Employee will be paid a laundry allowance at the rate set out in item 2 of Schedule D. This allowance is also expressed as a payment per shift of part thereof of as a weekly payment – an Employee is to be paid whichever is the lesser amount.

(d) The uniform allowance, but not the laundry allowance, will be paid during all absences on paid leave, except absences on long service leave and absence on paid personal/carer's leave beyond 21 days.

(e) Where an Employer requires an Employee to wear rubber gloves, special clothing or where safety equipment is required for the work performed by an Employee, the Employer must reimburse the Employee for the cost of purchasing such special clothing or safety equipment, except where such clothing or equipment is provided by the Employer.

18.2. Meal allowances

(a) An Employee will be supplied with an adequate meal where an Employer has adequate cooking and dining facilities or be paid a meal allowance, in addition to any overtime payment at the following rates:

(i) when required to work after the usual finishing hour of work beyond one hour or, in the case of shift workers, when the overtime work on any shift exceeds one hour (Item 3 of Schedule D).

(ii) provided that where such overtime work completed by an Employee exceeds four hours a further meal allowance at the rate set out in item 4 of Schedule D will be paid.

(b) Clause 18.2(a) will not apply when an Employee could reasonably return home for a meal within the meal break.

(c) On request the meal allowance will be paid on the same day as overtime is worked.

18.3. On call allowance (Nursing classifications only)

(a) An on call allowance is paid to an Employee who is required by the Employer to be on call at their private residence, or at any other mutually agreed place. The Employee is entitled to receive the following additional amounts for each 24 hour period or part thereof:

(i) between rostered shifts or ordinary hours Monday to Friday inclusive – the amount set out in item 5 of Schedule D.

(ii) between rostered shifts or ordinary hours on a Saturday– the amount set out in item 6 of Schedule D.

(iii) between rostered shifts or ordinary hours on a Sunday, public holiday or any day when the Employee is not rostered to work– the amount set out in item 7 of Schedule D.

(b) For the purpose of this clause the whole of the on call period is calculated according to the day on which the major portion of the on call period falls.

18.4. Travelling, transport and fares

(a) An Employee required and authorised to use their own motor vehicle in the course of their duties will be paid not less than the allowance set out in item 8 in Schedule D.

(b) When an Employee is involved in travelling on duty, if the Employer cannot provide the appropriate transport, all reasonably incurred expenses in respect to fares, meals and accommodation will be met by the Employer on production of receipted account(s) or other evidence acceptable to the Employer.

(c) An Employee who leaves the facility and is recalled to duty will be reimbursed all reasonable fares and expenses actually incurred, including the per kilometre rate in item 8 of Schedule D when he or she uses a motor car in those circumstances.

(d) Provided further that the Employee will not be entitled to reimbursement for expenses referred to in clause 18.4(b) which exceed the mode of transport, meals or the standard of accommodation agreed with the Employer for these purposes.

18.5. Qualification Allowance (Registered Nursing classifications only)

(a) A registered nurse who holds a continuing education qualification in a clinical field relevant to residential aged care, specifically one of the following areas: Gerontology nursing, or Management, or other qualification with a component that has application to nursing in Aged Care, in addition to the qualification leading to registration or enrolment, shall be paid an allowance subject to the conditions set out in this clause.

(b) The qualification must be accepted by the Employer to be directly relevant to the Aged Care industry and competency and skills used by the Employee in the duties of the position.

(c) The allowance is not payable to Deputy Directors of Nursing or Directors of Nursing unless it can be demonstrated to the satisfaction of the Employer that more than fifty per cent of the Employee’s time is spent doing clinical work.

(d) The allowance is not payable to Clinical Nurse Specialists, Clinical Nurse Consultants or Clinical Nurse Educators.

(e) A registered nurse holding more than one relevant qualification is only entitled to the payment of one allowance, being the allowance of the highest monetary value.

(f) The Employee claiming entitlement to a continuing education allowance must provide evidence to the Employer that they hold that qualification.

(g) A registered nurse who holds a relevant postgraduate certificate in a clinical field as defined in 18.5(a) (not including a hospital certificate) that is accepted by the Employer to be directly relevant to the competency and skills used by the registered nurse in carrying out the duties of the position shall be paid the weekly allowance set out in Item 9 in Schedule D.

(h) A registered nurse who holds a relevant postgraduate diploma or degree in a clinical field as defined in 18.5(a) (other than a nursing undergraduate degree) that is accepted by the Employer to be directly relevant to the competency and skills used by the registered nurse in carrying out the duties of the position shall be paid the weekly

allowance set out in Item 10 of Schedule D.

(i) A registered nurse who holds a relevant master's degree or doctorate in a clinical field as defined in 18.5(a) that is accepted by the Employer to be directly relevant to the competency and skills used by the registered nurse in carrying out the duties of the position shall be paid the weekly allowance set out in Item 11 of Schedule D.

(j) The allowances set out in sub-clauses 18.5(g), (h) and (i), are not included in the Employee's ordinary rate of pay and will not constitute part of the all-purpose rate.

(k) A registered nurse who is employed on a part-time or casual basis shall be paid these allowances on a pro rata basis.

(l) Payment shall be from the first pay period on or after evidence of the relevant qualification is submitted to the Employer (including where the Employee submits evidence of the qualification as part of the recruitment process) or the date the qualification is obtained, whichever is the later.

(m) The rates for these allowances shall be adjusted in accordance with increases in other wage-related allowances contained in this Agreement.

18.6. Qualification Allowance - (Enrolled Nursing classifications only)

(a) An Enrolled Nurse will be entitled to a qualification allowance as set out below.

(i) An Enrolled Nurse who holds a certificate or qualification (which is in addition to the minimum qualification held by the nurse for registration by the Nurses' and Midwives Board of Australia) in which it is demonstrated that a component of the qualification is applicable to her/his area of practice and/or work in aged care shall be paid the following allowance:

(1) a certificate or qualification, (or at least two certificates of attainment for units of competency toward from the Diploma or Advanced Diploma of Nursing) totalling a minimum of 140 nominal classroom hours (or a course of a minimum six months duration), including a pre or post-registration course leading to endorsement to administer medication – at the rate of 4% of their applicable pay point provided for as set out in Schedule A.

(2) a certificate or qualification (or at least three certificates of attainment for units of competency from the Diploma or Advanced Diploma totalling a minimum of 280 nominal classroom hours (or a course of a minimum twelve months duration) – at the rate of 7.5% of their applicable pay point as prescribed in Schedule A.

(ii) Provided that only one allowance is payable to each eligible Enrolled Nurse, being the allowance for the highest qualification or greater number of certificates held, and provided that the certificate or certificates of attainment or qualification is relevant to the work performed.

(iii) An Enrolled Nurse claiming entitlements to a qualification allowance must provide the Employer with evidence of that Enrolled Nurse holding the certificate/s or qualification for which the entitlement is claimed. Payment shall be from the first pay period on or after evidence or the qualification is submitted to the Employer or the date the qualification is obtained, whichever is the later.

(iv) For the avoidance of doubt, a qualification allowance cannot be claimed by an Enrolled Nurse in respect of that person's base qualification leading to registration as an Enrolled Nurse.

(v) The above allowances are to be paid during all periods of leave except sick leave beyond 21 days in any twelve month period and long service leave. In the case of annual leave, these allowances are added to those components detailed at clause 33.6. For the avoidance of doubt, the Employee would not receive the allowance in addition to leave loading

(vi) The allowance is to be paid on a pro-rata basis for non-full-time Employees.

(b) Medication Endorsement Allowance

Notwithstanding clause 18.6(a) above an Enrolled Nurse who holds an endorsement to administer medication and who uses such endorsement in connection with his/her duties shall be paid an allowance of 4% of the wage rate for that Enrolled Nurse payable under this Agreement on a per shift basis. For the avoidance of doubt the medication endorsement qualification shall not entitle the Enrolled Nurse to receive the 4% Qualifications Allowance under 18.6(a).

18.7. Leading hand allowance (Aged Care Classifications only)

(a) A leading hand is an Employee who is placed in charge of not less than two other Employees of a substantially similar classification, but does not include any Employee whose classification denotes supervisory responsibility.

(b) A leading hand will be paid a weekly allowance of the amount specified by the item number in accordance with the following scale:

Leading hand in charge of:	Weekly allowance
2-5 other Employees	Item 12 of Schedule D
6-10 other Employees	Item 13 of Schedule D
11-15 other Employees	Item 14 of Schedule D
16-19 other Employees	Item 15 of Schedule D

(c) This allowance will be part of salary for all purposes of this Agreement.

(d) An Employee who works less than 38 hours per week will be entitled to the allowances prescribed by this clause in the same proportion as the average hours worked each week bears to 38 ordinary hours.

18.8. Nauseous work allowance (Aged Care Classifications only)

(a) The allowance set out in item 17 of Schedule D per hour or part thereof will be paid to an aged care Employee in any such classification if they are engaged in handling linen of a nauseous nature other than linen sealed in airtight containers and/or for work which is of an unusually dirty or offensive nature having regard to the duty normally performed by such Employee in such classification. Any Employee who is entitled to be paid an allowance will be paid a minimum sum set out in item 18 of Schedule D for work performed in any week.

18.9. Tool Allowance [Aged Care Classifications]

A tool allowance as set out in item 19 in Schedule D for the supply and maintenance of tools will be paid per week to chefs and cooks who are not provided with all necessary tools by the Employer.

18.10. In charge Allowance [Registered Nurse Level 1 and 2 Classifications only]

(a) A registered nurse in charge during the day, evening or night of a nursing home facility having occupied beds of:

(i) less than 100 beds (Item 21 refers); or

(ii) 100 beds or more (Item 22 refers)

shall be paid in addition to his or her appropriate salary, whilst so in charge, the relevant sum set out in Item 21or 22 of Schedule D

(b) This subclause shall not apply to registered nurses holding classified positions of a higher grade than that of a registered nurse Level 1 or 2.

19. Payment of wages

(a) Wages must be paid fortnightly unless otherwise mutually agreed up to a monthly maximum period.

(b) Employees will be paid by cash, cheque or electronic funds transfer, as determined by the Employer, into the bank or financial institution account nominated by the Employee.

(c) When notice of termination of employment has been given by an Employee or an Employee's services have been terminated by the Employer, payment of all wages and other monies owing to an Employee will be made to the Employee.

(d) Notwithstanding the above, an Employer will not be held liable for any unforeseen event outside the control of the Employer which prevents the Employer's ability to meet the requirements of this clause, for example bank error or delay.

20. Superannuation

20.1. Employer Contributions

The Employer shall make occupational superannuation contributions to the Fund for the benefit of the Employee as will avoid the Employer being required to pay the superannuation guarantee charge under Superannuation Law with respect to that Employee.

20.2. 'The Fund' for the purpose of this Agreement shall mean:

(a) Health Employees Superannuation Trust of Australia ('HESTA') established and governed by a trust deed 23 July 1987, as may be amended from time to time, and includes any superannuation scheme which may be made in succession thereto;

(b) Health Super, or

(c) Any other complying fund upon a request from the Employee and with the consent of the Employer.

20.3. The Employer shall participate in accordance with the trust fund deeds. The Employer shall make application to the Fund to become a participating Employer in the Fund and shall become a participating Employer upon acceptance by the Trustee of the Fund.

20.4. Upon commencement of employment, the Employer shall provide each Employee with membership forms for the funds at 20.2(a) and 20.2(b) above and shall forward the completed membership forms for the Employee's choice of fund within 28 days. In the event that the Employee has not completed an application form within 28 days, the Employer shall forward contributions and Employee details to HESTA (“Default Fund”). The Default Fund offers a MySuper product.

20.5. Each Employee shall be eligible to receive contributions from the date of eligibility, notwithstanding the date the membership application prescribed in 20.4 was forwarded to the Fund.

20.6. The Employer will contribute to the Fund, on behalf of each Employee, in accordance with Superannuation Law.

20.7. ‘Ordinary time earnings’ are currently defined by the legislation and includes allowances for ordinary hours of work. Such allowances include those such as shift, qualification and leader allowances. However, they do not include those that arise during overtime (such as meal allowance) other than in circumstances required by legislation and will not include allowances paid with the expectation that they will be spent in the course of employment (such as travel allowances, laundry and uniform). In respect to what constitutes ‘ordinary hours’, Superannuation Guarantee Contributions will be paid in respect to each hour worked which is paid at ordinary time (including all hours which are additional to contracted hours). The parties acknowledge that the legislative definition of ‘ordinary time earnings’ may vary and, in that event, the legislative definition shall apply.

20.8. Where an Employer makes an application for an exemption from monthly payments to the Fund, the Employees shall be notified in writing prior to the application being made. Upon request from an Employee, the Employer must provide a copy of the remittance receipt from the Fund showing the contributions made on the Employee’s behalf or make it available for inspection, save that the Employee shall be entitled to take a copy. The Employer shall contribute all superannuation contributions in accordance with the Trust Deed, save that late payment for reasons beyond the control of the Employer and non-allocation by the Fund shall not constitute a breach of this Agreement.

20.9. Any dispute regarding superannuation contributions, including but not limited to the frequency of contribution shall be addressed under clause 10 - Dispute Resolution, of this Agreement.

Voluntary Contributions

20.10. Where an Employee wishes to make voluntary contributions to the Fund, the Employee may authorise the Employer to deduct from the Employee’s wages an amount or percentage specified by the Employee. Voluntary contributions deducted under this provision will be forwarded to the Fund by the Employer at the same time as the Employer’s contributions. Where the Employer receives written authorisation from an Employee, it must commence making payments into the Fund on behalf of the Employee within fourteen days of receiving the authorisation.

20.11. An Employee may vary his or her additional contributions by a written authorisation and the Employer must alter the additional contributions within fourteen days of receiving the authorisation. An Employee may only vary his or her additional contributions once each month.

21. Salary Sacrifice

21.1. An Employee may make an agreement with the Employer for salary sacrifice.

(a) The Employee must specify an amount or a percentage of ordinary time earnings by which his or her salary is to be reduced ("the Salary Sacrifice").

(b) The Salary Sacrifice will be deducted from the Employee's salary and contributed by the Employer to the Fund each month.

(c) The Employer will continue to calculate the contributions required by clause 20.1 above and the Superannuation Law on the basis of the Employee's ordinary time earnings before the salary sacrifice is deducted.

(d) Salary Sacrifice deductions will be made during a period of paid leave and the Employee will receive the rate of pay specified under this Agreement less the salary sacrifice deduction.

(e) Calculation of salary for the purpose of leave accruals and other payments due on termination of employment shall be calculated on a rate of pay which includes the salary sacrifice contributions.

(f) The Employee may revoke the Salary Sacrifice agreement or alter the amount to be deducted on no more than two occasions in each calendar year.

(g) The name of the Fund and the amount of any contributions remitted to the fund, whether superannuation guarantee contributions, Salary Sacrifice contributions or voluntary contributions must be included in pay slips provided by the Employer to each Employee.

Part 5—Hours of Work and Related Matters

22. Ordinary hours of work

22.1. The ordinary hours of work will be 38 hours per week, or an average of 38 hours per week worked over 76 hours per fortnight or 114 hours per 21 days or 152 hours per 4 week period, and will be worked either:

(a) in a period of 28 calendar days of not more than 20 work days in roster cycle;

(b) The shift length or ordinary hours of work per day will be a maximum of 10 hours exclusive of meal breaks.

22.2. The hours of work on any day will be continuous except for meal breaks.

23. Span of hours

23.1. The ordinary hours of work for a day worker will be between 6.00 am and 6.00 pm Monday to Friday.

23.2. A shiftworker is an Employee who is regularly rostered to work their ordinary hours of work outside the ordinary hours of work of a day worker as defined in clause 23.1.

24. Rostered Days Off

Employees, other than a casual Employee, will be free from duty for not less than two full days in each week or four full days in each fortnight or eight full days in each 28 day cycle. Where practicable, days off will be consecutive. For the purposes of this sub-clause, duty includes time an employee is on call.

25. Rest breaks between rostered work

An Employee will be allowed a rest break of ten hours between the completion of one ordinary work period or shift and the commencement of another ordinary work period or shift, except by agreement where it may be 8 hours.

26. Rosters

26.1. Employees will work in accordance with a weekly or fortnightly roster fixed by the Employer.

26.2. The roster will set out Employees' daily ordinary working hours and starting and finishing times and will be displayed in a place conveniently accessible to Employees at least seven days before the commencement of the roster period.

26.3. It is not obligatory for the Employer to display any roster of the ordinary hours of work of casual or relieving staff.

26.4. Unless the Employer otherwise agrees, an Employee desiring a roster change will give seven days' notice except where the Employee is ill or in an emergency.

26.5. Seven days' notice of a change of roster will be given by the Employer to an Employee. Except that, a roster may be altered at any time to enable the functions of the facility to be carried out where another Employee is absent from work due to an emergency, when on ceremonial leave, personal/carers leave, compassionate leave of leave for family and domestic violence. Where any such alteration requires an Employee working on a day which would otherwise have been the Employee's day off, the day off instead will be as mutually arranged.

26.6. This clause will not apply where the only change to the roster of a part-time Employee is the mutually agreed addition of extra hours to be worked such that the part-time Employee still has two rostered days off in that week or four rostered days of in that fortnight, as the case may be.

27. Broken Shifts – [Aged Care Classifications Only]

27.1. With respect to broken shifts:

(a) Broken shifts for the purpose of this clause means a shift worked by an Employee that includes breaks (other than a meal break) totalling not more than four hours and where the span of hours is not more than 12 hours.

(b) A broken shift may be worked where there is mutual agreement between the Employer and Employee to work the broken shift.

(c) Payment for a broken shift will be at ordinary pay with penalty rates and shift allowances in accordance with clause 31.1 – Shiftwork, with shift allowances being determined by the commencing time of the broken shift.

(d) All work performed beyond the maximum span of 12 hours for a broken shift will be paid at double time.

(e) An Employee must receive a minimum break of 10 hours between broken shifts rostered on successive days.

28. Saturday and Sunday work

28.1. Where an Employee is rostered to work ordinary hours between midnight Friday and midnight Saturday, the Employee will be paid a loading of 50% of their ordinary rate of pay for the

hours worked during this period.

28.2. Where an Employee is rostered to work ordinary hours between midnight Saturday and midnight Sunday, all Employees will be paid a loading of 75% of their ordinary rate of pay for the hours worked during this period.

28.3. Casual Employees, excluding casual AINs, will be paid in accordance with clauses 28.1 and 28.2. The rates prescribed in clauses 28.1 and 28.2 will be in addition to the casual loading prescribed in clause 12.6(b).

A casual AIN will be paid the following loading of their ordinary rate of pay (in lieu of the casual loading) for hours worked:

(a) between midnight Friday and midnight Saturday – 81%;

(b) between midnight Saturday and midnight Sunday – 111%

28.4. These extra rates will be in substitution for and not cumulative upon the shift penalties prescribed at Clause 31 – Shiftwork.

29. Breaks

29.1. Meal breaks

(a) An Employee who works in excess of five hours will be entitled to an unpaid meal break of not less than 30 minutes and not more than 60 minutes.

(b) Where an Employee is required to remain available for duty during an unpaid meal break, the Employee will be paid an 'on call during meal break allowance' as provided for in Item 20 in Schedule D, provided such that only one allowance shall be payable in any period of 24 hours. If an Employee is recalled to work during the meal break, then overtime will be paid for all time worked during such meal break.

29.2. Tea breaks

(a) Every Employee will be entitled to a paid 10 minute tea break in each four hours worked at a time to be agreed between the Employee and Employer.

(b) Subject to agreement between the Employer and Employee, such breaks may alternatively be taken as one 20 minute tea break.

(c) Tea breaks will count as time worked.

30. Overtime

30.1. Overtime penalty rates

(a) Hours worked in excess of the ordinary hours on any day or shift prescribed in clause 22—Ordinary hours of work, are to be paid as follows:

(i) Aged Care Employees

(1) Monday to Friday (inclusive)–time and a half for the first two hours and double time thereafter;

(2) Saturday and Sunday–double time;

(3) Public holidays–double time and a half.

(ii) Nursing Employees

(1) Monday to Saturday (inclusive)–time and a half for the first two hours and double time thereafter;

(2) Sunday–double time;

(3) Public holidays–double time and a half.

(b) Overtime penalties as prescribed in subclause (a) do not apply to Registered nurse levels 4 and 5.

(c) Overtime rates under this clause will be in substitution for and not cumulative upon the shift premiums prescribed in clause 28- Saturday and Sunday work and clause 31 - Shiftwork.

30.2. Part time Employees

(a) All time worked by part-time Employees in excess of 38 hours per week or 76 hours per fortnight will be paid for at the rate of time and a half for the first two hours and double time thereafter, except that on Sundays such overtime will be paid for at the rate of double time and on public holidays at the rate of double time and a half.

(b) All time worked by part-time Employees which exceeds 10 hours per day, will be paid at the rate of time and a half for the first two hours and double time thereafter, except on Saturdays (for aged care only) and Sundays when overtime will be paid for at the rate of double time, and on public holidays at the rate of double time and a half.

30.3. Time off instead of payment for overtime

(a) By mutual agreement, an Employee may be compensated by way of time off instead of payment of overtime (time for time) on the following basis:

(i) The period of time off instead of payment for overtime must be taken at the equivalent to the overtime payment that would have been made within three months of it being accrued.

(ii) Where it is not possible for an Employee to take the time off, instead of payment for overtime, within the three month period or on termination of employment, it is to be paid out at the appropriate overtime rate base on the rates of pay applying at the time payment is made.

(iii) An Employee cannot be compelled to take time off instead of overtime.

30.4. Rest period after overtime

(a) When overtime work is necessary, it will, wherever reasonably practicable, be so arranged that Employees have at least 10 consecutive hours off duty between the work of successive days or shifts, including overtime.

(b) An Employee, other than a casual Employee, who works so much overtime between the termination of their ordinary work on one day and the commencement of their ordinary work on the next day, that they have not had at least 10 consecutive hours off duty between those times, will be released after completion of such overtime, until they have had 10 consecutive hours off duty without loss of pay for ordinary working time occurring during such a absence.

(c) If, on the instruction of the Employer, an Employee resumes or continues to work without having had 10 consecutive hours off duty, they will be paid at the rate of

double time until released from duty for such period. The Employee will then be entitled to be absent until they have had 10 consecutive hours off duty without loss of pay for rostered ordinary hours occurring during the absence.

30.5. Rest break during overtime

An Employee working overtime will take a paid rest break of 20 minutes after each four hours of overtime worked if required to continue to work after the break.

30.6. Recall to work when on call

An Employee, who is required to be on call and who is recalled to work, will be paid for a minimum of four hours work at the appropriate overtime rate.

30.7. Recall to work when not on call

(a) An Employee who is not required to be on call and who is recalled to work after leaving the Employer's premises will be paid for a minimum of four hours work at the appropriate overtime rate.

(b) The time spent travelling to and from the place of duty will be deemed to be time worked. Except that, where an Employee is recalled within three hours of their rostered commencement time, and the Employee remains at work, only the time spent in travelling to work will be included with the actual time worked for the purposes of the overtime payment.

(c) An Employee who is recalled to work will not be obliged to work for four hours if the work for which the Employee was recalled is completed within a shorter period.

31. Shiftwork

31.1. Shift penalties – Aged Care

Employees working afternoon or night shift shall be paid the following percentages in addition to their ordinary rate, for such shift. Provided that Employees who work less than 38 hours per week will only be entitled to the additional rates where their shifts commence prior to 6.00am or finish subsequent to 6.00pm.

(a) 10% for afternoon shift commencing after 10:00 a.m. and before 1:00 p.m.

(b) 12.5% for afternoon shift commencing at or after 1:00 p.m. and before 4:00 p.m.

(c) 15% for night shift commencing at or after 4:00 p.m. and before 4:00 a.m.

(d) 10% for night shift commencing at or after 4:00 a.m. and before 6:00 a.m.

31.2. Shift penalties – Nurses

(a) Where an employee works a rostered afternoon shift between Monday and Friday, the employee will be paid a loading of 12.5% of their ordinary rate of pay.

(b) Where an employee works a rostered night shift between Monday and Friday, the employee will be paid a loading of 15% of their ordinary rate of pay.

(c) The provisions of this clause do not apply where an employee commences their ordinary hours of work after 12.00 noon and completes those hours at or before 6.00 pm on that day.

(d) For the purposes of this clause:

(i) **Afternoon shift** means any shift commencing not earlier than 12.00 noon and finishing after 6.00 pm on the same day; and

(ii) **Night shift** means any shift commencing on or after 6.00 pm and finishing before 7.30 am on the following day.

31.3. The shift penalties prescribed in this clause will not apply to shiftwork performed by an Employee on Saturday, Sunday or public holiday where the extra payment prescribed by clause 28—Saturday and Sunday work and clause 34—Public holidays applies.

31.4. The provisions of this clause will not apply to Registered Nurse levels 4 and 5.

32. Higher duties

An Employee engaged in any duties carrying a higher wage rate than the classification in which they are ordinarily employed in any one day or shift will be paid at the higher wage rate for:

(a) the time so worked for two hours or less; or

(b) full day or shift where the time so worked exceeds two hours.

Higher duties allowance does not apply to Registered Nurse levels 4 and 5.

Part 6—Leave and Public Holidays

33. Annual leave

Annual leave is provided for in the NES. This clause contains additional provisions.

33.1. **Quantum of annual leave Nurses**

(a) In addition to the entitlements in the NES, an Employee is entitled to an additional week of annual leave on the same terms and conditions.

(b) For the purpose of the additional weeks annual leave provided by the NES, a shiftworker is defined as an Employee who:

(i) is regularly rostered over seven days of the week; and

(ii) regularly works on weekends.

(c) To avoid any doubt, this means that an Employee who is not a shiftworker for the purposes of subclause (b) above is entitled to five weeks of paid annual leave for each year of service with their Employer, and an Employee who is a shiftworker for the purposes of subclause (b) above is entitled to six weeks of paid annual leave for each year of service with their Employer.

33.2. **Quantum of annual leave (Aged Care Employees).**

(a) Annual leave on full pay is to be granted in accordance with the NES as follows:

(i) Full time Employees– four weeks annual leave

(ii) Full time shift workers – five weeks annual leave

(iii) Part time Employees – four weeks annual leave on a pro rata basis

(iv) Part time shift workers – five weeks annual leave on a pro rata basis

(b) For the purposes of this clause, a shiftworker is an Employee who is not a day worker as defined in clause 23.1 Span of Hours and/ or an Employee who works for more than four ordinary hours on 10 or more weekends. Weekend means work in ordinary time on a Saturday and/or a Sunday in any one calendar week.

33.3. Taking of leave

(a) Subject to clause 33.3(b), paid annual leave may be taken for a period agreed between the Employee and the Employer. The Employer will not unreasonably refuse to agree to a request by the Employee to take paid annual leave.

(b) Direction to take Annual Leave

(i) The Employer may direct an Employee to take a period of annual leave if the Employee has accrued more than two years' entitlement to annual leave, provided:

(1) the Employee will first be given a reasonable opportunity to submit a plan to reduce their total annual leave accrued balance to not more than six weeks within a period of six months (**leave reduction plan**);

(2) The Employer will not unreasonably refuse to agree to an Employee's leave reduction plan which includes saving leave for an extended holiday within 12 months of the date of agreement to the leave reduction plan. The agreement is to be in writing and signed by both the Employer and the Employee.

(ii) If an Employee has genuinely tried to reach agreement with the Employer in accordance with this clause but agreement is not reached, the Employee may give a written notice to the Employer requesting to take one or more periods of annual leave (**Notice**), where the Employee has had an excessive leave accrual for more than six months at the time of giving notice. Provided that:

(1) with the granting of leave an Employee will still have six weeks annual leave;

(2) the Notice given by the Employee must not provide for the Employee to take a period of paid annual leave beginning less than eight weeks, or not more than 12 months, after the Notice is given;

(3) the Notice is not inconsistent with any leave arrangement agreed by the Employer and Employee;

33.4. Payment for annual leave

(a) Before going on annual leave, an Employee will be paid the amount of wages they would have received for ordinary time worked had they not been on leave during that period.

(b) At the election of the Employee such payments may be paid in accordance with the usual pay day relevant to the period of leave being taken.

33.5. Cashing out of Annual Leave

(a) Annual leave credited to an Employee may be cashed out, subject to the following conditions:

(i) paid annual leave must not be cashed out if the cashing out would result in

the Employee's remaining accrued entitlement to paid annual leave being less than 4 weeks; and

(ii) each cashing out of a particular amount of paid annual leave must be by a separate agreement in writing between the Employer and the Employee; and

(iii) the Employee must be paid at least the full amount that would have been payable to the Employee had the Employee taken the leave that the Employee has forgone.

(iv) Cashing out of annual leave shall not include annual leave loading

33.6. Annual leave loading

(a) In addition to their ordinary pay, an Employee, other than a shiftworker, will be paid an annual leave loading of 17.5% of their ordinary pay .

(b) Shiftworkers, in addition to their ordinary pay, will be paid the higher of:

(i) an annual leave loading of 17.5% of ordinary pay; or

(ii) the weekend and shift penalties the Employee would have received had they not been on leave during the relevant period.

(c) When the employment of an Employee is terminated by the Employer for a cause other than misconduct, and at the time of the termination the Employee has not been given and has not taken the whole of an annual leave period to which the Employee became entitled, the Employee shall be paid their leave loading entitlement for the period not taken.

33.7. Payment of annual leave on termination

On the termination of their employment, an Employee will be paid their untaken or pro-rata annual leave.

34. Public holidays

Public holidays are provided for in the NES. This clause contains additional provisions.

34.1. Payment for work done on public holidays

(a) All work done by an Employee during their ordinary shifts on a public holiday, including a substituted day, will be paid at 250% of their ordinary rate of pay. Alternatively, if the Employee elects, the Employee will be paid half-time extra (50%) for all time worked in addition to the weekly rate and have one ordinary working day added to the period of annual leave. This additional annual leave shall not attract the annual leave loading prescribed at Clause 33.6.

(b) The election in subclause (a) will be made on the commencement of employment and then on the anniversary date each year. The Employee may not alter such election during the year except with the agreement of the Employer.

(c) Payments and entitlement under this clause are instead of any additional rate for shift or weekend work which would otherwise be payable had the shift not been a public holiday.

(d) For the purposes of this agreement, the following shall be deemed to be public holidays:

New Year's Day; Australia Day; Good Friday; Easter Saturday; Easter Sunday; Easter Monday; Anzac Day; Queen's Birthday; Labour Day; Christmas Day; Boxing Day.

34.2. Public Holiday Substitution – State Law

(a) If, under (or in accordance with a procedure under) a law of a State or Territory, a day or part-day is substituted for a day or part-day that would otherwise be a public holiday because of subclause 34.1(d), then the substituted day or part-day is the public holiday.

(b) Subject to subclause 34.2(a), any other day duly proclaimed and observed as a public holiday within the area in which the facility is situated.

34.3. In addition to the named public holidays specified in sub-clause 34.1(d), Employees shall be entitled to an extra public holiday each year. Such public holiday shall occur on the first Monday in August of each year provided that that day is not already a public holiday. In that case the next working day will be observed as the additional public holiday.

34.4. Public holiday substitution

An Employer and the Employees may, by agreement, substitute another day for a public holiday.

34.5. Public holidays occurring on rostered days off

All full-time Employees will receive a day's ordinary pay for public holidays that occur on their rostered day off except where the public holidays fall on Saturday or Sunday with respect to Monday–Friday Employees.

34.6. Part-time Employees

(a) A part-time Employee will only be entitled to payment for those public holidays that fall on days they are normally rostered to work.

(b) A part-time Employee who is rostered off on a public holiday they would ordinarily work will be paid their ordinary pay for that day.

34.7. Casual Employees

(a) A casual Employee will be paid only for those public holidays they work at the total rate of 250% for hours worked.

(b) Payments under clause 34.7(a) are instead of and replace and are in lieu of any casual loading otherwise payable under this agreement.

35. Ceremonial leave

An Employee who is required by Aboriginal or Torres Strait Islander tradition to be absent from work for ceremonial purposes will be entitled to up to ten working days unpaid leave in any one year, with the approval of the Employer.

36. Personal/carer's leave

General

36.1. Personal/carer's leave and compassionate/bereavement leave are provided for in the NES.

36.2. Employee Must Give Notice.

An Employee shall within 12 hours before commencement of a day shift or 6 hours within

commencement of an afternoon or night shift, inform the Employer of his/her inability to attend for duty, and, as far as practicable the nature of the matter and their relationship to the individual) and the estimated duration of the absence.

36.3. An Employee is entitled to take paid carer's leave in respect of a member of the Employee's immediate family or household member.

Personal/Carers Leave

36.4. Employees (excluding casual Employees) are entitled to accrue paid personal/carer's leave in accordance with the NES.

36.5. Casual Employees have no entitlement to paid personal/carer's leave but do have an entitlement to unpaid leave.

36.6. Employees shall be allowed three single days/shifts of personal leave for personal injury or sickness per fiscal year without certification or statutory declaration. An Employee may elect to take the three single days/shifts as two consecutive days /shifts and one single day/shift of personal leave per fiscal year without certification or statutory declaration.

36.7. When taking leave to provide care or support for members of their immediate family or household due to an unexpected emergency, the Employee must, if required by the Employer, establish by production of documentation acceptable to the Employer or a statutory declaration, the nature of the emergency and that such emergency resulted in the person concerned requiring care or support by the Employee.

36.8. In addition, an Employee may use accumulated personal/carer's leave when on workers compensation only where his or her workers compensation payments are less than his or her normal full pay. In this case a personal/carer's leave entitlement may be used to make up the difference between the full normal pay and the workers compensation payment.

37. Compassionate leave

37.1. An Employee is entitled to 2 days of compassionate leave for each occasion (a *permissible occasion*) when a member of the Employee's immediate family, or a member of the Employee's household:

(a) contracts or develops a personal illness that poses a serious threat to his or her life; or

(b) sustains a personal injury that poses a serious threat to his or her life; or

(c) dies.

37.2. An Employee may take compassionate leave for a particular permissible occasion if the leave is taken:

(a) to spend time with the member of the Employee's immediate family or household who has contracted or developed the personal illness, or sustained the personal injury, referred to in subclause 37.1; or

(b) after the death of the member of the Employee's immediate family or household referred to in subclause 37.1.

37.3. An Employee may take compassionate leave for a particular permissible occasion as a single continuous 2 day period; or 2 separate periods of 1 day each; or any separate periods to which the Employee and the Employer agree.

37.4. Where the Employee is involved in funeral arrangements, travelling etc., leave may be allowed for up to three days for each permissible occasion.

37.5. If the permissible occasion is the contraction or development of a personal illness, or the sustaining of a personal injury, the Employee may take the compassionate leave for that occasion at any time while the illness or injury persists.

37.6. If, in accordance with this Clause, an Employee, other than a casual Employee, takes a period of compassionate leave, the Employer must pay the Employee at the Employee's base rate of pay for the Employee's ordinary hours of work in the period. For casual Employees, compassionate leave is unpaid leave.

38. Long Service Leave

38.1. An Employee's entitlement to long service leave shall be in accordance with the provisions of this Agreement and the Long Service Leave Act 1955 (NSW).

38.2. Quantum of Long Service Leave (Nursing Classifications)

(a) Every Employee after ten years' continuous service with the same Employer shall be entitled to two months' long service leave on full pay; after 15 years' continuous service to an additional one month's long service leave on full pay; and for each five years' continuous service thereafter to an additional one and one-half months' long service leave on full pay.

(b) Where the service of an Employee with at least five years' service is terminated, the Employee shall be entitled to long service leave as follows:

(i) For the first five years' service – one month.

(ii) For the next ten years' service – a proportionate amount calculated on the basis of one month for each additional five years. For the purpose of calculation, each completed whole month of continuous service gives an entitlement equal to 0.0722 weeks' pay.

(iii) For all subsequent service - a proportionate amount calculated on the basis of 1.5 months for each additional five years. For the purpose of calculation, each completed whole year of continuous service gives an entitlement equal to 1.2996 weeks' pay.

38.3. Quantum of Long Service Leave (Aged Care Classifications)

(a) Every Employee after ten years' continuous service with the same Employer shall be entitled to two months' long service leave on full pay; after fifteen years' continuous service to an additional one month's long service leave based on a week's pay; and for each five years' continuous service thereafter to an additional one and one-half months' long service leave based on a week's pay.

(b) Where the services of an Employee with at least five years' service are terminated, the Employee shall be entitled for five years service to one month's long service leave based on a week's pay and for service after five years to a proportionate amount of such leave based on a week's pay calculated on the basis of three months long service leave for 15 years' service.

38.4. Taking of Long Service Leave (Aged Care Employees)

(a) The Employer shall give to each Employee at least one month's notice of the date from which it is proposed that the Employee's long service leave shall be given and taken. Such leave shall be taken as soon as practicable having regard to the needs of the facility, or, where the Employer and the Employee agree, such leave may be postponed to an agreed date.

(b) In such a case, where the Employer and Employee agree to postpone the taking of leave, the Employee shall be paid for that leave at the rate of pay applicable at the time of the agreement and not at the rate of pay applicable at the time that the leave is taken. For any such agreement to be valid, it must be in writing and be signed by both the Employer and the Employee.

38.5. Taking of Long Service Leave (Nurses)

(a) Such leave shall be taken at a time to be mutually arranged between the Employer and the Employee as soon as practicable after each period of leave falls due, having regard to the reasonable preferences of each party. Where required by the Employer, the term "as soon as practicable" shall mean that leave is taken by the Employee within 12 months of the date that the leave falls due. The leave is to be taken in one continuous period unless the Employer and Employee agree otherwise.

(b) Notwithstanding anything contained elsewhere in this clause, the Employer and an Employee may mutually agree that the taking of the leave be deferred beyond the initial twelve months referred to above.

38.6. For the purposes of this clause:

(a) Continuous service in the same facility prior to the coming into force of this agreement shall be taken into account, and:

(b) Continuous service shall be deemed not to have been broken by:

(i) Absence of an Employee from the facility while a member of the Defence Forces of the Commonwealth in time of war;

(ii) Any period of absence on leave without pay not exceeding six months

(c) One month equals four and one-third weeks.

38.7. Subject to subclause 38.2 and 38.3, where an Employee has acquired a right to long service leave, then:

(a) If before such leave has been entered upon, the employment of such Employee is terminated, the Employee shall be entitled to receive the monetary value of the leave to which such Employee has been entitled computed at the rate of salary which such Employee was receiving immediately prior to the termination of employment.

(b) Where an Employee dies and any long service leave:

(i) to which the Employee was entitled has not been taken, or

(ii) accrued upon termination of the services of the Employee by reason of the Employee’s death and has not been taken,

The Employer shall pay to the Employee’s estate in full the ordinary pay that would have been payable to the Employee in respect of long service leave less any amount already paid to the Employee in respect of that leave.

39. Community service leave

Community service leave is provided for in the NES.

40. Parental Leave

40.1. Parental leave is provided for in the NES. An Employee's entitlement to parental leave shall be in accordance with the NES.

40.2. Permanent Employees that are eligible for parental leave in accordance with 40.1 shall be entitled to the following paid parental leave:

(a) 2 weeks paid leave for the primary care giver (maternity or adoption leave);

(b) 3 weeks paid leave for the primary care giver (maternity or adoption leave) from the first full pay period on or after 1 July 2020

(c) 4 weeks paid leave for the primary care giver (maternity or adoption leave) from the first full pay period on or after 1 July 2021

(d) 2 weeks of paid leave for the non-primary care giver (including same sex partner);

40.3. Where an Employee has taken paid leave in accordance with 40.2(a) to 40.2(c) of this Clause and the Employee has returned to work at the conclusion of the parental leave for a period of at least 8 weeks, such Employee shall be entitled to payment of an additional two weeks of paid parental leave.

41. Education and Professional Development

41.1. Full time Employees shall be entitled to three (3) days paid study / examination / conference leave per annum for the purposes of attending courses, conferences and/or undertaking or preparing for examinations in a relevant course of study relevant to their work at the facility and is conducted by a recognised institution or training organisation. Part time Employees who work not less than four (4) shifts per fortnight shall be entitled to leave under this clause, on a pro rata basis.

41.2. Leave entitlements pursuant to this clause shall not accumulate from year to year.

41.3. Study Leave shall be taken at a time that is mutually agreed between the Employer and the Employee. The Employer shall not unreasonably withhold approval for such leave subject to:

(a) The Employee having been employed by the facility or network for eighteen months immediately prior to the taking of the leave.

(b) The leave be granted for studies which are related to the classification duties in the Agreement, relevant to advancement through the career structure and to employment at the establishment and would normally be undertaken in a tertiary institution.

41.4. Professional Development Leave

The Employer shall ensure that operating budgets make reasonable provision for the ongoing professional development of full time nursing staff. The Employer will encourage staff to attend relevant seminars and conferences on a regular basis. Costs may be either shared or paid for in total by the Employer or release from work provided at the discretion of the Employer.

41.5. Education and Training

All Employees have a responsibility to maintain and upgrade their skills commensurate with

the requirements of their position. In particular every Employee must attend training required to meet statutory responsibilities including but not limited to: fire and emergency training, manual handling training, infection control, food handling provided by the Employer in each twelve month period or as required.

41.6. Where the Employee attends compulsory training other than during the course of a rostered shift, the minimum payment shall be the length of the training or one (1) hour whichever is the greater, where the training has been scheduled at the start or finish of a shift for which the Employee is rostered.

(a) Each Employee shall provide to the Employer details of their attendance at in-service training and the Employer shall keep a record of this attendance.

(b) Where practicable, such training shall be provided to Employees during the normal rostered hours of work. Where it is not practicable to provide such training during the normal rostered hours of work then:

(i) Employees shall attend in-service training outside their normal rostered working hours when required to do so by the Employer.

(c) An Employer shall provide Employees with two weeks' notice of the requirement to attend training outside of their normal rostered working hours.

(d) Notwithstanding clause 30, Overtime, attendance at such training shall be paid at ordinary rates.

(e) Notwithstanding subclause 22.1(b), Hours of Work, attendance at such in-service training outside the normal rostered working time of an Employee shall not affect the ordinary rate paid to the Employee during normal rostered working time.

(f) For Aged Care Employees and Nursing Employees (excluding RN Level 3 and above) - notwithstanding the above, where practicable, the Employer will enable, mandatory eLearning and/or mandatory training to be undertaken within the ordinary working hours in the workplace. Where this is not practicable, up to 8 hours of such mandatory training per year may be held/ undertaken outside of an employee's ordinary hours in the workplace, which may by mutual agreement be undertaken at the employee's home, and be paid at the ordinary rate. Mandatory training that;

(i) falls outside an employee's ordinary hours and;

(ii) is in excess of 8 hours per year

will be paid at the applicable overtime penalty rate.

(g) Where the Employee attends compulsory training other than during the course of a rostered shift or as set out at clause 41.6, the minimum payment shall be the length of the training or one (1) hour, whichever is greater

41.7. Attendance at any training course other than those referred to at 41.6 above, may be supported by the Employer in accordance with specific policy initiatives. In particular, the parties acknowledge that it is highly desirable for Employees to attend training provided by the Employer.

41.8. Where the Employer has implemented or is participating in a no lift training program every Employee must attend the training required.

42. Attendance at Meetings and Fire Drills

42.1. Any Employee required to work outside the ordinary hours of work in satisfaction of the requirements for compulsory fire safety practices (e.g., fire drill and evacuation procedures), shall be entitled to be paid the "ordinary rate" for the actual time spent in attendance at such practices. Such time spent in attendance shall not be viewed as overtime for the purposes of this agreement.

42.2. Any Employee required to attend Occupational Health and Safety Committee and/or Board of Management meetings in the capacity of Employee representative shall, if such meetings are held outside the ordinary hours of work, be entitled to receive payment at the ordinary rate for the actual time spent in attendance at such meetings. Such time spent in attendance shall not be viewed as overtime for the purposes of this agreement.

43. Disciplinary Procedure

43.1. Where disciplinary action may be necessary, the management representative shall notify the Employee of the issues in writing and the Employee will be given an opportunity to respond to these issues. A minimum of 24 hours' notice will be given of the first meeting. In the event that the Employee's response is unsatisfactory, a first warning in writing may be issued. This warning will be recorded on the Employee's personnel file.

43.2. If the problem continues, the Employee will again be notified in writing of the matter and a response requested from the Employee. If appropriate, a second warning in writing will be given to the Employee and recorded on the Employee's personnel file.

43.3. In the event that the problem continues, the Employee will again be notified in writing of the matter and a response requested. If appropriate, a final written warning will be issued to the Employee and recorded on the Employee's personnel file.

43.4. In the event of the matter recurring, then the Employee may be terminated after the matters have been investigated and reasons sought from the Employee.

43.5. Summary dismissal of an Employee may still occur for acts of 'serious misconduct' (as defined in the Fair Work Act 2009 (Cth). Where an allegation of 'serious misconduct' is proven and the Employer, having considered all the circumstances does not wish to terminate the Employee's employment, a warning may be issued under paragraph 43.2 or 43.2 of this provision.

43.6. During all steps in the Disciplinary Procedure, the Employee has the right to representation of his or her choice, including the NSWNMA or HSU. The Employer may be represented by the representative of their choice.

43.7. Records relating to disciplinary procedures will be disregarded where a continuous period of 12 months elapses without further warning/s. Records relating to disciplinary procedures will be removed from the personnel file after a period of two (2) years where no further warning/s arise.

43.8. This clause shall not apply until the Employee has completed a period of employment with the Employer of the minimum employment period prescribed in the Fair Work Act 2009.

44. Leave to Deal With Family And Domestic Violence

44.1. This clause applies to all Employees, including casuals.

44.2. **Definitions**

(a) In this clause:

(i) **family and domestic violence** means violent, threatening or other abusive behaviour by a family member of an Employee that seeks to coerce or control the Employee and that causes them harm or to be fearful.

(ii) family member means:

(1) a spouse, de facto partner, child, parent, grandparent, grandchild or sibling of the Employee; or

(2) a child, parent, grandparent, grandchild or sibling of a spouse or de facto partner of the Employee; or

(3) a person related to the Employee according to Aboriginal or Torres Strait Islander kinship rules.

(iii) A reference to a spouse or de facto partner in the definition of family member in clause (2)(a) includes a former spouse or de facto partner.

44.3. **Entitlement to leave**

(a) A full-time or part-time Employee is entitled to 5 days' paid leave and a casual Employee is entitled to 5 days' unpaid leave to deal with family and domestic violence, as follows:

(i) the leave is available in full at the start of each 12 month period of the Employee's employment; and

(ii) the leave does not accumulate from year to year; and

(iii) is available in full to part-time Employees.

(b) A period of leave to deal with family and domestic violence may be less than a day by agreement between the Employee and the Employer.

(c) The Employer and Employee may agree that the Employee may take more than 5 days' leave to deal with family and domestic violence.

44.4. **Taking leave to deal with family and domestic violence**

(a) An Employee may take the leave set out at clause 44.3 to deal with family and domestic violence if the Employee:

(i) is experiencing family and domestic violence; and

(ii) needs to do something to deal with the impact of the family and domestic violence and it is impractical for the Employee to do that thing outside their ordinary hours of work.

(b) The reasons for which an Employee may take leave include making arrangements for their safety or the safety of a family member (including relocation), attending urgent court hearings, or accessing police services.

44.5. **Service and continuity**

The time an Employee is on unpaid leave (if applicable) to deal with family and domestic violence does not count as service but does not break the Employee's continuity of service.

44.6. **Notice and evidence requirements**

(a) Notice

An Employee must give the Employer notice of the taking of leave by the Employee under this clause. The notice:

(i) must be given to the Employer as soon as practicable (which may be a time after the leave has started); and

(ii) must advise the Employer of the period, or expected period, of the leave.

(b) Evidence

(i) An Employee who has given the Employer notice of the taking of leave under this clause must, if required by the Employer, give the Employer evidence that would satisfy a reasonable person that the leave is taken for the purpose specified in clause 44.4.

(ii) Depending on the circumstances such evidence may include a document issued by the police service, a court or a family violence support service, or a statutory declaration.

44.7. **Confidentiality**

(a) Employers must take steps to ensure information concerning any notice an Employee has given, or evidence an Employee has provided under clause 44.6, is treated confidentially, as far as it is reasonably practicable to do so.

(b) Nothing in clause 44.7 prevents the Employer from disclosing information provided by an Employee if the disclosure is required by an Australian law or is necessary to protect the life, health or safety of the Employee or another person.

Note: Information concerning an Employee's experience of family and domestic violence is sensitive and if mishandled can have adverse consequences for the Employee. The Employer may consult with such Employees regarding the handling of this information.

44.8. **Compliance**

An Employee is not entitled to take leave under clause 44 unless the Employee complies with clause 44.

45. Noticeboard

The Employer shall make available a notice board in the work location accessible to Employees for the purpose of local Employee union delegates posting information relating to the observance, application and operation of the Agreement and in relation to union events or meetings.

46. Flexible Working Arrangements

The NES provides particular Employees with an entitlement to request a flexible working arrangement. In addition to the NES, if the Employer does not agree to the Employee's request, the Employer must discuss the request with the Employee to better understand the Employee's circumstances and then the Employer must provide any available counter-proposals to the Employee in writing. Any agreed arrangement must be recorded in writing.

47. Union Representative Leave

(a) The Employer recognises the right of all employees to join a union, to access union representation and to participate collectively in workplace issues.

(b) The Employer will recognise union representative(s) upon written notification from each of the union/s.

(c) Union representative(s) will be released from work to attend union business in accordance with the following:

(i) up to a maximum of three (3) days per calendar year (1 January to 31 December) per Residence for the totality of all applications of trade union, union representative training leave, attendance at union conferences, meetings and courses provided that:

(1) the courses are directed to the enhancement of a more productive, aware and harmonious workplace environment;

(2) at least four (4) weeks' notice is provided to the Employer;

(3) the approval of leave must have regard to the operational requirements of the Employer;

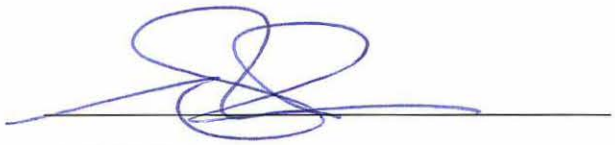
(4) the union representative provides evidence of attendance to the Employer when requested; and

(5) subject to operational requirements the Employer shall not unreasonably refuse such a request.

(d) A union representative may access accrued paid education and professional development leave (clause 41) or unpaid leave for the purpose of attending union training, meetings, conference and courses as detailed in this clause.

DECLARATION AND SIGNATURES

I am authorised to sign this Agreement on behalf of JAPARA ADMINISTRATION PTY LTD



SIGNATURE

Valeria Camara CHRO.

PRINT NAME AND TITLE

Address: LEVEL 4, 1 SOUTHBANK BOULEVARD
SOUTHBANK VIC 3006

Date 11/11/2019

Brett Howard Holmes
Branch Secretary
Australian Nursing and Midwifery Federation
New South Wales Branch
50 O'Dea Ave
WATERLOO NSW 2017

WITNESS
Margaret Mary Potts
50 O'Dea Ave, Waterloo

O'Bray Smith
President
Australian Nursing and Midwifery Federation
New South Wales Branch
50 O'Dea Ave
WATERLOO NSW 2017

WITNESS
Margaret Mary Potts
50 O'Dea Ave, Waterloo

Authority to sign Agreement on behalf of employees is in accordance with Rule 40 of the Rules of the Australian Nursing and Midwifery Federation and as bargaining representative in accordance with the Fair Work Act 2009.

I am authorised to sign this Agreement as the nominated employee bargaining representative on behalf of HSU New South Wales Branch

_____ _____

SIGNATURE PRINT NAME AND TITLE

Address:

Date

Schedule A – Nursing Classification Definitions

Progression through pay points

Progression for all classifications for which there is more than one pay point will be by annual movement to the next pay point, or in the case of a part-time or casual Employee 1786 hours of experience, having regard to the acquisition and use of skill described in the definitions contained in clause Schedule A—Classification Definitions and knowledge gained through experience in the practice settings over such a period.

A.1 Nursing Assistants

Nursing Assistants also otherwise known as Assistants in Nursing, provide nursing, care and other duties under the direction of a Registered Nurse or Enrolled Nurse. The primary role of Nursing Assistants in nursing and care contexts is to observe and report to their supervising nurse about the processes involved in delivering services and the outcomes of that intervention or service. Where specific nursing tasks or responsibilities have been appropriately delegated to the Nursing Assistant by the supervising nurse the Nursing Assistant undertakes accountability for meeting the standards set by professional nursing codes and organisational policies and protocols. This includes the Nursing Assistant making the supervising nurse aware of any impediment to carrying out the delegation.

For Nursing Assistants to be eligible to receive the applicable Certificate III classification, the Employee must hold a Certificate III in Aged Care.

A.1.1 Nursing Care

Nursing care means:

Nursing care carried out by Nursing Assistants in aged care and community care contexts is essentially a team effort where the goals of care are determined by the supervising nurse via the care plan for each individual and the policies and protocols of the employing organisation. Care includes attending to the bio-psycho-social needs of residents as well as ensuring that the environment of care and lifestyle activities is safe and conducive to the wellbeing of residents, visitors and other staff.

A.2 Student enrolled nurse

Student enrolled nurse means a student undertaking study to become an enrolled nurse.

A.3 Enrolled nurses

A.3.1 Enrolled nurse—pay point 1

(a) Pay point 1 refers to the pay point to which an enrolled nurse (EN) has been appointed.

(b) An Employee will be appointed based on training and experience including:

- having satisfactorily completed a hospital based course of training in nursing of not more than 12 months duration leading to enrolment as an EN; or
- having satisfactorily completed a course of training of 12 months duration in a specified branch of nursing leading to enrolment on a register or roll maintained by a state/territory nurses registration board; and

- having practical experience of up to but not more than 12 months in the provision of nursing care and/or services, and, the undertaking of in-service training, subject to its provision by the employing agency, from time to time.

(c) Skill indicators

- The Employee has limited or no practical experience of current situations; and
- The Employee exercises limited discretionary judgment, not yet developed by practical experience.

A.3.2 Enrolled nurse—pay point 2

(a) Pay point 2 refers to the pay point to which an EN has been appointed.

(b) An Employee will be appointed to this pay point based on training and experience including:

- having satisfactorily completed a hospital based course of general training in nursing of more than 12 months duration and/or 500 or more hours theory content or a course accredited at advanced certificate level leading to enrolment as an EN; or
- not more than one further year of practical experience in the provision of nursing care and/or services in addition to the experience, skill and knowledge requirements specified for pay point 1; and
- the undertaking of in-service training, subject to its provision by the employing agency, from time to time.

(c) Skill indicators

The Employee is required to demonstrate some of the following in the performance of their work:

- a developing ability to recognise changes required in nursing activity and in consultation with the RN, implement and record such changes, as necessary;
- an ability to relate theoretical concepts to practice; and/or
- requiring assistance in complex situations and in determining priorities.

A.3.3 Enrolled nurse—pay point 3

(a) Pay point 3 refers to the pay point to which an EN has been appointed.

(b) An Employee will be appointed to this pay point based on training and experience including:

- not more than one further year of practical experience in the provision of nursing care and/or services, in addition to the experience, skill and knowledge requirements specified for pay point 2; and
- the undertaking of in-service training, subject to its provision by the employing agency, from time to time.

(c) Skill indicators

The Employee is required to demonstrate some of the following in the performance of their work:

- an ability to organise, practise and complete nursing functions in stable situations with limited direct supervision;
- observation and assessment skills to recognise and report deviations from stable conditions;
- flexibility in the capacity to undertake work across the broad range of nursing activity and/or competency in a specialised area of practice; and/or
- communication and interpersonal skills to assist in meeting psycho-social needs of individuals/groups.

A.3.4 Enrolled nurse—pay point 4

(a) Pay point 4 refers to the pay point to which an EN has been appointed.

(b) An Employee will be appointed to this pay point based on training and experience including:

- not more than one further year of practical experience in the provision of nursing care and/or services in addition to the experience, skill and knowledge requirements specified for pay point 3; and
- the undertaking of in-service training, subject to its provision by the employing agency, from time to time.

(c) Skill indicators

The Employee is required to demonstrate some of the following in the performance of their work:

- speed and flexibility in accurate decision making;
- organisation of own workload and ability to set own priorities with minimal direct supervision;
- observation and assessment skills to recognise and report deviations from stable conditions across a broad range of patient and/or service needs; and/or
- communication and interpersonal skills to meet psychosocial needs of individual/groups.

A.3.5 Enrolled nurse—pay point 5

(a) Pay point 5 refers to the pay point to which an EN has been appointed.

(b) An Employee will be appointed to this pay point based on training and experience including:

- not more than one further year of practical experience in the provision of nursing care and/or services in addition to the experience, skill and knowledge requirements specified for pay point 4; and

- the undertaking of relevant in-service training, subject to its provision by the employing agency, from time to time.

(c) Skill indicators

The Employee is required to demonstrate some of the following in the performance of their work:

- contributes information in assisting the RN with development of nursing strategies/improvements within the Employee's own practice setting and/or nursing team, as necessary;
- responds to situations in less stable and/or changed circumstances resulting in positive outcomes, with minimal direct supervision; and
- efficiency and sound judgment in identifying situations requiring assistance from an RN.

A.4 Registered nurses

A.4.1 Registered nurse—level 1 (RN1)

(a) An Employee at this level performs their duties:

(i) according to their level of competence; and

(ii) under the general guidance of, or with general access to a more competent registered nurse (RN) who provides work related support and direction.

(b) An Employee at this level is required to perform general nursing duties which include substantially, but are not confined to:

- delivering direct and comprehensive nursing care and individual case management to patients or clients within the practice setting;
- coordinating services, including those of other disciplines or agencies, to individual patients or clients within the practice setting;
- providing education, counselling and group work services orientated towards the promotion of health status improvement of patients and clients within the practice setting;
- providing support, direction and education to newer or less experienced staff, including EN's, and student EN's and student nurses;
- accepting accountability for the Employee's own standards of nursing care and service delivery; and
- participating in action research and policy development within the practice setting.

A.4.2 Registered nurse—level 2 (RN2)

(a) An Employee at this level may be an Registered Nurse, Clinical Nurse Specialist or Clinical Nurse Educator:

(i) holds any other qualification required for working in the Employee's particular practice setting; and

(ii) is appointed as such by a selection process or by reclassification from a lower level when the Employee is required to perform the duties detailed in this subclause on a continuing basis.

(b) In addition to the duties of an RN1, an Employee at this level is required, to perform duties delegated by a nurse in a higher classification.

Duties of a Level 2 nurse will substantially include, but are not confined to:

- delivering direct and comprehensive nursing care and individual case management to a specific group of patients or clients in a particular area of nursing practice within the practice setting;
- providing support, direction, orientation and education to RN1's, EN's, student nurses and student EN's;

(c) being responsible for planning and coordinating services relating to a particular group of clients or patients in the practice setting, as delegated by a nurse in a higher classification.

- acting as a role model in the provision of holistic care to patients or clients in the practice setting; and
- assisting in the management of action research projects, and participating in quality assurance programs and policy development within the practice setting.

A.4.3 Registered nurse—level 3 (RN3)

(a) An Employee at this level:

(i) holds any other qualification required for working in the Employee's particular practice setting; and

(ii) is appointed as such by a selection process or by reclassification from a lower level when that the Employee is required to perform the duties detailed in this subclause on a continuing basis.

An Employee at this level may also be known as a Clinical nurse consultant, Nurse manager or Nurse educator.

(b) In addition to the duties of an RN2, an Employee at this level will perform the following duties in accordance with practice settings and patient or client groups:

(i) Duties of a Clinical Nurse consultant will substantially include, but are not confined to:

- providing leadership and role modelling, in collaboration with others including the Nurse manager and the Nurse educator, particularly in the areas of action research and quality assurance programs;
- staff and patient/client education;
- staff selection, management, development and appraisal;
- participating in policy development and implementation;

- acting as a consultant on request in the Employee's own area of proficiency; for the purpose of facilitating the provision of quality nursing care;
- delivering direct and comprehensive nursing care to a specific group of patients or clients with complex nursing care needs, in a particular area of nursing practice within a practice setting;
- coordinating, and ensuring the maintenance of standards of the nursing care of a specific group or population of patients or clients within a practice setting; and
- coordinating or managing nursing or multidisciplinary service teams providing acute nursing and community services.

(ii) Duties of a Nurse manager will substantially include, but are not confined to:

- providing leadership and role modelling, in collaboration with others Including the Clinical nurse consultant and the Nurse educator, particularly in the areas of action research and quality assurance programs;
- staff selection and education;
- allocation and rostering of staff;
- occupational health;
- initiation and evaluation of research related to staff and resource management;
- participating in policy development and implementation;
- acting as a consultant on request in the Employee's own area of proficiency (for the purpose of facilitating the provision of quality nursing care);
- being accountable for the management of human and material resources within a specified span of control, including the development and evaluation of staffing methodologies; and
- managing financial matters, budget preparation and cost control in respect of nursing within that span of control.

(iii) Duties of a Nurse educator will substantially include, but are not confined to:

- providing leadership and role modelling, in collaboration with others including the Clinical nurse consultant and the Nurse manager, particularly in the areas of action research;
- implementation and evaluation of staff education and development programs;
- staff selection;
- implementation and evaluation of patient or client education programs;
- participating in policy development and implementation;
- acting as a consultant on request in the Employee's own area of proficiency (for the purpose of facilitating the provision of quality nursing care); and

- being accountable for the assessment, planning, implementation and evaluation of nursing education and staff development programs for a specified population.

A.4.5 Registered nurse—level 4 (RN4)

(a) An Employee at this level:

(i) holds any other qualification required for working in the Employee's particular practice setting; and

(ii) is appointed as such by a selection process or by reclassification from a lower level when the Employee is required to perform the duties detailed in this subclause on a continuing basis.

An Employee at this level may also be known as an Assistant director of nursing (clinical), Assistant director of nursing (management), or Assistant director of nursing (education).

(b) Appointment at a particular grade at this level will depend upon the level of complexity associated with the duties described in this clause. In this connection the number of beds in a facility will be a relevant consideration.

(c) In addition to the duties of an RN3, an Employee at this level will perform the following duties:

(i) Duties of an Assistant director of nursing (clinical) will substantially include, but are not confined to:

- providing leadership and role modelling, in collaboration with others including the Assistant director of nursing (management) and Assistant director of nursing (education), particularly in the areas of selection of staff within the Employee's area of responsibility;
- provision of appropriate education programs, coordination and promotion of clinical research projects;
- participating as a member of the nursing executive team;
- contributing to the development of nursing and health unit policy for the purpose of facilitating the provision of quality nursing care;
- managing the activities of, and providing leadership, coordination and support to, a specified group of Clinical nurse consultants;
- being accountable for the establishment, implementation and evaluation of systems to ensure the standard of nursing care for a specified span of control;
- being accountable for the development, implementation and evaluation of patterns of patient care for a specified span of control;
- being accountable for clinical operational planning and decision making for a specified span of control; and
- being accountable for appropriate clinical standards, through quality assurance programs, for a specified span of control.

(ii) Duties of an Assistant director of nursing (management) will substantially include, but are not confined to:

- providing leadership and role modelling, in collaboration with others including the Assistant director of nursing (clinical) and Assistant director of nursing (education), particularly in the areas of selection of staff within the Employee's area of responsibility;
- coordination and promotion of nursing management research projects;
- participating as a member of the nursing executive team;
- contributing to the development of nursing and health unit policy for the purpose of facilitating the provision of quality nursing care;
- managing the activities of, and providing leadership, coordination and support to, a specified group of Nurse managers;
- being accountable for the effective and efficient management of human and material resources within a specified span of control;
- being accountable for the development and coordination of nursing management systems within a specified span of control; and
- being accountable for the structural elements of quality assurance for a specified span of control.

(iii) Duties of an Assistant director of nursing (education) will substantially include, but are not confined to:

- providing leadership and role modelling, in conjunction with others including the Assistant director of nursing (clinical) and the Assistant director of nursing (management), particularly in the areas of selection of staff within the Employee's area of responsibility;
- coordination and promotion of nurse education research projects;
- participating as a member of the nursing executive team, and contributing to the development of nursing and health unit policy for the purpose of facilitating the provision of quality nursing care;
- managing the activities of, and providing leadership, coordination and support to a specific group of Nurse educators;
- being accountable for the standards and effective coordination of education programs for a specified population;
- being accountable for the development, implementation and evaluation of education and staff development programs for a specified population;
- being accountable for the management of educational resources including their financial management and budgeting control; and
- undertaking career counselling for nursing staff.

A.4.6 Registered nurse level 5—(RN5)

(a) An Employee at this level:

(i) holds any other qualification required for working in the Employee's particular practice setting; and

(ii) is appointed as such by a selection process or by reclassification from a lower level when the Employee is required to perform the duties detailed in this subclause on a continuing basis.

An Employee at this level may also be known as a Director of nursing.

(b) Appointment at a particular grade at this level will depend upon the level of complexity associated with the duties described in this clause. In this connection the number of beds in a facility will be a relevant consideration.

(c) In addition to the duties of an RN4, an Employee at this level will perform the following duties:

- being accountable for the standards of nursing care for the health unit and for coordination of the nursing service of the health unit;
- participating as a member of the executive of the health unit, being accountable to the executive for the development and evaluation of nursing policy, and generally contributing to the development of health unit policy;
- providing leadership, direction and management of the nursing division of the health unit in accordance with policies, philosophies, objectives and goals established through consultation with staff and in accordance with the directions of the Board of Directors of the health unit;
- providing leadership and role modelling, in collaboration with others, particularly in the areas of staff selection, promotion of participative decision making and decentralisation of nursing management and generally advocating for the interests of nursing to the executive team of the health unit;
- managing the budget of the nursing division of the health unit;
- ensuring that nursing services meeting changing needs of clients or patients through proper strategic planning; and
- complying, and ensuring the compliance of others, with the code of ethics and legal requirements of the nursing profession.

A.5 Nurse Practitioner

A Nurse practitioner:

- is a registered nurse/midwife appointed to the role;
- has obtained an additional qualification relevant to the state regulating authority to enable them to become licensed Nurse practitioners.

A Nurse practitioner is authorised to function autonomously and collaboratively in an advanced and extended clinical role.

A.5.1 Role of a licensed Nurse practitioner

(a) The nurse practitioner is able to assess and manage the care of clients/residents using nursing knowledge and skills. It is dynamic practice that incorporates application of high level knowledge and skills, beyond that required of a registered

nurse /midwife in extended practice across stable, unpredictable and complex situations.

(b) The nurse practitioner role is grounded in the nursing profession's values, knowledge, theories and practice and provides innovative and flexible health care delivery that complements other health care providers.

A.5.2 Scope of practice

The scope of practice of the Nurse practitioner is determined by the context in which:

(a) the nurse practitioner is authorised to practice. The nurse practitioner therefore remains accountable for the practice for which they directed; and

(b) the professional efficacy whereby practice is structured in a nursing model and enhanced by autonomy and accountability.

The Nurse practitioner is authorised to directly refer clients/residents to other health professionals, prescribe medications and order diagnostic investigations including pathology and plain screen x-rays.

Nurse practitioners exhibit clinical leadership that influences and progresses clinical care, policy and collaboration through all levels of health service.

Schedule B – Aged Care Classifications
Progression from Aged Care Level One

Employees who are new to the industry and/or have less than three months work experience in the industry may be classified at this level. This level is designed solely as an entry level.

An Employee at Aged Care Level One will only be eligible for progression to Aged Care Level Two if, the Employee:

(a) has completed three months continuous employment; and

(b) has performed basic duties.

The following are the Aged Care Classifications:

B.1 Aged care Employee—level 1

Entry level:

An Employee who has less than three months work experience in the industry and performs basic duties:

- works within established routines, methods and procedures;
- has minimal responsibility, accountability or discretion;
- works under direct or routine supervision, either individually or in a team; and
- requires no previous experience or training.

Indicative tasks performed at this level are:

General and administrative services	**Food services**
General clerk Laundry hand Cleaner Assistant gardener	Food services assistant

B.2 Aged care Employee—level 2

An Employee at this level:

- is capable of prioritising work within established routines, methods and procedures;
- is responsible for work performed with a limited level of accountability or discretion;
- works under limited supervision, either individually or in a team;
- possesses sound communication skills; and
- requires specific on-the-job training and/or relevant skills training or experience.

Indicative tasks performed at this level are:

General and administrative services	Food services	Personal care
General clerk/Typist (between 3 months and less than 1 years service) Laundry hand Cleaner Gardener (non-trade) Maintenance/Handyperson (unqualified) Driver (less than 3 ton)	Food services assistant	Personal care worker grade 1

B.3 Aged care Employee—level 3

An Employee at this level:

- is capable of prioritising work within established routines, methods and procedures (non admin/clerical);
- is responsible for work performed with a medium level of accountability or discretion (non admin/clerical);
- works under limited supervision, either individually or in a team (non admin/clerical);
- possesses sound communication and/or arithmetic skills (non admin/clerical);
- requires specific on-the-job training and/or relevant skills training or experience (non admin/clerical); and
- In the case of an admin/clerical Employee, undertakes a range of basic clerical functions within established routines, methods and procedures.

Indicative tasks performed at this level are:

General and administrative services	Food services	Personal care
General clerk/Typist (second and subsequent years of service) Receptionist Pay clerk	Cook	Personal care worker grade 2 Recreational/Lifestyle activities officer (unqualified)

Driver (less than 3 ton) who is required to hold a St John Ambulance first aid certificate		

B.4 Aged care Employee—level 4

An Employee at this level:

- is capable of prioritising work within established policies, guidelines and procedures;
- is responsible for work performed with a medium level of accountability or discretion;
- works under limited supervision, either individually or in a team;
- possesses good communication, interpersonal and/or arithmetic skills; and
- requires specific on-the-job training, may require formal qualifications and/or relevant skills training or experience.
- In the case of a Personal care worker, is required to hold a relevant Certificate III qualification.

Indicative tasks performed at this level are:

General and administrative services	**Food services**	**Personal care**
Senior clerk Senior receptionist Maintenance/Handyperson (qualified) Driver (3 ton and over) Gardener (trade or TAFE Certificate III or above)	Senior cook (trade)	Personal care worker grade 3 Recreational/Lifestyle activities officer (Cert III)

B.5 Aged care Employee—level 5

- An Employee at this level:
- is capable of functioning semi-autonomously, and prioritising their own work within established policies, guidelines and procedures;
- is responsible for work performed with a substantial level of accountability;
- works either individually or in a team;
- may assist with supervision of others;
- requires a comprehensive knowledge of medical terminology and/or a working knowledge of health insurance schemes (admin/clerical);
- may require basic computer knowledge or be required to use a computer on a regular basis;

- possesses administrative skills and problem solving abilities;
- possesses well developed communication, interpersonal and/or arithmetic skills; and
- requires substantial on-the-job training, may require formal qualifications at trade or certificate level and/or relevant skills training or experience.

Indicative tasks performed at this level are:

General and administrative services	**Food services**	**Personal care**
Secretary interpreter (unqualified)	Chef	Personal care worker grade 4

B.6 Aged care Employee—level 6

An Employee at this level:

- is capable of functioning with a high level of autonomy, and prioritising their work within established policies, guidelines and procedures;
- is responsible for work performed with a substantial level of accountability and responsibility;
- works either individually or in a team;
- may require comprehensive computer knowledge or be required to use a computer on a regular basis;
- possesses administrative skills and problem solving abilities;
- possesses well developed communication, interpersonal and/or arithmetic skills; and
- may require formal qualifications at post-trade or Advanced Certificate or Associate Diploma level and/or relevant skills training or experience.

Indicative tasks performed at this level are:

General and administrative services	**Food services**
Maintenance tradesperson (advanced) Gardener (advanced)	Senior chef

B.7 Aged care Employee—level 7
An Employee at this level:

- is capable of functioning autonomously, and prioritising their work and the work of others within established policies, guidelines and procedures;

- is responsible for work performed with a substantial level of accountability and responsibility;
- may supervise the work of others, including work allocation, rostering and guidance;
- works either individually or in a team;
- may require comprehensive computer knowledge or be required to use a computer on a regular basis;
- possesses developed administrative skills and problem solving abilities;
- possesses well developed communication, interpersonal and/or arithmetic skills; and
- may require formal qualifications at trade or Advanced Certificate or Associate Diploma level and/or relevant skills training or experience.

Indicative tasks performed at this level are:

General and administrative services	**Food services**	**Personal care**
Clerical supervisor Interpreter (qualified) Gardener superintendent General services supervisor	Chef /Food services supervisor	Personal care worker grade 5

SCHEDULE C – Wages Table
All increases are effective from the first full pay period commencing on or after the prescribed date

		1/07/2019	1/12/2019	1/07/2020	1/12/2020	1/07/2021	1/12/2021
Classification	FFPPOA 31/01/2019		1.30%	1.30%	1.30%	2.30%	1.30%
AIN							
Year 1	21.5911	$22.0905	$22.3776	$22.6685	$22.9632	$23.4914	$23.7968
Year 2	21.9479	$22.4555	$22.7475	$23.0432	$23.3428	$23.8796	$24.1901
Year 3 and thereafter	22.3158	$22.8320	$23.1288	$23.4294	$23.7340	$24.2799	$24.5955
Qualified Cert III	23.0297	$23.5624	$23.8687	$24.1790	$24.4933	$25.0567	$25.3824
Enrolled Nurse 1							
1.1	26.8139	$27.5700	$27.9284	$28.2914	$28.6592	$29.3184	$29.6995
1.2	27.1603	$27.9260	$28.2891	$28.6568	$29.0294	$29.6971	$30.0831
1.3	27.5187	$28.2946	$28.6624	$29.0350	$29.4125	$30.0890	$30.4801
1.4	27.9266	$28.7140	$29.0873	$29.4654	$29.8484	$30.5349	$30.9319
1.5	28.1987	$28.9937	$29.3707	$29.7525	$30.1393	$30.8325	$31.2333
Registered Nurse 1							
1	32.2658	$ 33.1755	$ 33.6068	$ 34.0437	$ 34.4863	$ 35.2794	$ 35.7381
2	32.9195	$ 33.8476	$ 34.2877	$ 34.7334	$ 35.1849	$ 35.9942	$ 36.4621
3	33.7400	$ 34.6913	$ 35.1423	$ 35.5991	$ 36.0619	$ 36.8913	$ 37.3709
4	34.6303	$ 35.6067	$ 36.0696	$ 36.5385	$ 37.0135	$ 37.8648	$ 38.3570
5	35.7011	$ 36.7076	$ 37.1848	$ 37.6682	$ 38.1579	$ 39.0356	$ 39.5430
6	36.7303	$ 37.7659	$ 38.2568	$ 38.7542	$ 39.2580	$ 40.1609	$ 40.6830
7	37.7871	$ 38.8525	$ 39.3576	$ 39.8692	$ 40.3875	$ 41.3165	$ 41.8536
8 and thereafter	38.7747	$ 39.8680	$ 40.3863	$ 40.9113	$ 41.4431	$ 42.3963	$ 42.9475

Registered Nurse 2							
1	34.8553	$ 35.8380	$ 36.3039	$ 36.7759	$ 37.2539	$ 38.1108	$ 38.6062
2	37.5882	$ 38.6480	$ 39.1504	$ 39.6593	$ 40.1749	$ 41.0989	$ 41.6332
3	37.6755	$ 38.7378	$ 39.2414	$ 39.7515	$ 40.2683	$ 41.1945	$ 41.7300
4 and thereafter	37.7876	$ 38.8531	$ 39.3581	$ 39.8698	$ 40.3881	$ 41.3170	$ 41.8542
Registered Nurse 3							
1	38.3605	$ 39.4421	$ 39.9548	$ 40.4743	$ 41.0004	$ 41.9434	$ 42.4887
2	39.0653	$ 40.1667	$ 40.6889	$ 41.2178	$ 41.7537	$ 42.7140	$ 43.2693
3	39.7326	$ 40.8529	$ 41.3840	$ 41.9220	$ 42.4670	$ 43.4437	$ 44.0085
4 and thereafter	40.4497	$ 41.5902	$ 42.1309	$ 42.6786	$ 43.2334	$ 44.2278	$ 44.8027
Nurse Practitioner							
1	43.7961	$ 44.8091	$ 45.3916	$ 45.9817	$ 46.5794	$ 47.6508	$ 48.2702
2 and thereafter	45.0979	$ 46.1410	$ 46.7408	$ 47.3484	$ 47.9640	$ 49.0671	$ 49.7050
Assistant Facility Manager (Deputy DON)							
20 – 75 beds	44.7466	$ 45.7816	$ 46.3767	$ 46.9796	$ 47.5904	$ 48.6849	$ 49.3178
75 – 100 beds	45.5479	$ 46.6014	$ 47.2072	$ 47.8209	$ 48.4426	$ 49.5568	$ 50.2010
100 -150 beds	45.7771	$ 46.8359	$ 47.4448	$ 48.0616	$ 48.6864	$ 49.8062	$ 50.4536
150 – 200 beds	46.8842	$ 47.9686	$ 48.5922	$ 49.2239	$ 49.8638	$ 51.0107	$ 51.6739
200 – 250 beds	48.1313	$ 49.2446	$ 49.8848	$ 50.5333	$ 51.1902	$ 52.3676	$ 53.0484
250 – 350 beds	49.5821	$ 50.7289	$ 51.3884	$ 52.0565	$ 52.7332	$ 53.9461	$ 54.6474
Facility Manager							
20 – 50 beds	51.8603	$ 53.0598	$ 53.7496	$ 54.4483	$ 55.1561	$ 56.4247	$ 57.1583
50 – 75 beds	52.9421	$ 54.1667	$ 54.8708	$ 55.5841	$ 56.3067	$ 57.6018	$ 58.3506
75 – 100 beds	54.0111	$ 55.2603	$ 55.9787	$ 56.7064	$ 57.4436	$ 58.7648	$ 59.5288

100 -150 beds	55.5253	$ 56.8096	$ 57.5481	$ 58.2962	$ 59.0541	$ 60.4123	$ 61.1977
150 – 200 beds	57.3197	$ 58.6455	$ 59.4079	$ 60.1802	$ 60.9626	$ 62.3647	$ 63.1755
200 – 250 beds	59.1142	$ 60.4815	$ 61.2678	$ 62.0643	$ 62.8711	$ 64.3171	$ 65.1533
250 – 350 beds	61.2776	$ 62.6950	$ 63.5100	$ 64.3356	$ 65.1720	$ 66.6710	$ 67.5377

		1/07/2019	1/12/2019	1/07/2020	1/12/2020	1/07/2021	1/12/2021
Classification	FFPPOA 31/01/2019		1.30%	1.30%	1.30%	2.30%	1.30%
Aged Care Employees							
Level 1	20.8282	$ 21.3099	$ 21.5869	$ 21.8676	$ 22.1519	$ 22.6613	$ 22.9559
Level 2	21.6961	$ 22.1979	$ 22.4865	$ 22.7788	$ 23.0749	$ 23.6056	$ 23.9125
Level 3	22.5424	$ 23.0638	$ 23.3636	$ 23.6673	$ 23.9750	$ 24.5264	$ 24.8453
Level 4	22.8103	$ 23.3379	$ 23.6413	$ 23.9486	$ 24.2599	$ 24.8179	$ 25.1405
Level 5	23.5816	$ 24.1270	$ 24.4407	$ 24.7584	$ 25.0803	$ 25.6571	$ 25.9906
Level 6	24.8566	$ 25.4315	$ 25.7621	$ 26.0970	$ 26.4363	$ 27.0443	$ 27.3959
Level 7	25.3066	$ 25.8919	$ 26.2285	$ 26.5695	$ 26.9149	$ 27.5339	$ 27.8919

SCHEDULE D - Allowances

		1/07/2019	1/12/2019	1/07/2020	1/12/2020	1/07/2021	1/12/2021
Allowance	Clause						
1.Uniform Allowance - Clause							
Per shift	18.1(b)	1.32	1.34	1.35	1.37	1.40	1.42
Per week	18.1(b)	6.71	6.80	6.89	6.98	7.14	7.23
2. Laundry Allowance - Clause							
Per shift	18.1(c)	0.38	0.38	0.39	0.40	0.40	0.41
Per week	18.1(c)	5.45	5.52	5.59	5.67	5.80	5.87
Meal Allowance when no meal is provided							
3. First Meal Allowance - Clause	18.2(a)(i)	13.41	13.58	13.76	13.94	14.26	14.45
4. Subsequent Meal Allowance	18.2(a)(ii)	12.09	12.25	12.41	12.57	12.86	13.02
On Call Allowance (Nursing classification only)							
5. Between rostered shifts Mon - Fri	18.3(a)(i)	22.09	22.38	22.67	22.96	23.49	23.80
6. Between rostered shifts in a Saturday	18.3(a)(ii)	33.27	33.70	34.14	34.58	35.38	35.84
7. Between rostered shifts on a Sunday, PH or RDO	18.3(a)(iii)	38.81	39.31	39.83	40.34	41.27	41.81
8. Mileage per KM	18.4(c)	0.84	0.85	0.86	0.87	0.89	0.90
Qualification Allowance - weekly							
9. RN - post grad cert in clinical field	18.5(g)	21.26	21.54	21.82	22.10	22.61	22.90
10. RN - post grad diploma or degree in clinical field	18.5(h)	35.40	35.86	36.33	36.80	37.64	38.13
11. RN relevant matters degree or doctorate	18.5(i)	42.47	43.02	43.58	44.15	45.16	45.75
Leading Hand Allowance (AC Classifications only)							
12. in charge of 2 - 5 employees	18.7	24.48	24.80	25.12	25.45	26.03	26.37
13. in charge of 6 - 10 employees	18.7	34.94	35.39	35.85	36.32	37.16	37.64
14. in charge of 11 - 15 employees	18.7	44.11	44.68	45.26	45.85	46.91	47.52
15. in charge of 16 - 19 employees	18.7	53.92	54.62	55.33	56.05	57.34	58.08
Nauseous work Allowance							

17. per hour	18.8	0.46	0.47	0.47	0.48	0.49	0.50
18. minimum per week	18.8	2.47	2.50	2.53	2.57	2.63	2.66
19. Tool Allowance - Aged Care Classifications	18.9	12.04	12.20	12.36	12.52	12.80	12.97
20. On call during meal breaks	29.1(b)	12.22	12.38	12.54	12.70	12.99	13.16
In Charge of Facility - RN 1 and 2 only							
21. In charge of facility <100 beds	18.10(a)(i)	21.49	21.77	22.05	22.34	22.85	23.15
22. In charge of facility 100 beds or more	18.10(a)(ii)	37.61	38.10	38.59	39.10	40.00	40.52

Attachment A

FAIR WORK COMMISSION

MATTER NO: AG2019/4304

APPLICANT: Japara Administration Pty Ltd

UNDERTAKINGS

I, Jennifer Anderson, Industrial Relations Manager, give the following undertakings on behalf of the Applicant employer in accordance with section 190 of the *Japara Administration Pty Ltd New South Wales Employee Enterprise Agreement 2019* (**Agreement**):

1. Clause 34.4 of the Agreement will be replaced with the following:

> *34.4. Public holiday substitution*
>
> *The Employer and an Employee may, by agreement, substitute a day (or part-day) for a day (or part-day) that would otherwise be a public holiday under the NES.*

2. Clause 42 will be amended to include the following subclause 42.3:

> *For Aged Care Employees - notwithstanding clauses 42.1 and 42.2, where meetings and/ or fire drills are held/ undertaken outside of an Employee's ordinary hours:*
> *(i) the first 8 hours will be paid at the ordinary rate;*
> *(ii) any remaining meetings/ fire drills beyond 8 hours per year will be paid at the applicable overtime penalty rate.*

3. Clause 12.3(f)(iii) is to be amended (as underlined):

> *(f) Aged Care Employees only*
>
> ...
>
> *(iii) No part-time Employee shall be directed to work in excess of their rostered ordinary hours (**Additional Hours**) at the ordinary rate of pay. Where a part-time Employee:*
>
> *(1) does not agree to work Additional Hours at the ordinary rate of pay; or*
>
> *(2) is directed to work Additional Hours by the Employer;*
>
> *the Employee will be paid the applicable overtime penalty rate for such Additional Hours worked.*

Jenny Anderson

Jennifer Anderson
Industrial Relations Manager
Date: 6 November 2019

FAIR WORK COMMISSION

Matter No: AM2024/11

Application by Australian Nursing and Midwifery Federation

WITNESS STATEMENT OF DUNCAN APELT

DATED 29 MAY 2026

I, Duncan Apelt, of [redacted], state as follows:

BACKGROUND

1. I have over 28 years' experience working in the healthcare sector.

2. Since the beginning of 2025, I have been employed as the Senior Manager of Operational Performance within UnitingCare Queensland Limited's health business (**UnitingCare Health**). In that role I am part of the senior leadership at UnitingCare Health.

3. In my role I work across UnitingCare Health's four hospitals in Queensland: The Wesley Hospital, St Andrew's War Memorial Hospital, St Stephen's Hospital, and Buderim Private Hospital.

4. My role is operational based and focused on budgetary performance. My responsibilities include:

   (a) looking at hospital departments and their performance across areas like wards, catering, nursing, clinical support;

   (b) providing support to managers across the hospital departments, for example in relation to issues with achieving their budget compliance or their KPI performance

Lodged by: Catholic Health Australia	**Telephone:** Nigel Ward – [redacted]; Alana Rafter – [redacted]
Address for service: Australian Business Lawyers & Advisors Level 7, 8 Chifley Square, SYDNEY NSW 2000	**Email:** Nigel.Ward@ablawyers.com.au Alana.Rafter@ablawyers.com.au

or with rostering (which requires me to be familiar with the work hours and requirements of staff at the hospitals);

(c) analysing and supporting improvements in areas such as operating theatres, where I help teams improve throughput;

(d) supporting recruitment decisions and helping determine which roles need to be filled to remain compliant with KPIs, including considerations around the composition of the clinical workforce;

(e) leader education and development; and

(f) managing hospital reporting requirements.

5. At the time of this statement, I am acting as the hospital liaison for the enterprise bargaining agreement with the Queensland Nurses and Midwives' Union of Employees (**QNMU**), which looks at workforce conditions, including pay and broader working conditions.

6. Immediately prior to my current position at UnitingCare Health, I worked in the following positions

(a) Ramsay Healthcare (**Ramsay**) in the role Public Contract Manager for three years

(b) UnitingCare Health at Buderim Private Hospital as the Patient Flow Manager for 1 year

(c) Queensland Health - Sunshine Coast Hospital and Health Service as the General Manager for Surgical and Critical Care Services for 2 years

(d) Ramsay as the Director of Clinical Services for 4 years

(e) Ramsay Assistant Director of Nursing for 3 years

(f) Ramsay Nurse Unit Manager of Intensive Care for 3 years.

7. My work history also includes time as both a Clinical Nurse and Registered Nurse (**RN**) in intensive care, emergency and acute medical/surgery settings.

8. My qualifications include:

   (a) a Bachelor of Nursing Science from James Cook University in 2000;

   (b) a Graduate Certificate in Critical Care from Griffith University in 2004; and

   (c) a Masters in Business Management from Monash University in 2014.

9. This statement is made from my own knowledge and belief, unless otherwise stated. Where statements are not made from my knowledge, they are made to the best of my knowledge, information and belief and I have set out the sources of my knowledge, information and belief.

UNITINGCARE HEALTH

Enterprise Agreement

10. UnitingCare Health classify and pay its nursing employees in accordance with the *UnitingCare Health & QNMU – Nurses and Midwives Enterprise Agreement 2022 – 2025* (**EBA**).

11. The EBA is negotiated every 3 years.

A COPY OF THE UNITINGCARE HEALTH EBA IS ANNEXED AND MARKED "DA-1".

Organisational Structure at UnitingCare Health Hospitals

12. Generally, the organisational structure at each hospital includes the following staff employed by UnitingCare Health:

   (a) General Manager;

   (b) Director of Clinical Services;

   (c) Assistant Director of Nursing;

   (d) Clinical Nurse Manager (this role is equivalent to a Nurse Unit Manager);

   (e) Clinical Nurse Consultant;

   (f) Clinical Nurse;

(g) Registered Nurses (**RNs**);

(h) ENs; and

(i) AINs (this role is equivalent to a Patient Services Assistant).

13. UnitingCare Health do not currently employ NPs. There are NPs that work in our facilities but they work with our visiting medical practitioners and are not directly employed.

Enrolled Nurses at UnitingCare Health

14. At UnitingCare Health, there are three types of EN:

(a) non-medication endorsed;

(b) medication endorsed; and

(c) intravenous (**IV**) medication endorsed.

15. The reason for this range is due to the evolvement of EN training over the years (i.e. the training provided as part of the Diploma). This includes:

(a) the introduction of medication administration, which enables ENs to give oral medication; and

(b) more recently (within the past 15-20 years) the introduction of IV medication training.

16. The majority of ENs at UnitingCare Health are IV medication endorsed, which enable them to work for us at the top of their scope of practice, or medication endorsed. We have a small number that fall into the non-medication category.

WORKING ENVIRONMENT IN UNITINGCARE HEALTH HOSPITALS

General

17. In a hospital, there are a wide range of different areas that nurses can work in, including:

(a) pre-admission department;

(b) general medical wards;

(c) surgical wards;

(d) operating theatres;

(e) palliative care ward;

(f) intensive care unit; and

(g) recovery.

18. Whilst ENs can carry out clinical care, they are not primarily responsible for making the assessments required to plan care associated with a patient. As a result, there are specific areas within a hospital where you do not tend to see a large number of ENs, including Intensive Care Recovery /Post Anaesthetic Care Unit, and areas such as emergency departments.

Shift Structure

19. Each hospital operates on a 24-hour model, with specific shift structure subject to the ward.

20. For example, in a general ward:

(a) there are three 8-hour shifts covering morning, afternoon and night;

(b) 12 hours shifts are also a common feature and generally are broken into day and overnight (Day – 0700 -1930) (Night 1900 – 0730);

(c) there are some 10-hour day shifts; and

(d) occasionally a 10-hour night duty.

21. At all times, there is a clinician allocated to care for a patient.

Skill Mix

22. Based on my experience across private hospitals, a typical RN skill mix is often in the range of 70-75% RN, with the remaining workforce comprising ENs or AINs. This can vary according to service profile and workforce availability.

23. At UnitingCare Health, our skill mix currently is 88.7% for RNs, due largely to EN recruitment availability.

24. On each shift in an acute hospital setting, the majority of the nursing staff will be RNs.

THE ROLE OF ENROLLED NURSES AT UNITINGCARE HEALTH

Tasks Performed by ENs

25. The core function of an EN is to carry out clinical care within the scope of their practice**,** which includes but isn't limited to:

    (a) administering medications;

    (b) taking observations such as blood pressure and other vital signs;

    (c) undertaking wound care;

    (d) providing hygiene and personal care to patients; and

    (e) documentation.

26. ENs are also involved in completing a range of clinical documentation, including risk assessments. For example, a patient admitted to hospital must have a falls risk assessment and then at regular intervals (e.g. every three days). Similarly, they will complete pressure area risk assessments, malnutrition screening, and neurological assessments.

Three Criteria for ENs

27. Before an EN performs any task within their scope of practice they must meet three criteria:

    (a) they need to be educated to do it;

    (b) they need to be competent and confident to do it; and

    (c) they need to be authorised by Australian Health Practitioner Regulation Agency (**AHPRA**) and/or the hospital they are working at (some facilities will make a decision about whether an EN can do a specific task. Other facilities may not be comfortable

with them to do that, depending on individual organisational factors that shape the EN scope of practice).

28. The point at which an EN achieves full proficiency of all tasks within their scope of practice does not occur at a particular point in time for all ENs; every individual employee is different.

29. I have observed:

(a) ENs with four or more years' experience doing most skills within their scope of practice to a relatively high standard and fairly consistently (ENs with less than four years, would be on a bit of a continuum – some people learn things quicker than others);

(b) graduates doing everything in the first year (i.e. educated, competent and authorised to do so) because they are just very good, very advanced and have either a life skill before becoming an EN or a different mindset, which assists with having better grasps on working with people and interpreting information; and

(c) people straight out of school that go straight to their EN training, may not have a lot of world experience – those people sometimes need more support and more development.

30. This difference is because achieving proficiency in the scope of practice as an EN is really about individuals being able to meet the three criteria that I reference: educated, competent and authorised to do so.

31. That same criteria is how I would determine if an EN is sufficiently experienced to take on a more complex task or, for example, oversee a student EN that is new to the work environment. The trifecta is what I need a person to be able to do (educated, competent and authorised).

32. This includes asking question about whether or not the EN is confident to perform the task and whether they feel good about it.

33. My job as their manager is to get them there and to understand where they are in their trajectory. And if they are lacking in one of those things, then I buddy them up with someone that can support them in those tasks and that they would then share that clinical load so that they get the opportunity to get there. The identification that an EN needs more support to develop in relation to a particular skill or task happens all the time. It is not limited the first or second year. Further, I would not say that an EN that has been practicing for 2 years is (or should be) automatically allowed to do everything. That applied as a blanket rule would make me nervous because it does not reflect what I have observed.

Supervision by RN

34. ENs work within a clinical care team and under the supervision of a RN. That supervision can be:

    (a) direct, meaning the RN is right there with them; or

    (b) indirect, meaning the RN is available for support if needed.

35. While ENs can perform many tasks independently once they are experienced, they remain subject to either direct or indirect RN supervision.

36. ENs will support junior ENs and AINs (e.g. providing guidance) but all members of the nursing team are under the direct or indirect supervision of a RN.

37. There are certain functions that sit within the RN scope of practice and are not typically performed by an EN. For example, an EN:

    (a) does not typically undertake the primary assessments and care planning responsibilities which sit with the RN, although they contribute to ongoing care and assessment under RN supervision; and

    (b) does not typically formally supervise or delegate care to other staff

Working Environment

38. ENs can work across a range of different areas in the acute hospital setting, including general medical wards and operating theatres. In operating theatres, for example, they may be working as part of the team in roles such as an anaesthetic nurse, scrub nurse, or scout nurse.

39. There are, however, specific areas where you do not tend to see ENs, or where their role is more limited. For example, ENs:

    (a) generally do not provide direct patient care in intensive care units, because everything in that environment involves planned care, ongoing assessment, and continuous monitoring. That is where an RN, at least, is required; and

    (b) similarly, in recovery areas and some maternity settings, their role is more restricted or supportive in nature.

WHAT HAPPENS DURING AN EN SHIFT

Patient Interaction

40. ENs have direct patient interaction on a regular basis across most areas of the hospital (e.g. providing hygiene and personal care to patients).

Clinical Handover

41. Generally, there are two types of clinical handover:

    (a) the ward handover, which is where the RN in charge of the ward gives handover to the incoming RN in charge; and

    (g) the bedside handover between the nurse caring for the patient (this may be an RN or EN).

42. In general wards, an EN's shift will commence with a clinical handover from the person who has been caring for the patient before them. Through this process, the EN will find out what is happening for that patient, what needs to be done, and what the plan is for that shift.

43. When an EN is delivering a clinical handover, they do so under the direct or indirect supervision of a RN. The RN has to be comfortable that there is nothing that has happened during the day that needs to be communicated to the incoming EN themselves (i.e. by an RN).

Rounds

44. After handover, depending on their experience and familiarity with the team (more junior ENs or those new to the team may require additional support to plan the shift) the EN will start their rounds, and usually that starts with a medication round.

45. During a medication round, the EN will go and see each patient assigned to them, look at their bedside charts, even though they will have seen that information at handover, and they will double check and administer any medications that are due.

46. At the same time, the EN will read the patient's care plan which will set out clinical care that needs to be performed throughout the day. Some examples of matters that might appear on a patient's care plan:

    (a) patient needs observations taking four times a day;

    (b) patient will need to have a falls risk assessment completed today;

    (c) patient will need to have wound care completed today;

    (d) patient needs a scan; or

    (e) patient will need their cannula replaced tomorrow.

47. The EN will then follow that plan. For example, if a patient needs a scan, the EN would make sure that the patient has transport organised and in collaboration with the RN determine whether an escort is required.

48. Other matters that can be noted on the care plan:

    (a) personal hygiene cares (i.e. showers, bathing, etc);

    (b) clinical cares that need to happen;

(c) wound cares;

(d) check invasive medication devices that a patient has in situ (e.g. to see if they need to be changed); and

(h) check if a patient needs pathology taking, so they can refer that to the phlebotomist in the hospital.

49. During rounds, the EN would also talk to the patient and participate in the documentation of a health assessment. Each hospital has their own clinical documentation that is compliant with the Australian Commission on Safety and Quality in Health Care.

50. Each of these assessments are completed using standardised clinical documentation that is compliant with the Australian Commission on Safety and Quality in Health Care. For example, they use observation and response charts where things like blood pressure and other observations are recorded.

51. Such charts are systematised so that, depending on the result, the observations fall into defined ranges. For example, when blood pressure or other observations are recorded on the observation and response chart, the result will either fall within a normal range or into a range that requires escalation. If it falls outside the normal range, the chart prescribes what action must be taken.

52. In practical terms, that may mean that if the observation is in one range, the EN must notify a RN or doctor. If it falls into a more serious range, it may require calling a medical emergency. The response is determined by how far outside the expected range the observation is.

53. The EN is completing the required observations or checklist and then following the preset instructions. They are not primarily responsible for care planning, but contribute to care delivery and escalate or act based on clinical tools and RN direction.

54. The EN will then repeat that exercise across all of the patients allocated to them in a shift.

Ordering of Tasks

55. ENs receive in-house training from UnitingCare Health so they know that life threatening things, airway / breathing / circulation problems need to be attended to first. However, if there is something else that needs to be prioritised, then it would be for the RN to make that decision and communicate it to the EN.

56. This sometimes might take the form of an established delegation by the RN. For example, every Thursday, each patient must have a daily weight completed, it is an established action that all nursing staff are now aware is required to be done.

57. In another situation, the RN may provide a new delegation to an EN or AIN during a shift.

Communication with RN (and Doctor)

58. The EN will communicate with their RN about the plan for each patient and what is being done. If a doctor comes onto the ward to do their round, the EN might check if the doctor wants anything changed, this will depend on the acuity of the patient and the availability of the RN.

59. As mentioned, if any observation check falls outside the normal range, the EN would escalate the issue to the RN or call an emergency.

Other Tasks

60. Throughout the shift, ENs will also respond to call bells from patients.

Responding to Emergency

61. ENs will normally have a basic life support competency or depending on the work environment intermediate life support qualification, which means that they are able to do that initial assessment and understand the patient is in trouble and commence initial actions. It is important that ENs are able to identify that there is a problem and get help.

62. In practice, I would expect that if an EN walked into a patient's room and the patient was unconscious or not breathing, the EN would immediately get help. They call for help by

pressing the emergency call bell. There is an emergency call bell in every room. ENs are trained in how to respond, where equipment is located, and how to get help.

63. From there, the clinical team responds, and the EN takes direction from the RN or code team. The RNs or medical staff provide advanced life support, and the code team can also take over advanced life support. The EN may be directed to do CPR, get medication ready to administer and assist with the basic life support side of things.

64. The level of assistance provided by an EN can change subject to the specific ward or area. For example, in the ward environment, an EN would provide basic life support. Whereas in an operating theatre, the EN may have a higher level of what they can do (e.g. intermediate life support).

65. At a minimum, I would expect an EN of any stage of their career to recognise the issue, get help immediately, and begin basic interventions. With experience, they may do more, for example preparing the area to facilitate rapid access for the code team.

STUDENT ENROLLED NURSES

66. A student EN may be overseen by an EN or RN however supervision is the primary responsibility of the RN. For a EN to be delegated the responsibility to oversee a student, they would need to be assessed as a high performer with good judgment, clinical skills and effective interpersonal communication. This is not determined by reference to how long the EN has been working at UnitingCare Health; not every EN is competent in every area they need to be competent in after 2 years. For example, I have seen ENs that have been working for 6 months practice at a higher level than a person who has been here for 2 years. That happens now for all designations of all levels (including RNs).

PROFICIENCY AND SKILL DEVELOPMENT OF AN ENROLLED NURSE IN HOSPITAL SETTINGS

67. The first year of an EN's career usually takes place in a generalist area (e.g. a medical ward). There are exceptions to that, but that is generally what occurs (same with RNs).

68. As I said earlier the proficiency of an EN in their role is very much about the individual and whether they are meeting the three criteria I referred to.

69. Often at the beginning of their professional journey, ENs will be task focused (i.e. very focused on the actual task they are doing, less situational awareness) and skills such as lateral thinking, the ability to deal with more complex task, and broadening their awareness may develop with time and support. They will also generally need time to develop in confidence, this is the same for all staff new to their roles not just ENs.

70. Take for example an EN that's been at TAFE for 18 months and may have completed three placements including in an acute setting. Even at that stage, they will have a number of skills they have learned how to do – but have never done them with any continuity or regularity. As a result, they often have a little bit of tunnel vision that results in them being focused on the specific task. An example of this could be an EN doing a wound dressing, and they are just running through the things in their mind of what they have to do to complete that task – their attention is fixed on the wound. Sometimes when you are looking only at the wound, you are not thinking about the patient, you are not looking at how they are actually reacting to what you are doing to them; this is because you are so focused on doing the right thing. That ability to be open to the environment around you grows with time.

71. A lot of the time, as part of their training, ENs have had less opportunity to practice their skills on actual patients; they have been practising on mannequins.

72. That focus on the technical side can also be because they do not want to make a mistake or hurt someone.

73. Once an EN gets comfortable in what they are doing, they start to broaden out their lens and have greater awareness of their environment when performing tasks from a systems perspective and put the whole human in the centre of what they are doing rather than the task. For example:

    (a) awareness of system areas near them while they are doing a particular task; or

(b) they look at the patient and they can see they are in pain and, as a result, they administer some pain relief before continuing.

74. An EN's confidence can develop at different rates for different skills:

(a) performance of tasks;

(b) working within team;

(c) interacting with the patient and family;

(d) responding to environmental cues;

(e) managing complex tasks;

(f) the ability to adapt and change approach to work; and

(g) managing self.

75. Again, ENs can progress at different rates and have different strengths based on their life experience, work experience and stage of their clinical career. These factors can impact people differently. I have observed people that have 10 years' experience working in clinical care that require training about how to interact with people in a more professional manner.

76. The first couple of years of an EN's practice is when they would have the biggest exponential skills development. After that exposure, the EN is staying exposed to those same skills.

77. For ENs working in a specific area or department (e.g. medical ward), a person should be able to deal with everything within their scope of practice – for that department – by years 3 or 4. For example, if the EN was working in a medical ward at that 3 to 4 year mark, I would reasonably expect that they would start to be able to deal with most things within their scope of practice. There will be exceptions to that, but as their employer we are working with them to get them up to that point.

78. In my experience, ENs generally reach a level of consistent proficiency within their practice after approximately 3 to 4 years. After this point, development tends to be more incremental

or focused on specific areas of interest. This does not remove the requirements for them to maintain continuous improvement and ongoing professional development but indicates that they have a strong knowledge base and are competent to perform at a high level within their department. That is also the time when an EN might start to look at a different specialisation (e.g. change from a medical ward to maternity).

79. If an EN moves, for example, to maternity – that would bring with it a whole different skill set that the EN would then have to learn. All ENs would have a base level of understanding around haemodynamics etc by this point, but maternity is a subspecialty and so ENs would need to learn new skills before becoming fully proficiency in that new area. It would be my expectation, it would take an EN that is moving from one department or ward to another specialty area, a further 1 to 2 years before they are fully proficient again. That timing can be influenced by where they are working and what speciality they are working in.

80. Although across all wards an EN is providing baseline care, such as completing a set of observations, which is your heart rate, Blood Pressure, your respiratory rate, your saturations, hemodynamic stability, wound care, etc – the specific ward can impact how those tasks are approached and performed. For example:

(a) in an operating theatre, you have got one patient in front of you who is asleep on a table. The skills being used by an EN in that setting are narrowly defined;

(b) in a medical ward, an EN may have 4 to 6 patients, or sharing 10 to 12 with another clinician. In that setting, the patients can have completely separate conditions. Again, so an EN will use a different skill set in those areas;

(c) in mental health, there is a lot more speaking and interacting with patients, an EN would be doing more talking with patients instead of doing clinical intervention.

81. An EN would not be able to be moved from one ward to another and perform their role independently on their first day.

82. The decision to move to a different specialty is a personal choice. I have observed a couple different types of ENs in my career: ENs that just stay in the same place for their whole life because they enjoy and are comfortable and confident in the work they do and then others that move around and really want to be challenged.

83. I have observed ENs sticking with the same specialty until about the 2 year mark, and after that time they move somewhere else. That could be additional study to become an RN or a move to another department within UnitingCare Health or even outside of UnitingCare Health.

84. Another possible reason for changing specialties is because ENs, unlike RNs, have a more limited development due to their scope of practice. For example, an RN can work in intensive care and recovery in anaesthetics, and an RN can go on to be a Clinical Nurse as well. In this sense, ENs have a cap on where they can go in terms of progression.

TRAINING

85. We are about to hire a new cohort of graduate ENs in August 2026. Due to operational need, some of those ENs will be commencing in our operating theatres (instead of a generalist area).

Orientation and Supernumerary Time

86. All ENs must complete an orientation program at UnitingCare Health. The orientation process will include introducing each EN to the specific features of the ward they will be working in. That includes:

(a) where emergency equipment is located;

(b) where is the emergency call bell;

(c) how to get help; and

(d) where the emergency trolley is;

(e) emergency procedures; and

(f) Workplace Health and Safety.

87. The ENs going direct to operating theatres will be required to complete an in-depth comprehensive orientation programme – more in-depth than they would complete for a generalist ward (e.g. medical ward).

88. New ENs will also complete a period of supernumerary time, during which the EN is buddied up with either an EN or RN who will show them how to do the job one-on-one:

(a) ENs in a ward, they will each get 1 to 2 weeks of supernumerary time;

(b) ENs in the operating theatres will get 4 to 6 weeks supernumerary time.

89. This additional orientation and supernumerary time is provided because the operating theatre is a very different environment, with a very different skill set. In operating theatre, an EN is providing care as part of a team to patients who are in a highly compromised position. That environment means ENs need to be more proficient before we can let them practice independently; as a result it can take ENs new to an operating theatres longer to become independent practitioners (versus how long it would take them to become independent in a ward).

Additional Support

90. Another form of support we provide to graduate ENs after they complete supernumerary, is put the EN with the most experienced person within the first month – so that the EN gets the benefit of really good role models and people teaching them the way. After that time, they can start to transition to others who might have a mixed skill set.

91. With that support, ENs can often function more independently without causing many troubles even at the 6 month mark. However, my assessment of their competency to do that is by reference to how their tracking with the three criteria. I always need to look at the individual.

Basic Life Support Competency

92. All ENs are also required to complete basic life support training on commencement, and that is then repeated on a regular basis, usually annually or every two years depending on the organisation. It is the organisation's responsibility to provide that training.

In-house Training

93. All ENs have to complete mandatory competencies provided by UnitingCare Health each year. These cover topics such as:

(a) basic life support;

(b) emergency procedures;

(c) sterile technique; and

(d) evacuation.

94. The training is a blend of e-learning and in-person training. After the first round of training, most of it would be online. However, each hospital, each department would have their own in services and training they would do around wound care and similar.

AHPRA Requirements

95. ENs also have their AHPRA requirements around education and professional development that they must complete each year.

ENROLLED NURSES FROM AGED CARE TO HOSPITAL SETTING

96. I have observed ENs transition from residential aged care to a hospital setting. The transition is generally pretty difficult because it is a very different role.

97. Those differences include: a different mindset and very different clinical conditions that ENs in aged care are dealing with. In a nursing home, they will need to have a basic understanding of patient deterioration. They have a difference lens about how they view their patients in that setting: those patient as living in their home. ENs in aged care are there to take care of them in their home.

98. Take those ENs into a hospital, they are removed from the home environment they have been working in to a very different environment. The environmental difference include the lighting and more alarms – that will be going off throughout the night – and the patients in hospital are uncomfortable, in pain.

99. As a result, ENs from aged care require some time adapt and need to be well supported. They would complete 2 to 3 weeks supernumerary. During that time, they would have a buddy who would support them in learning what they need to do in the hospital.

100. The ENs that transition from aged care do well in the hospital setting but you need to support them in the beginning. It is important that we make sure they are well supported and feel comfortable, otherwise they are just going to leave you in three to six months.

ADDITIONAL EDUCATION AS AN ENROLLED NURSE

Courses

101. ENs may also elect to do additional courses via a training provider (e.g. TAFE). These courses may do include:

(a) Healthy Hearing courses (Maternity)

(b) advanced hemodynamic courses; and

(c) Wound care.

102. Those courses are not mandated by UnitingCare Health. An EN might elect to do some additional courses before applying to work in a different specialty.

Advanced Diploma

103. For a period of time there was the option to get an Advanced Diploma, however that is no longer offered by education providers. In practice, the Advanced Diploma would focus on a particular specialty like palliative care or emergency care.

104. In private hospitals, the Advanced Diploma EN was not utilised to deliver a significant change to practice. This is because it helps them perform a really specialised role – for

example, endoscopy in an operating theatre, where they become the expert in that area. Despite this expertise they still need to complete the activity under the supervision of an RN and the EN cannot supervise an RN completing that task.

105. The completion of an Advanced Diploma by an EN whilst valuable in terms of their own knowledge and development is beneficial; in my experience within private hospitals the Advanced Diploma has not translated into a distinct role or materially different scope of practice.

RATES – HOSPITAL SETTING

EN Rates

106. The EN rates are set out in the EBA (see **Annexure DA-1**). There are six pay point increments, which increase on a 12 month / hours worked basis.

107. In addition to the six pay points, there is also an additional classification and pay point for *"Advanced Skill".* This is rarely used. It is not a position that an EN progresses to as a seventh increment. Rather, there needs to be a specific position created and advertised for. An example of this might be the Advanced Diploma EN considered earlier in this statement. In practice, this role is used more in the public sector. It has not been actioned commonly at UnitingCare Health as the role did not provide a high value proposition.

NP Rates

108. Although UnitingCare Health do not currently employ any NPs in its hospitals, the EBA includes three pay points for NPs.

Signed by:

[redacted]

Duncan Apelt
Date: 29 May 2026

"DA-1"

DECISION

Fair Work Act 2009
s.185 - Application for approval of a single-enterprise agreement

Uniting Church In Australia Property Trust (Q.) T/A Unitingcare Health
(AG2023/1036)

UNITINGCARE HEALTH & QNMU – NURSES AND MIDWIVES ENTERPRISE AGREEMENT 2022 – 2025.

Health and welfare services

COMMISSIONER HUNT BRISBANE, 9 MAY 2023

Application for approval of the UnitingCare Health & QNMU – Nurses and Midwives Enterprise Agreement 2022 – 2025

[1] Uniting Church in Australia Property Trust (Q.) (the Employer) has applied for approval of an enterprise agreement known as the *UnitingCare Health & QNMU – Nurses and Midwives Enterprise Agreement 2022 – 2025* (the Agreement). The application was made pursuant to s.185 of the *Fair Work Act 2009* (the Act). The Agreement is a single-enterprise agreement.

[2] The Fair Work Commission (the Commission) raised certain concerns regarding the Agreement with the Employer, and as a result, the Employer provided submissions and written undertakings. A copy of the undertakings is attached at Annexture A. Pursuant to s.190(4) of the Act, I sought the views of the Australian Nursing and Midwifery Federation (ANMF) regarding the undertakings, allowing a period of two business days from receipt of the undertakings to provide any views. The ANMF did not oppose the undertakings given by the Employer.

[3] I am satisfied that the undertakings will not cause financial detriment to any employee covered by the Agreement and that the undertakings will not result in substantial changes to the Agreement. Pursuant to s.190 of the Act, I accept the undertakings. In accordance with s.201(3) of the Act, I note that the undertakings are taken to be a term of the Agreement.

[4] I have taken into consideration the material filed in the Commission. Subject to the undertakings referred to above, I am satisfied that each of the requirements of ss.186, 187, 188 and 190 as are relevant to this application for approval have been met. The Agreement does not cover all of the employees of the employer, however, taking into account s.186(3) and (3A) I am satisfied that the group of employees was fairly chosen.

[5] The ANMF being a bargaining representative for the Agreement has given notice under s.183 of the Act that it wants the Agreement to cover it. In accordance with s.201(2) of the Act I note that the Agreement covers the ANMF.

[6] The Agreement is approved and, in accordance with s.54 of the Act, will operate from 16 May 2023. The nominal expiry date of the Agreement is 31 July 2025.



COMMISSIONER

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Annexure A

IN THE FAIR WORK COMMISSION

FWC Matter No.:

AG2023/1036

Applicant:

Uniting Church in Australia Property Trust (Q.) T/A UnitingCare Health

Section 185 – Application for approval of a single enterprise agreement

Undertaking – section 190

I, Craig Barke, CEO have the authority given to me by Uniting Church in Australia Property Trust (Q.) (**UCH**) to provide the following undertakings with respect to *UnitingCare Health & QNMU – Nurses and Midwives Enterprise Agreement 2022 – 2025* (**Agreement**). These undertakings are provided on the basis of the matters raised by the Fair Work Commission in the application before the Fair Work Commission.

The undertakings are as follows:

1. NES precedence clause: UCH undertakes that the below will apply as a term of the Agreement:

   This Agreement will be read and interpreted in conjunction with the National Employment Standards (NES). Where there is an inconsistency between this agreement and the NES, and the NES provides a greater benefit, the NES provision will apply to the extent of the inconsistency.

2. Clause 4.5.3 – Notice of termination by employee: UCH undertakes that sub-clause 4.5.3 will be replaced with the below:

   The notice of termination required to be given by an employee shall be two weeks.

   If an employee fails to give the minimum notice, UCH shall have the right to withhold wages due to the employee with a maximum amount equal to the ordinary time rate for the period of notice required but not given by the employee.

Craig Barke

Signature

2/05/2023

Date

Page **1** of **1**

Note - this agreement is to be read together with an undertaking given by the employer. The undertaking is taken to be a term of the agreement. A copy of it can be found at the end of the agreement.

UnitingCare Health & QNMU - Nurses and Midwives Enterprise Agreement 2022 - 2025

1 Application and operation

1.1 Title

This Agreement shall be known as the *UnitingCare Health & QNMU – Nurses and Midwives Enterprise Agreement 2022 – 2025*.

1.2 Arrangement

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1.3 Agreement coverage

This Agreement applies to Uniting Church in Australia Property Trust (Q.) trading as UnitingCare Health, all nursing and midwifery employees for whom rates of pay are prescribed in Appendix 1 and who are employed by the Employer at the Employer's Hospitals/Facilities including:

- St Andrew's War Memorial Hospital
- St Stephen's Hospital
- Buderim Private Hospital
- The Wesley Hospital
- Any other UCH hospital/facility included after the making of this Agreement

And the Queensland Nurses and Midwives' Union of Employees (QNMU)/ Australian Nursing and Midwifery Federation (ANMF).

1.4 Period of operation and replacement

This Agreement operates from 7 days after the date it is approved by the Fair Work Commission and nominally expires 31 July 2025 and thereafter in accordance with the *Fair Work Act 2009* (Cth).

This is a comprehensive agreement that operates to the exclusion of any awards or other agreements. It is not the intention of UnitingCare Health as a result of the implementation of the Agreement to reduce employee's employment conditions, except where expressed in this Agreement.

The parties agree that negotiations for a replacement Agreement will commence no later than 4 months prior to the expiry date of the Agreement.

1.5 Definitions

1.5.1 **Accrued Day Off or ADO** means a day or part of a day taken off during the work cycle as a result of the introduction of the 38 hour week.

1.5.2 **Act** means the *Fair Work Act 2009* (Cth) as amended or replaced from time to time.

1.5.3 **AHPRA** means Australian Health Practitioner Regulation Agency.

1.5.4 **Base rate of pay** means the rate of pay payable to the employee for their ordinary hours of work as prescribed in Appendix 1, but not including incentive based payments and bonuses, loadings, monetary allowances, overtime or penalty rates, and any other separately identifiable entitlement.

1.5.5 **Classification Level** comprises a number of paypoints through which employees will be eligible to progress.

1.5.6 **Facility** means a UCH hospital or a UCH Group Office.

1.5.7 **FWC** means the Fair Work Commission.

1.5.8 **Immediate family** means a spouse, de facto partner, child, parent, grandparent, grandchild or sibling of the employee; or a child, parent, grandparent, grandchild or sibling of a spouse or de facto partner of the employee. A spouse or de facto partner includes a former spouse / de facto partner.

1.5.9 **NES** means the National Employment Standards as contained within the *Fair Work Act 2009* (Cth).

1.5.10 **NMBA** means the Nursing and Midwifery Board of Australia or its successor.

1.5.11 **Paypoint** means the specific rate of remuneration payable to employees within a Classification Level.

1.5.12 **Permanent night shift worker** means an employee who is employed to work a minimum of 4 night shifts each fortnight.

1.5.13 **QNMU** means Queensland Nurses and Midwives' Union of Employees.

1.5.14 **UnitingCare Health, UCH or the Employer means** Uniting Church in Australia Property Trust (Q.) represented by UnitingCare Health (ABN: 87 842 457 440)**.**

1.5.15 **Union** means the Queensland Nurses and Midwives' Union of Employees (QNMU) / Australian Nursing and Midwifery Federation (ANMF).

2 Individual flexibility

2.1.1 UCH and the employee covered by this Agreement may agree to make an individual flexibility agreement to vary the effect of terms of the Agreement if:

i. The arrangement deals with:
   a. When work is performed; or
   b. Overtime rates, penalty rates, and allowances; and
ii. The arrangement meets the genuine needs of UCH and the employee in relation to one or more of the matters mentioned in paragraph (i); and
iii. The arrangement is genuinely agreed to by UCH and the employee.

2.1.2 An employee may seek advice from the QNMU prior to entering into any flexibility arrangement.

2.1.3 UCH must ensure that the terms of the individual flexibility arrangement:

i. Are about permitted matters under the Act; and
ii. Are not unlawful terms under the Act; and
iii. Result in the employee being better off overall than the employee would be if no

arrangement was made.

2.1.4 UCH must ensure that the individual flexibility arrangement:

i. Is in writing; and
ii. Includes the name of the employer and employee; and
iii. Is signed by UCH and the employee and if the employee is under 18 years of age, signed by a parent or guardian of the employee; and
iv. Includes details of:
    a) The terms of the Agreement that will be varied by the arrangement; and
    b) How the arrangement will vary the effect of the terms; and
    c) How the employee will be better off overall in relation to the terms and conditions of his or her employment as a result of the arrangement; and
    d) States the day on which the arrangement commences.

2.1.5 UCH must give the employee a copy of the individual flexibility arrangement within 14 days after it is agreed to.

2.1.6 UCH or the employee may terminate the individual flexibility arrangement:

i. By giving no more than 28 days written notice to the other party to the arrangement; or
ii. By UCH and the employee at any time if they agree, in writing, to the termination.

2.1.7 The parties agree that at the end of the nominal expiry date, they will review the matters that have been subject to the individual flexibility arrangement.

3 Communication, consultation and dispute resolution

3.1 Consultation regarding major workplace change

3.1.1 UCH and its' employees will consult each other about issues that arise at the workplace.

3.1.2 The parties to this Agreement are committed to cooperating positively to increase efficiency, productivity and competitiveness of the hospitals, and to enhance the career opportunities and job security of employees.

3.1.3 Full consultation will occur with the employees and their representative union, when it is proposed to make changes to the organisation or changes to the manner in which work covered by this Agreement is performed.

3.2 Introduction of change

3.2.1 This provision applies if;

i. UCH has made a definite decision to introduce a major change to production,

program, organisation, structure, or technology in relation to its enterprise; and

ii. The change is likely to have a significant effect on employees of the workplace; or

iii. UCH proposes a change to the regular roster or ordinary hours of work of employees.

3.2.2 **UCH's duty to notify**

i. Where UCH decides to introduce major workplace changes including in production, program, organisation, structure or technology, that are likely to have significant effects on employees, UCH will notify the employees who may be affected by the proposed changes, the QNMU and, where relevant, the employee nominated representative.

ii. 'Significant effects' includes termination of employment, major changes in composition, operation or size of the UCH's workforce or in the skills required; the elimination or diminution of job opportunities or job tenure; the alteration of hours of work; the need for retraining or transfer of employees to other work or locations and the restructuring of jobs:

Provided that where the Agreement makes provision for alteration of any of the matters referred to herein, an alteration shall be deemed not to have significant effect.

iii. In relation to clause 3.2.1(iii) UCH will notify the relevant employees of the proposed change, the QNMU and, where relevant, the employee nominated representative.

3.2.3 **UCH's duty to consult over major change**

i. UCH will consult the employees affected and the employees' nominated representative about the introduction of the changes, the effects the changes are likely to have on employees (including the number and categories of employees likely to be dismissed, and the time when, or the period over which, UCH intends to carry out the dismissals), and the ways to avoid or minimise the effects of the changes (e.g. by finding alternative employment).

ii. The consultation must occur as soon as practicable after making the decision referred to in clause 3.2.2.

iii. For the purpose of such consultation UCH will provide in writing to the employees concerned, the QNMU and, where relevant, their representative, all relevant information about the changes including the nature of the changes proposed, the expected effects of the changes on employees, measures UCH is taking to avert or mitigate the adverse effect of the change on employees and any other matters likely to affect employees, provided that UCH shall not be required to disclose confidential information, the disclosure of which would be adverse to UCH's interests.

iv. UCH must give prompt and genuine consideration to matters raised about the major

change by the relevant employees.

v. Any change process to be addressed in accordance with this Agreement will be the subject of consultation with relevant employees and the employee nominated representative before implementation. This will require communication with all employees concerned.

vi. Nothing in clause (v) shall operate so as to diminish the parties' rights to access the dispute resolution procedure outlined in clause 3.5.

3.2.4 **UCH's duty to consult over change to regular roster or ordinary hours of work**

i. UCH will discuss with the relevant employees the introduction of the change and for the purposes of the discussion provide to the relevant employees all relevant information about the change including the nature of the change, information about what the employer reasonably believes will be the effects of the change on the employees, and information about any other matters that the employer reasonably believes are likely to affect the employees.

ii. Relevant employees will be invited to give their views about the impact of the change (including any impact in relation to their family or caring responsibilities). UCH must give prompt and genuine consideration to matters raised about the change by the relevant employees.

iii. Where the proposed change is to the regular roster of a unit (for example to the shift structure, shift duration or start times of shifts), in addition to the above consultation, UCH will not implement any decision unless it has been supported by a majority of the employees within the unit and who are affected by the proposed change to the regular roster.

iv. UCH is not required to disclose confidential or commercially sensitive information to relevant employees.

3.3 Consultative Committees

3.3.1 **State Consultative Committee**

i. There shall be a State Consultative Committee (SCC) comprised of 3 representatives from UCH hospitals and 3 QNMU representatives to act as a resource or guide for Local Consultative Forums (LCF). The SCC will be chaired by the Group Executive of Hospitals (or equivalent position).

ii. The SCC may discuss any matter within its terms of reference submitted to it by UCH management, QNMU representative, nursing or midwifery employee or an LCF after local consideration has been exhausted.

iii. The intention of the parties is that the SCC will meet at least twice per year.

iv. By agreement, the SCC may meet as a multi service group.

3.3.2 **Local Consultative Forum**

i. An LCF will be established at each hospital. Each LCF will be comprised of a maximum of 4 representatives of management and 4 union representatives.

ii. By agreement, the LCF may meet as a multi service group.

iii. The role of an LCF is:

a) To report to the SCC as required from time to time;
b) To have an integral role in the dissemination of information on Agreement matters and their implementation;
c) To oversee and evaluate the implementation of the Agreement matters pertaining to the specific sites;
d) To ensure staff are educated and informed in relation to this Agreement;
e) To ensure fair, consultative and participative practices are implemented throughout the life of the Agreement; and
f) To address all opportunities for problem solving local issues, including systemic issues pertaining to high or unsafe workload practices.

iv. Regarding workload issues that may arise on a particular shift / day, employees should refer to clause 3.3 for immediate procedures to follow in the event of unreasonably high workload expectations on a shift.

v. Each LCF shall develop its Constitution / Terms of Reference in conjunction with the SCC and shall meet within 3 months from approval of this Agreement.

vi. Standing agenda items will include, but not necessarily be limited to, matters arising from the implementation of this Agreement.

vii. A key objective of the LCF is to achieve a more cooperative workplace culture.

viii. Each hospital will provide resources and training as required to enable its LCF members to carry out their responsibilities as set out in this Agreement.

ix. Each LCF shall meet quarterly or more often if requested by either party.

x. As an ongoing process by the LCF, discussion should take place to:

a) Provide more flexible working arrangements;
b) Improve the quality of working life;
c) Enhance skills, training and job satisfaction; and
d) Encourage consultative mechanisms.

xi. The LCF, acting in accordance with Uniting Care's values and objectives will consider a broad agenda with a view to implementing specific measures which will improve the quality of work and outcomes, and the productivity, efficiency and job security of employees during the life of the Agreement.

xii. Time spent in LCF activities outside rostered work hours shall be paid at base rate of pay and shall count as service for all purposes.

3.3.3 **Consultative forum training**

i. Upon application to UCH, staff involved in consultative forums or enterprise agreement negotiations may be granted up to 5 working days leave (non-cumulative) on base rate of pay each calendar year to attend relevant courses and seminars. Applications from nursing staff who are designated QNMU Workplace Representatives will be considered on a case by case basis for up to 3 days initial QNMU industrial relations training.

ii. The granting of such leave shall be subject to UCH being able to release the employee concerned from duty without unduly affecting the normal operation of the hospital.

iii. UCH shall not unreasonably withhold consent to any application for such leave.

iv. An application for leave pursuant to this clause should, when possible, be made 4 weeks or one roster period, prior to the date of commencement of the course.

v. For the purposes of this clause, payment is at the base rate of pay only in respect of the days on which the employee (including shift and non-shift workers) would normally have been paid.

vi. Leave granted pursuant to this clause shall count as service for all purposes.

vii. The leave entitlements under this clause shall be in addition to any leave granted under clause 8.1.

3.3.4 **Specific working group – Pay slips and pay processing**

i. The Employer will establish a working group to review pay slips and pay processing. The purpose of the working group will be to review the current pay slips and to make improvements so that they can be easily understood by employees. The working group will consist of the following personnel:
   a) Finance representative;
   b) Nurse manager representative;
   c) QNMU representative;
   d) Workplace representative; and
   e) HR representative.

3.4 Workload management strategies

3.4.1 UCH is committed to ensuring staffing levels are safe and appropriate for the delivery of high quality and safe patient care. It is acknowledged that existing workload management needs to be improved.

3.4.2 Provided that the nurses and senior management agree that patient care will not be compromised, the parties agree that existing flexibility in respect of patient acuity will be maintained. The practice of staffing based on collaboration between Nursing Administration and Ward/unit management will continue on a shift by shift basis.

3.4.3 Nursing staffing levels at each ward/unit shall be determined on the following principles:

(i) clinical assessment of patient needs;
(ii) occupancy of the ward/unit;
(iii) the skill mix of registered nurses and enrolled nurses
(iv) the demands of the environment such as ward layout;
(v) statutory obligations including workplace safety and health legislation;
(vi) the requirements of nurse regulatory legislation, professional standards; and
(vii) reasonable and safe workloads.

3.4.4 The hospital(s) will endeavour to ensure that unexpected admissions do not prohibit the delivery of optimum and safe nursing care.

Escalation of Workload Concerns

3.4.5 The parties understand that the Employer may experience:

(i) unplanned or unexpected increases in demand;
(ii) changes in patient acuity; or
(iii) absenteeism resulting in staffing levels being less than rostered,

and that these may have an impact upon workload management.

3.4.6 Should any nurse in any one ward or unit including theatres feel the workloads are unsafe or are unreasonably heavy they have a responsibility to discuss/escalate their concerns with their Nurse Unit Manager or After Hours Nurse Manager.

3.4.7 The Nurse Unit Manager or After Hours Nurse Manager as applicable to the above, will take immediate and appropriate action to address the workload concerns within reasonable timeframes either prior to the commencement of the shift and/or during the shift.

3.4.8 If appropriate action is not taken to address the workload concerns, the nurse(s) is responsible for, and encouraged to discuss/escalate to the Director of Clinical Services and the parties to the Agreement.

3.4.9 The Director of Clinical Services shall provide a response, including any proposed actions within a reasonable timeframe.

3.4.10 If the issue is perceived not to have been satisfactorily addressed, it may be referred to the LCF by any person or party.

3.4.11 The LCF shall accept unresolved workload management issues in writing and will address those issues so far as they impact upon workloads or patient care.

3.4.12 The LCF shall immediately acknowledge receipt, inform the party of the date the meeting will address the issue and shall endeavour to process issues expeditiously and to provide feedback within four weeks of receipt of the submission.

3.4.13 The confidentiality of employees who make submissions to the LCF shall be respected.

3.4.14 Employees shall be entitled to make anonymous submissions to the LCF either as individuals or as a group through their employee representatives. Such submissions shall contain sufficient particularity so that the Employer can comprehensively address and resolve the issues contained therein.

3.4.15 If the matter remains unresolved the Employee may seek to resolve the matter using the Dispute Resolution Procedure.

3.4.16 The SCC will meet to review and assess the implementation of these provisions. The meeting is to be held no later than 18 months after approval of the Agreement by the FWC. To inform this review, each hospital's LCF will prepare a report no later than 16 months after the Agreement is approved by the FWC. The reports prepared by the committees must include an update from each area in each of the hospitals.

3.5 Dispute resolution

The procedure to resolve and settle disputes and grievances in relation to this Agreement and the NES shall be as follows:

3.5.1 In the first instance the employee may, if appropriate, attempt to resolve the dispute or grievance with the person concerned.

3.5.2 The employee may then attempt to resolve the dispute or grievance with their appropriate supervisor who will respond to the request if reasonably practicable under the circumstances within 24 hours but in any event discussions shall not extend beyond 3 days.

3.5.3 If the dispute or grievance is still unresolved the matter shall be referred to higher management and the employee representative and discussions shall not extend beyond 3 days from the date of referral.

3.5.4 If the dispute or grievance is still unresolved the matter may be referred to an independent mediator.

3.5.5 It is agreed the above steps shall take place within 14 days in total.

3.5.6 Until the dispute or grievance is determined work shall continue normally in accordance with the custom and practice existing before the dispute or grievance arose while discussions take place. No party shall be prejudiced as to the final settlement by the continuance of work. Health and safety matters are exempted from this point.

3.5.7 If the matter remains unresolved it may be referred to the LCF, SCC and/or the Fair Work Commission for conciliation or if unresolved by arbitration.

3.5.8 If arbitration is necessary the:

i. Fair Work Commission may exercise the procedural powers in relation to hearings, witnesses, evidence and submissions which are necessary to make the arbitration effective.

ii. The decision of the member will bind the parties, subject to either party exercising a right of appeal against the decision of the Full Bench.

3.5.9 UCH or the employee may appoint another person, organisation or association to accompany and/or represent them for the purpose of this clause at any stage during the process.

4 Employer and employees' duties, employment relationship and related arrangements

4.1 Contract of employment

4.1.1 An employee may be engaged as a full-time, part-time or casual employee.

4.1.2 At the time of engagement, each employee will receive a written contract of employment which specifies the employment category and classification level.

4.1.3 In the instance of part-time employees, such confirmation shall include the minimum number of guaranteed hours of work each fortnight within the limitations of clause 4.3.1.

4.1.4 The parties agree that full-time and part-time employment is the preferred method of engagement.

4.2 Full-time employee

A full-time employee is one who is engaged to work 38 hours per week, or an average of 38 hours per week.

4.3 Part-time employee

4.3.1 A part-time employee is an employee who:

i. Is employed for less than 76 ordinary hours per fortnight;

For employees employed at St Andrew's War Memorial Hospital prior to 21st April 2005 a part-time employee shall mean those employed who work less than 72 hours per fortnight:

ii. Is rostered to work a minimum of 3 hours on each shift or a minimum of 4 hours each shift when participating in a 12 hour shift arrangement; and

iii. Receives, on a proportionate basis, equivalent pay and conditions to those of full-time employees in the same classification.

4.3.2 At the time of engagement, UCH and the part-time employee will agree in writing the number of ordinary hours to be worked each fortnight within the limitations of clause 4.3.1.

4.3.3 The agreed number of ordinary hours per fortnight may only be varied by mutual agreement. Any agreed variation to the number of ordinary hours worked will be recorded in writing.

4.3.4 A part-time employee's roster may be altered upon giving a period of notice equivalent to the current roster cycle or otherwise by mutual agreement.

4.3.5 A part-time employee will accrue annual leave and personal leave, according to the ordinary hours worked each week which will include additional hours above the minimum guaranteed hours as specified in clause 4.1.3, up to 76 hours each fortnight. These additional hours will also count towards the employee's next pay increment if the employee is not yet at the top pay level for their classification.

4.3.6 The average part-time hours worked may be reviewed on an annual basis or as requested by the employee. Minimum hours may be adjusted following review and consultation with the employee to meet organisational requirements.

4.4 Casual employee

4.4.1 A casual employee is an employee who:

i. Is engaged on an hourly basis for fewer than 76 hours per fortnight. For employees

employed at St Andrew's War Memorial Hospital prior to 21st April 2005 a casual employee shall mean those employed who work less than 72 hours per fortnight.

ii. Is paid 23% in addition to the prescribed minimum rate for the appropriate Classification Level;

iii. Is entitled to all allowances on a pro rata basis, excepting the X-Ray and On call allowances which will be paid in full;

iv. Hours of work may be increased or decreased on each engagement; and

v. Minimum payment is for 2 hours work in respect of each engagement.

4.5 Termination of employment

4.5.1 **Statement of employment**

UCH shall, in the event of termination of employment, provide upon request to the employee who has been terminated, a written statement specifying the period of employment and the classification or type of work performed by the employee.

4.5.2 **Termination by UCH**

i. UCH may dismiss an employee only if the employee has been given the following written notice of the day of termination:

Period of Continuous Service	***Period of Notice***
Not more than 3 years	2 weeks
More than 3 years but not more than 5 years	3 weeks
More than 5 years	4 weeks

ii. In addition to the notice in clause 4.5.2(i), employees 45 years old or over and who have completed at least 2 years' continuous service with UCH shall be entitled to an additional weeks' notice.

iii. Payment in lieu of notice shall be made if the appropriate notice is not given: Provided that employment may be terminated by part of the period of notice specified and part payment in lieu thereof.

iv. In calculating any payment in lieu of notice the minimum compensation payable to an employee will be at least the total of the amounts UCH would have been liable to pay the employee if the employee's employment had continued until the end of the required notice period. The total must be worked out on the basis of:

a) the ordinary working hours to be worked by the employee; and

b) the amounts payable to the employee for the hours including for example allowances, loadings and penalties; and

c) any other amounts payable under the employee's employment contract.

v. The period of notice in this clause shall not apply in the case of dismissal for misconduct or other grounds that justify instant dismissal, or in the case of a casual

employee, or an employee engaged for a specific period or task(s).

4.5.3 **Notice of termination by employee**

The notice of termination required to be given by an employee shall be two weeks.

If an employee fails to give the minimum notice, UCH shall have the right to withhold monies due to the employee with a maximum amount equal to the ordinary time rate for the period of notice.

4.5.4 **Payment of all monies owing on termination**

Payment of monies owing on termination will be paid into an electronic funds transfer account, or equivalent, within 3 working days after the employment stops.

4.5.5 **Time off during notice period**

During the period of notice of termination given by UCH, an employee shall be allowed up to one day's time off without loss of pay for the purpose of seeking other employment. This time off shall be taken at times that are convenient to the employee after consultation with UCH.

4.6 Redundancy

4.6.1 **Consultation before terminations**

i. Where UCH decides that it no longer wishes the job the employee has been doing to be done by anyone, and this is not due to the ordinary and customary turnover of labour, and that decision may lead to termination of employment, UCH shall consult the employee directly affected and where relevant, their representative.

ii. The consultation shall take place as soon as it is practicable after UCH has made a decision, which will invoke the provisions of clause 4.6.1(i) and shall cover the reasons for the proposed terminations, measures to avoid or minimise the terminations and/or their adverse effects on the employees concerned.

iii. For the purpose of such consultation UCH shall, as soon as practicable, provide in writing to the employees concerned and, where relevant, their representative, all relevant information about the proposed terminations including the reasons for the proposed terminations, the number and categories of employees likely to be affected, the number of workers normally employed and the period over which the terminations are likely to be carried out:

Provided that UCH shall not be required to disclose confidential information, the disclosure of which would be adverse to UCH's interests.

4.6.2 **UCH's duty to consider reasonable redeployment (where the role is no longer required)**

i. UCH will endeavour to provide a suitable alternative position within the employee's skill and competence, either at the time the employee's role is no longer required or after reasonable retraining.

ii. UCH will also consult with the employee or their nominated representative on any proposals for alternative employment.

iii. Where an employee is transferred to lower paid duties for reasons set out in clause 4.6.1(i) the employee shall be entitled to the same period of notice of transfer as the employee would have been entitled to if the employee's employment had been terminated under clause 4.5.

iv. UCH may, at its option, make payment in lieu thereof of an amount equal to the difference between the former amounts UCH would have been liable to pay and the new lower amount UCH is liable to pay the employee for the number of weeks of notice still owing.

v. The amounts must be worked out on the basis of:

a) the ordinary working hours to be worked by the employee; and

b) the amounts payable to the employee for the hours including for example, allowances, loadings and penalties; and

c) any other amounts payable under the employee's employment contract.

4.6.3 **Time off during notice period**

i. Where a decision has been made to terminate an employee in the circumstances outlined in clause 4.6.1(i), the employee shall be allowed up to one day's time off without loss of pay during each week of notice for the purpose of seeking other employment.

ii. If the employee has been allowed paid leave for more than one day during the notice period for the purpose of seeking other employment, the employee shall, at the request of UCH, be required to produce proof of attendance at an interview or the employee shall not receive payment for the time absent. For this purpose a statutory declaration will be sufficient.

4.6.4 **Severance pay**

In addition to the period of notice prescribed for ordinary termination in clause 4.5.2, and subject to further order of FWC, an employee whose employment is terminated for reasons set out in clause 4.6.1(i), or because of the insolvency or bankruptcy of the employer, shall be entitled to the following amounts of severance pay:

Period of Continuous Service ***Severance Pay***

Less than 1 year	nil
1 year but not more than 2 years	4 weeks' pay
More than 2 years but not more than 3 years	6 weeks' pay
More than 3 years but not more than 4 years	7 weeks' pay
More than 4 years but not more than 5 years	8 weeks' pay
More than 5 years but not more than 6 years	10 weeks' pay
More than 6 years but not more than 7 years	11 weeks' pay
More than 7 years but not more than 8 years	13 weeks' pay
More than 8 years but not more than 9 years	14 weeks' pay
More than 9 years	16 weeks' pay

'Weeks' Pay' means the base rate of pay for the employee concerned.

4.6.5 **Employee leaving during notice**

An employee whose employment is terminated for reasons set out in clause 4.6.1(i) or because of the insolvency or bankruptcy of the employer, may terminate such employment during the period of notice, and, if so, shall be entitled to the same benefits and payments under this clause had such employee remained with UCH until the expiry of such notice:

Provided that in such circumstances the employee shall not be entitled to payment in lieu of notice.

4.6.6 **Alternative employment**

UCH, in a particular case, may make application to FWC to have the general severance pay prescription amended if UCH obtains acceptable alternative employment for an employee.

4.6.7 **Employees with less than one year of service**

Clause 4.6 shall not apply to employees with less than one year of continuous service and the general obligation on UCH should be no more than to give relevant employees an indication of the impending redundancy at the first reasonable opportunity, and to take such steps as may be reasonable to facilitate the obtaining by the employees of suitable alternative employment.

4.6.8 **Employees exempted**

Clause 4.6 shall not apply:

i. Where employment is terminated as a consequence of misconduct on the part of the employee; or
ii. To employees engaged for a specific period or task(s); or
iii. To casual employees.

4.6.9 **Exemption where transmission of business**

i. The provisions of clause 4.6.4 are not applicable where a business is before or after

the date of the insertion of this clause into the Agreement, transmitted from UCH (transmittor) to another employer (transmittee), in any of the following circumstances:

a) where the employee accepts employment with the transmittee which recognises the period of continuous service which the employee had with the transmittor, and any prior transmittor, to be continuous service of the employee with the transmittee for the purposes of redundancy entitlements; or

b) where the employee rejects an offer of employment with the transmittee:

A. in which the terms and conditions are substantially similar and no less favourable, considered on an overall basis, than the terms and conditions applicable to the employee at the time of ceasing employment with the transmittor; and

B. which recognises the period of continuous service which the employee had with the transmittor and any prior transmittor to be continuous service of the employee with the transmittee for the purposes of redundancy entitlements.

ii. FWC may amend clause 4.6.9(i)(b) if it is satisfied that it would operate unfairly in a particular case, or in the instance of contrived arrangements.

4.6.10 **Incapacity to pay**

UCH in a particular redundancy case may make an Application to FWC to have the general severance pay prescription amended on the basis of UCH's incapacity to pay.

5 Wages and wage related matters

5.1 Wages

The following minimum wage increases shall apply to all employees throughout the life of this Agreement:

- 4% from the first full pay period to commence on or after 31 July 2022*;*
- 1% from the first full pay period to commence on or after the date that this Agreement commences operation;
- 4.5% from the first full pay period to commence on or after 31 July 2023.
- 3% from the first full pay period to commence on or after 31 July 2024.
- 2% from the first full pay period to commence on or after 1 April 2025.

The parties acknowledge that the Employer passed on a 2% wage increase on 31 July 2022, and therefore the backpay to 31 July 2022 required by clause 5.1, will represent the remaining 2%.

The minimum wage rates to be paid to nursing and midwifery employees shall be in accordance with Appendix 1.

5.2 Experience to count

5.2.1 For the purpose of determining the rate of wages payable by reference to the grade/paypoint of any employee, an employee shall be given credit for all previous continuous nursing and midwifery service:

Provided that previous nursing and midwifery service shall include time spent in obtaining additional nursing and midwifery certificates other than the General Nursing Certificate.

5.2.2 In calculating continuous nursing and midwifery service for the purpose of this clause, any period of service (other than time spent as a nursing or midwifery employee on full-pay in obtaining additional nursing and midwifery certificates) prior to an absence of over 3 years from nursing and midwifery duties covered by a relevant nursing and midwifery agreement shall not be taken into account:

Provided further that the onus of proof of previous experience shall be on the employee.

5.2.3 Any employee unable to provide proof of previous experience within 4 weeks of engagement, will be paid at the appropriate rate of pay for the first year of service or the year to which proof of experience is provided for the class of employee so appointed. Wages shall continue at this rate of pay until proof of previous experience is provided to UCH or until such time as service has been accumulated to warrant payment at a higher rate. Where proof of previous experience is not provided within 4 weeks of engagement, wages will continue to be paid at that rate of pay until such time as further proof of previous experience is provided to UCH and only then will the higher rate become payable from the date supplied.

Subject to proof of previous experience being provided within 4 weeks, UCH will adjust previous payments back to the date of commencement.

The employee may seek cooperation of the Union to assist in obtaining or establishing such proof of previous experience still outstanding.

5.2.4 On termination of employment, each employee shall be given a certificate setting out the duration of employment at the hospital, capacity of employment, details of any advancement (or reversal of advancement) in grade/paypoint and in the instance of part-time and casual employees, the total hours worked.

5.2.5 Incremental advancement

i. A full-time employee shall progress through the paypoints of a classification on completion of 1976 ordinary hours, including paid leave, at the relevant paypoint.

ii. A part-time or casual employee shall progress through the paypoints of a classification level once they have completed the full time equivalent of ordinary hours (i.e. 1976 ordinary hours).

iii. Upon reaching Level 1.5, a part-time or casual employee will advance to the next paypoint upon completion of 1200 ordinary hours and at least 12 months in the

relevant paypoint. This subclause is to be read in conjunction with subclause 5.2.5(v). For clarity, this does not apply to a full-time employee.

iv. For clarity, unpaid leave and overtime does not contribute towards incremental advancement for full-time, part-time and casual employees.

v. For clarity, incremental advancement includes:

a. service with UnitingCare; and
b. in relation to a new employee, service with another hospital, in accordance with clause 5.2.3.

For clarity, hours worked by an employee during their employment with UnitingCare for any other Employer will not count towards incremental advancement under this Agreement.

Examples:

1. A full-time Registered Nurse (RN) was employed by Queensland Health at Level 1.3 and has completed 1500 hours at that paypoint. The RN has ceased employment with Queensland Health. The RN has evidence of the hours worked from Queensland Health and provides this to UnitingCare Health Payroll within 28 days of their commencement with UnitingCare, which is considered and approved by UnitingCare. The RN would need to complete a further 476 ordinary hours at Level 1.3 to progress to Level 1.4.
2. An employee employed as a casual Registered Nurse (RN) at UnitingCare who also has active outside employment as a casual RN at a competitor's private hospital. The hours worked at the competitor's private hospital will not counts towards incremental advancement at UnitingCare.

vi. When an employee (regardless of employment status) reaches the required increment, the next pay increment will operate from the following full pay period.

vii. Where an employee acts in a role that has a higher classification level, the ordinary hours worked in that higher classification will be incremented towards the higher classification and their substantive position. For example, if a full-time employee has a substantive position as a Registered Nurse and acts as a Clinical Nurse, the ordinary hours worked as a Clinical Nurse will be incremented towards advancement as a Clinical Nurse and a Registered Nurse. For clarity, hours worked in a role with a lower classification level does not increment towards advancement in a higher classification role as the role with a higher classification has greater clinical scopes of practice, knowledge and experience.

viii. Clause 5.2.5 will take effect from the operational date of this Agreement and will not apply retrospectively.

5.3 Payment of wages

Salaries shall be paid by UCH by electronic funds transfer ("EFT"), fortnightly in arrears.

5.4 Uniforms

Employees required to wear uniforms will be supplied with an adequate number of uniforms appropriate to the role free of cost to the employees. Replacement of all items of uniform supplied is to be on a fair wear and tear basis. Employees with concerns about complying with the UCH uniform or corporate dress code are able to raise their concerns with their Manager, which will be considered on an individual basis.

5.4.1 **Full-time and part-time employees**

Three full sets of uniforms will be supplied initially to full-time employees and part-time employees who work equal to or more than 38 hours per fortnight and thereafter one set per year. Part-time employees who work less than 38 hours per fortnight will initially receive 2 full sets and ½ set per year.

Provided that the provision of a cardigan may be substituted upon request by the employee in lieu of one set of uniforms and a vest may be provided in lieu of one item of uniform.

5.4.2 **Casual employees**

Casual employees shall receive one uniform and any additional requirements can be negotiated on a shift by shift basis.

5.4.3 **Maternity uniforms**

Maternity uniforms will be available for loan as required and requirements are to be negotiated on an individual basis.

5.4.4 **Uniform allowance**

Where employees are required by UCH to wear uniforms and where UCH does not provide employees with a uniform, the employee will be paid a uniform allowance of $1.49 per shift or part thereof on duty or $6.24 per week, whichever is the lesser amount.

5.5 Meal allowances - overtime

An employee will be supplied with an adequate meal or be paid a meal allowance as specified in Appendix 2 - Allowances in addition to any overtime payment as follows:

i. When required to work overtime after the usual finishing hour of work beyond 2 hours, or after more than one hour if overtime continues beyond 6pm.

ii. Provided that where such overtime work continues a further meal allowance will be paid for each completed 4 hours.

5.6 X-Ray and Radium Allowance

5.6.1 An employee who is required to use or assist in using x-ray apparatus or radium shall be entitled to an x-ray and radium allowance.

5.6.2 The use of, or assistance in the use of, x-ray apparatus or radium includes:

i. being required to wear a lead apron or similar apparel;

ii. being required to wear a radiation monitor/counter;

iii. being required to assist in the administration of any substance to a patient which is radioactive; and

iv. being required to use or assist in the use of ionising radiation.

5.6.3 An employee will be entitled to one of two allowances under this clause depending on the length of time the employee is required to use or assist. The amount of the allowance is specified in Appendix 2 – Allowances. The weekly allowances are not pro rata.

i. Using or assisting for 10 hours or less.

ii. Using or assisting for more than 10 hours.

5.7 Qualification allowance

5.7.1 A full-time, part-time or casual employee may be eligible to receive the following qualification allowances, subject to satisfaction of the criteria set out in this clause. These allowances do not cover undergraduate and/or postgraduate entry to practice Registered Nurse / Registered Midwife qualifications. The weekly allowance is paid on a pro rata basis. Refer to Appendix 2 – Allowances for the rates for:

i. Hospital Certificate or Graduate Certificate;

ii. Post Graduate Diploma or Degree (other than nursing / midwifery entry to practice undergraduate degree);

iii. Masters (other than nursing / midwifery entry to practice postgraduate Masters degree) or Doctorate.

5.7.2 The allowance is available for Levels 1, 2 and 3 Registered Nurses and Midwives who hold relevant qualifications, for example:

- Intensive Care Nursing
- Operating Theatre
- Midwifery
- Mental Health
- Paediatric

5.7.3 The allowance is payable to an employee who holds a qualification from a course which is of at least one year's (or two academic semesters) duration as approved by UCH.

5.7.4 The allowance is only payable to the employee while they undertake duties that are relevant to the prescribed qualification.

5.7.5 Where an employee holds 2 or more relevant qualifications, the allowance is only payable in respect of one qualification. If the employee holds one qualification of a higher level, that qualification will be paid to the exclusion of the lower qualification.

5.7.6 During their onboarding process, new employees will be provided with the details of this clause and information on the process of making an application for a qualification allowance. As part of the application for an allowance, applicants must provide appropriate supporting documentation / evidence attesting to their qualifications. Eligibility will be determined by the relevant Director. In determining eligibility for the qualification allowance, the Director may also consider qualifications that do not meet the criteria of clause 5.7.2.

5.7.7 Subject to the application being made within 4 weeks of an employee's date of commencement with the Employer, the Employer will adjust previous payments back to the date of commencement of employment. Where an employee does not make an application within 4 weeks of their date of commencement the allowance will be paid from the first pay period on or after the date that the application was made.

5.7.8 Any disputes arising from this process shall be dealt with in accordance with Clause 3.5 Dispute resolution.

5.8 In charge of shift allowance

When a Registered Nurse or Midwife Level 1 is in charge of a shift they shall be paid an allowance per shift. Refer to Appendix 2 – Allowances for the per shift amount.

5.9 Special duty

5.9.1 **One week or more** - If an employee is called upon to perform special duties or to relieve another employee on a classification for which a higher rate of pay than they are receiving is fixed by this Agreement, provided the period of performing such duties or such relieving work is one week or more, they shall be paid such higher rate for the whole of such period.

5.10 Shift work – extra payment for afternoon and night shifts

5.10.1 Shift workers shall be paid in addition to their base rate of pay a shift allowance as specified for each shift of ordinary hours as follows:

Afternoon shift	12.5%	Is a shift, other than a "night shift", commencing at or after 12 midday. A shift that commences before 12 midday but has the majority of ordinary hours worked after 3.00pm shall also be classified as an afternoon shift.
Night shift	20%	Is a shift commencing on or after 6.00pm or before 7.30am, the major portion of which is worked between 6.00pm and 7.30am.

i. The shift penalties prescribed in this clause will not apply to shift work performed by an employee on Saturday, Sunday or public holiday where the extra payment prescribed by clause 5.11 – *Extra payment for weekend work* and clause 7.2.1 is applicable.

ii. In the instance of a casual employee the shift allowance prescribed herein shall be calculated on the relevant base rate of pay exclusive of the casual loading.

iii. The shift allowance prescribed herein shall not apply to a Registered Nurse Level 4 or Level 5.

5.11 Extra payment for weekend work

5.11.1 All rostered ordinary hours worked by an employee between midnight Friday and midnight Sunday up to and including 10 ordinary hours in any one shift (or 12 hours where such shifts are worked by voluntary agreement), shall be paid in addition to the base rate of pay, an additional percentage for weekend work as follows:

Saturday	50%
Sunday	On date of operation of the Agreement: 75% FFPPOA 1 January 2024: 80% FFPPOA 1 January 2025: 85% FFPPOA 1 July 2025: 90%

i. The weekend penalties prescribed in this clause will not apply to work performed by an employee on a public holiday where the extra payment prescribed by clause 7.2.1 *payment for work done on a public holiday* applies.

ii. All time worked by an employee during the above weekend period in excess of ordinary hours in any one shift shall be paid at the appropriate overtime rate in lieu of the additional percentages for weekend work.

iii. The extra payment for weekend work prescribed herein shall not apply to a Registered Nurse Level 4 or Level 5.

5.12 Salary packaging

Notwithstanding the wage rates contained in Appendix 1, UCH may by agreement with an employee introduce remuneration packaging in respect of that employees' salary.

The parties agree to review the provisions of this clause in the event of significant change to existing taxation laws or the introduction of new legislation.

5.13 Superannuation

5.13.1 **Superannuation legislation**

i. Superannuation legislation, including the Superannuation Guarantee (Administration) Act 1992 (Cth), the Superannuation Guarantee Charge Act 1992 (Cth), the Superannuation Industry (Supervision) Act 1993 (Cth) and the Superannuation (Resolution of Complaints) Act 1993 (Cth), deals with the superannuation rights and obligations of employers and employees.

ii. Under superannuation legislation individual employees generally have the opportunity to choose their own superannuation fund. If an employee does not choose a superannuation fund on commencement of employment then the NGS Superannuation Fund, or its successor, applies.

iii. The rights and obligations in these clauses supplement those in superannuation legislation.

5.13.2 **Employer contributions**

UCH must make such superannuation contributions to a superannuation fund for the benefit of an employee as will avoid UCH being required to pay the superannuation guarantee charge under superannuation legislation with respect to that employee.

5.13.3 **Voluntary employee contributions**

i. Subject to the governing rules of the relevant superannuation fund, an employee may, in writing, authorise UCH to pay on behalf of the employee a specified amount from the post-taxation wages of the employee into the same superannuation fund as the employer makes the superannuation contributions provided for in clause 5.13.2.

ii. An employee may adjust the amount the employee has authorised their employer to pay from the wages of the employee from the first of the month following the giving of one months' written notice to UCH.

iii. An employee may enter into a written agreement with UCH to salary sacrifice for superannuation in accordance with clause 5.13 of this Agreement. Such salary sacrifice

contributions are in addition to UCH contribution as specified in clause 5.13.2.

iv. UCH must pay the amount authorised under clauses 5.13.3(i) or (ii) no later than 28 days after the end of the month in which the deduction authorised under clauses 5.13.3(i) or (ii) was made.

5.13.4 **Superannuation fund and eligible choice fund**

Unless, to comply with superannuation legislation, UCH is required to make the superannuation contributions provided for in clause 5.13.2 to another superannuation fund that is chosen by the employee or a stapled fund, UCH must make the superannuation contributions provided for in clause 5.13.2 and pay the amount authorised under clauses 5.13.3(i) or (ii) to one of the following superannuation funds or its successor:

- NGS Superannuation Fund (UCH default fund),
- Australian Retirement Trust,
- Health Employees Superannuation Trust Australia (HESTA), or
- Any superannuation fund to which UCH was making superannuation contributions for the benefit of its employees before 1 September 2012, provided the superannuation fund is an eligible choice fund.

5.14 Traveling, transport and fares

An employee required and authorised to use their own motor vehicle in the course of their duties will be paid an allowance in accordance with the Australian Taxation Office mileage allowance for a vehicle's engine size of 1601cc-2600cc.

6 Hours of work, breaks, overtime

6.1 Ordinary hours of work

6.1.1 The ordinary hours of work for a full-time employee will be 38 hours per week, 76 hours per fortnight or 152 hours over 28 days, to be worked according to a roster as follows:

i. In any 4 week work cycle there shall be 19 shifts of 8 hours duration worked, any one day taken as an accrued day off, with pay (hereafter referred to as the ADO); and / or

ii. In shifts as required, not exceeding 10 hours and not less than 3 hours in duration, with the hours worked in excess of an average of 38 hours per week over a 4 week cycle being credited towards an ADO.

6.1.2 The ordinary working hours of all employees shall not exceed 10 hours per day exclusive of meal breaks and shall be worked within a spread of 12 hours calculated from the commencing time.

6.2 Accrued days off (ADO) - accumulation and taking of ADOs

i. Full-time employees are entitled to 13 accrued days off per annum.

ii. While on annual leave an employee continues to accrue time for the purposes of ADO as if the employee has been at work. Such accrued time may be taken as additional time in conjunction with annual leave or be accumulated.

iii. No ADO's may be rostered on Statutory/Public Holidays, except by agreement between the employer and the employee.

iv. It may be mutually agreed between UCH and an employee to accrue up to a maximum of 5 ADO's. Where such an agreement is reached, the ADO's shall be taken within 12 months from the date on which the first ADO was accrued. Consent to accrue days shall not be unreasonably withheld by either party.

v. By agreement between the parties, ADOs in excess of 5 days can be paid out at base rate of pay.

vi. Employees may elect, in writing, to split their accrued days off over 2 days provided that the minimum number of ordinary hours to be performed on each of the days shall be no less than 4.

6.3 Eight hour day and accrual of time off

Subject to the provisions of clause 6.1.1, employees may agree that the ordinary hours of work may be 8 per day or may exceed 8 on any day, thus enabling accrual of time off at ordinary time rate of pay on one or more work days during a work cycle.

6.4 Rosters

6.4.1 The fortnightly roster shall set out the employees' periods of duty and the starting and finishing times for such periods shall be displayed in a place conveniently accessible to employees at least 14 days before the commencement of each fortnight.

6.4.2 Unless the Employer otherwise agrees, an employee desiring to change roster shall give the Employer 14 days' notice of the desired roster change except where the employee is ill or in an emergency.

6.4.3 Unless the employee otherwise agrees, an Employer desiring to change the roster shall give the employee at least 14 days' notice unless the change is necessary to meet unforeseen fluctuations in patient demand for services, or where another employee is absent from duty on account of illness or an emergency.

6.4.4 Subject to unforeseen circumstance as per clause 6.4.3 or clause 6.4.4, each employee will be allowed four (4) whole days free from rostered work in each fortnight. An employee's roster may provide for any one of the following combinations of days free, including:

i. 2 periods comprising 2 days each; or

ii. 3 consecutive days and 1 stand-alone day; or
iii. 1 period of 4 consecutive days; or
iv. Provided any one of these combinations may be varied to enable 2 single days free from rostered work if requested in writing by the employee.

The days free from rostered duty to be enjoyed by full-time employees working shifts longer than 8 hours and/or shorter than 8 hours on any day shall be enjoyed in a period or periods no less favourable than those set out in 6.4.5 for other full-time employees.

6.4.5 Inclusion of a casual employee in any roster will be deemed to be notice of likely hours of employment during the roster period and will not be deemed to be a guarantee of employment for those hours.

6.5 Rest breaks between rostered work

i. An employee will be allowed a rest break of not less than 10 hours between the completion of one ordinary work period or shift and the commencement of another ordinary work period or shift.

ii. This Agreement allows for the rest break between rostered work to be reduced from 10 hours to not less than 8 hours if agreed by the employee and UCH. The parties agree in these circumstances to use the *'Agreement to work with a minimum 8 hour rest break between shifts in lieu of 10 hour rest break between shifts'* form (**Attachment C**).

iii. Where agreement has been reached between UCH and the employee to reduce the 10 hour rest break between rostered work to an 8 hour rest break, due consideration will be given to recognise that fatigue prevention must be, at all times, paramount to ensure that standards of care are not reduced.

6.6 Breaks

6.6.1 **Meal breaks**

An employee who works in excess of 6 hours will be entitled to an unpaid meal break of not less than 30 minutes. The meal break should be taken between the 4th and 6th hour after commencement of duty, and thereafter at intervals of no more than 6 hours.

i. Where an employee is required to remain on duty during a meal break, the employee will be paid double time for all time worked until the meal break is taken. Payment at double time will apply from the 6th hour until meal break is taken or the end of shift, whichever occurs first and is subject to:
   a) Working through the break must be for reasons other than to suit an employee's own particular requirements; and
   b) The employee informing their manager, within the 6 hour period that they are

unable to take a meal break and the particular circumstances for this; and

c) The manager providing authorisation to the employee to remain on duty during the meal break and/or beyond the 6th hour without a meal break.

ii. Where an employee is required to remain on premises and available for duty during a meal break, the employee will be paid their base rate of pay. If the nurse is subsequently required to work during a meal break, the employee will be paid double time for the meal break and until an uninterrupted meal break is taken.

iii. Provided clause 6.6.1(i) or (ii) does not apply to Registered Nurses and Midwives Level 3, 4 and 5 as these employees are to organise their work time so that a meal break is taken at an appropriate time.

6.6.2 **Tea breaks / rest pauses**

Every employee will be entitled to a paid 10 minute tea break in each four hours worked at a time to be agreed between UCH and the employee.

Subject to agreement between UCH and the employee, such breaks may alternatively be taken as one 20 minute tea break /rest pause in the first half of the ordinary period of work.

Tea breaks will count as time worked.

6.7 On call

6.7.1 If an employee is required to be on call, the employee must be easily contactable at home or another mutually agreed place.

6.7.2 UCH will make all reasonable efforts to arrange the roster so anyone placed on call Sunday is not rostered to work day shift Monday.

6.7.3 It is not the intention of UCH that employees, unless they otherwise agree, should be placed on-call immediately prior to a rostered day off or accrued day off.

6.7.4 An employee rostered to be on call is entitled to receive additional amounts as follows:

i. A part day rate for each 24 hour period or part thereof when the on call period is between rostered shifts of ordinary hours Monday to Friday inclusive,

ii. A full day rate for each 24 hour period or part thereof when the on call period is a Saturday, Sunday, public holiday or a day when the employee is rostered off duty.

Refer to Appendix 2 – Allowances for on call rates.

6.7.5 Payment of the on call allowance as prescribed will be calculated by reference to the calendar day on which the major portion of the work falls.

6.7.6 On call – eligibility for extra week of annual leave

i. 15 or more recalls whilst on call

a) An employee who is on call and either recalled whilst on-call or asked to stay at work immediately after their shift on 15 or more occasions during a fixed 12 month period (1 May to 30 April) will be eligible to receive the additional week's annual leave of 38 hours.

b) The period of 12 months for an employee who is employed after the date of operation of this Agreement will commence from the employee's date of appointment and conclude on the anniversary of their appointment for each 12 month period.

c) Each instance of a call-out is to count towards the 15 required, even if it occurs in the same 24 hour period.

d) An employee is entitled to take the annual leave as soon as the required 15 call outs is reached but can only qualify for one week of leave per 12 month period.

e) If an employee is unable to take the leave in the following 12 month period, the employee may opt to cash out the leave by mutual agreement.

ii. On call 45 or more occasions in a year

a) If an employee is rostered on call on 45 or more occasions during the year but has not been recalled on 15 or more occasions, the employee will also be eligible to receive the additional week's annual leave of 38 hours.

iii. An employee is entitled to take the annual leave as soon as the required 15 call outs or 45 on call occasions is reached but can only qualify for one week of leave per 12 month period.

iv. If an employee is unable to take the leave within a 12 month period, the employee may opt to cash out the leave by mutual agreement.

v. This sub-clause 6.7.6 will not apply where an employee is eligible for an additional week of annual leave under clause 7.1.2(iii) (shiftworker additional annual leave provision) or 7.1.3 (permanent night shift).

6.7.7 On call payments as prescribed in clause 6.7 do not apply to Registered Nurses levels 4 and 5.

6.8 Recall to work (rostered to be on call)

6.8.1 This clause applies to an employee who is rostered to be on call and who is required to work.

6.8.2 An employee, who is required to work, will be paid for a minimum of 3 hours work at the appropriate overtime rate. Except in the circumstances where an employee, who is recalled to work on a public holiday, will be paid for a minimum of 4 hours work at the appropriate overtime rate.

6.8.3 Except in the case of unforeseen circumstances arising, an employee who is recalled to duty will not be obliged to work 3 hours if the work for which the employee was recalled and any associated duty, is completed within a shorter period.

6.8.4 Where an employee is recalled to work, the employee will be reimbursed for costs of travel to and from work (based upon kilometres driven) except if the recall is within 3 hours of the employees ordinary commencement time and the employee remains at work, the employee will only be reimbursed for the travel costs to work (based upon kilometres driven).

6.8.5 The provisions of clause 6.13.4 will not apply where an employee has worked less than 2 hours on any one or more call outs. Despite this, the intention of clause 6.8 is that all employees receive a 10 hour break between shifts where possible or unless otherwise agreed between UCH and the employee.

6.8.6 An employee who is required to be on-call and who is required to perform work by the Employer via telephone or other electronic communication away from the workplace will be paid at the appropriate overtime rate for a minimum of one hour's work. Multiple electronic requests made and concluded within the same hour shall be compensated within the same one hour's overtime payment. Time worked beyond one hour will be rounded to the nearest 15 minutes.

6.8.7 Re call to work provisions as prescribed in clause 6.8 do not apply to Registered Nurses levels 4 and 5.

6.9 Recall to work (not rostered to be on call)

6.9.1 This clause applies to an employee who is not required to be on call and who is recalled to work.

6.9.2 An employee, who is recalled to work, will be paid for a minimum of 3 hours work at the appropriate overtime rate. Except in the circumstances where an employee, who is recalled to work on a public holiday, will be paid for a minimum of 4 hours work at the appropriate overtime rate.

6.9.3 The time spent travelling to and from the place of duty will be deemed to be time worked. Except that, where an employee is recalled within 3 hours of their rostered commencement time and the employee remains at work, only time spent in travelling to work will be included with the actual time worked for the purpose of the overtime payment.

6.9.4 Except in the case of unforeseen circumstances arising, an employee who is recalled to duty will not be obliged to work 3 hours if the work for which the employee was recalled and any associated duty, is completed within a shorter period.

6.9.5 Where an employee is recalled to work, the employee will be reimbursed for costs of travel to and from work (based on kilometres driven) except if the recall is within 3 hours of the employees ordinary commencement time and the employee remains at work, the employee will only be reimbursed for the travel costs to work (based on kilometres driven).

6.9.6 The provisions of clause 6.13.4 will not apply where an employee has worked less than 2 hours on any one or more call outs. Despite this, the intention of clause 6.9 is that all employees receive a 10 hour break between shifts where possible or unless otherwise agreed between UCH and the employee.

6.9.7 Re call to work provisions as prescribed in clause 6.9 do not apply to Registered Nurses levels 4 and 5.

6.10 Employees not required for duty

6.10.1 Should a full-time or part-time employee not be required for duty due to insufficient workloads, UCH will explain to the employee that they are not required for duty, and in the first instance:

i. Utilise the employee in another area of the Hospital. When the nurse or midwife is requested to work in an area in which they are not usually employed or in which they have not worked for 3 years or more, the nurse or midwife is to be utilised without a specific patient load, but be able to assist the ward/area staff and work under their supervision:

Or, in the second instance:

ii. Pay base rate of pay for the shift (that is, no penalties and allowances).

The employee must be ready, willing and able to be called to the Hospital, up until the rostered time of commencement of the shift, thereafter the employee is then effectively off duty.

6.10.2 Employees will not be expected to use annual leave days, unpaid leave or any owed time in this situation unless agreed to by the employee.

6.11 Use of available working time

All employees will observe the nominated starting and finishing times for the work day, including designated meal breaks and rest pauses, to maximise available working time. Preparation for work and for travel home at the completion of work will be in the employee's time.

6.12 Handover arrangements

UCH agrees to ensure that at the commencement of and before the completion of each nursing or midwifery shift that there will be provision in paid time for handover between the

outgoing and incoming nursing or midwifery employees so as to provide sufficient time for all necessary handover issues to be professionally and safely canvassed, which may include for example:

i. A time for reading of all patient charts;
ii. The clarification of all patient care issues from outgoing employees;
iii. Discussion with professional colleagues to organise the priorities of the shift which is commencing; and
iv. The orientation of new staff members including agency or casual employees.

6.13 Overtime

6.13.1 **Reasonable overtime**

i. UCH may require an employee to work reasonable overtime at overtime rates.

ii. An employee may refuse to work overtime in circumstances where the working of such overtime would result in the employee working hours which are unreasonable having regard to:
- Any risk to employee's health and safety;
- The employee's personal circumstances including any family responsibilities;
- The needs of the workplace or hospital;
- The notice (if any) given by UCH of the overtime and by the employee of their intention to refuse it; and
- Any other relevant matter.

iii. Unless mutually agreed between the employer and employee, overtime will not exceed 2 hours at the end of a rostered shift or more than 8 hours in any 7 day period.

iv. Except in an emergency, no employee will work overtime unless instructed to do so by a person authorised to so instruct.

6.13.2 **Overtime penalty rates**

i. All authorised time worked in excess of rostered ordinary hours of work on any day shall be deemed to be overtime and shall be paid at the following rates:

a) **Monday to Saturday** inclusive, payment will be made at the rate of time and a half (150%) for the first 2 hours and double time (200%) thereafter;

b) **Sunday**, payment will be made at rate of double time (200%);

c) **Public holidays**, payment will be made at double time and a half (250%).

provided that an employee works a minimum of 8 hours on that shift or more than 76 hours in a fortnight.

ii. Overtime penalties as prescribed in clause 6.13.2(i) do not apply to Registered Nurses levels 4 and 5.

6.13.3 **Time off in lieu (TOIL)**

i. By agreement between UCH and the employee, an employee may take time off instead of receiving payment for overtime at a mutually agreed time.

ii. All time off in lieu is to be accrued at the equivalent overtime penalty rate. E.g. if 1 hour of overtime is worked, an employee accumulate 1.5 hour of time off.

iii. Employees may accrue up to 24 hours of TOIL unless UCH and the employee by mutual agreement determine a greater TOIL accumulation.

iv. TOIL hours can be cashed in by the employee, at the appropriate overtime rates, and will be paid out on termination of employment.

6.13.4 **Break after overtime**

i. When overtime work is necessary it will, wherever reasonably practicable, be so arranged that employees have at least 10 consecutive hours (or 8 hours by agreement) off duty between the work of successive days or shifts, including overtime.

ii. An employee who works so much overtime between the termination of their ordinary work on one day and the commencement of their ordinary work on the next day, that they have not had at least 10 consecutive hours (or 8 hours by agreement) off duty between those times, will be released after completion of such overtime, until they have had 10 consecutive hours (or 8 hours by agreement) off duty without loss of pay for ordinary working time occurring during such absence.

iii. If, on the instruction of UCH, an employee resumes or continues to work without having had 10 consecutive hours (or 8 hours by agreement) off duty, they will be paid at the rate of double time until released from duty for such period. The employee will then be entitled to be absent until they have had 10 consecutive hours (or 8 hours by agreement) off duty without loss of pay for rostered ordinary hours occurring during the absence.

iv. With the exception of employees rostered to work following a 10 hour shift, the provisions of this subclause will apply in the case of shift workers who rotate from one shift to another as if 8 hours were substituted for 10 hours when overtime is worked:-

- To satisfy operating theatre staffing requirements, or
- To permit changes of shift rosters, or
- By agreement between UCH and the employee in circumstances where they are of the opinion the employee will not be unduly fatigued and the employee's professional competence will not be adversely affected.

6.14 Voluntary 12 hour shifts

6.14.1 **Consultative process**

i. The parties recognise that for these working arrangements to be successful the changes and measures contained in clause 6.14 need to be implemented through an open consultative process.

ii. The parties commit to involving employees in appropriate consultation necessary to implement these working arrangements. Employees will be encouraged to participate in the consultative processes by allowing adequate time to understand, analyse and respond to any information or proposals in relation to the implementation of the 12 hour shift.

iii. Where it is deemed desirable to work ordinary hours in excess of 10 and up to 12 hours on any shift cycle system, such hours may only be implemented if at least 80% of employees who will be directly affected vote, via secret ballot, in favour of such hours. The roster for working such hours shall be determined by UCH in consultation with employees concerned.

iv. Before any trial commences, a detailed proposal addressing the rostering system will be submitted to a working party including employee and management representatives (a subcommittee of the LCF).

6.14.2 **Grievance settling**

Matters relating to the interpretation, application or operation of this schedule is to be handled in accordance with clause 3.5 (Dispute resolution).

6.14.3 **Participation and Reversion**

i. Participation in 12 hour shift arrangements set out in this Agreement will be on a voluntary basis.

ii. Employees who do not participate in the 12 hour shift arrangement will continue to work in the same unit within the current arrangements outlined in this Agreement.

iii. Employees who participate in the 12 hour shift arrangement may subsequently elect to revert to the hours clause contained in the body of the Agreement by giving 4 weeks notice of their intention to do so without detriment. In exceptional circumstances, including emergent extended personal /carers' leave, UCH may waive the requirement to give 4 weeks notice.

iv. To participate in 12 hour shift arrangements, the parties agree to use the *Agreement to participate in 12 hour shift agreement* form, to indicate their agreement to participate. Should an employee wish to no longer take part in the arrangements; this

same form will also record their signature and the date at which participation ceases. (**Attachment D**)

6.14.4 **Terms and conditions**

i. Twelve hour shift means a shift of 12 continuous ordinary hours inclusive of a 30 minute meal break.

ii. Shift times for employees working 12 hour night shifts – for the purposes of this Agreement, the 12 hour shift will operate in accordance with a shift roster covering a 24 hour per day operation over a 7 day week.

iii. Hours for employees working 12 hour shifts – the ordinary hours of work shall be an average of 38 hours per week, but no greater than 80 hours in any one fortnight, to be worked according to a roster agreed between the parties.

iv. Payment of ordinary hours – each fortnight employees participating in 12 hours night shift arrangements will receive:

a) Payment for 76 ordinary hours per fortnight, regardless of the number of ordinary hours such an employee is rostered to work during that fortnight; and
b) Payment for any penalties owed and overtime worked during the preceding fortnight;
c) Less any period of unpaid leave.

v. Where an employee either enters or withdraws from these 12 hours shift arrangements during a 4 week roster cycle, they may receive an adjustment pay that is either greater or less than that specified in clause 6.14.4 above.

6.14.5 **Extra payments – evening and night shifts**

An employee who works on a 12 hour shift system shall be paid shift allowances on the following basis:

i. An evening shift allowance of 12.5%, for 4 hours of the shift, where the shift includes the hour of midday;

ii. An evening shift allowance of 12.5%, for 4 hours of the shift, and a night shift allowance of 20%, for 8 hours of the shift, where the shift includes the hour of midnight.

6.14.6 **Payment for weekend work**

Relevant weekend extra payments as prescribed in clause 5.11 shall apply under this arrangement.

6.14.7 **Overtime for employees working 12 hour shifts**

An employee working in accordance with this Agreement will not perform overtime

immediately before or following a 12 hour shift.

6.14.8 **Meal breaks during 12 hour shifts**

Every employee who works a shift of 12 ordinary hours is entitled to 1 unpaid meal break as per clause 6.6.1 of this Agreement of not less than 30 minutes duration between the 4th and 6th hour and 1 paid meal break of 30 minutes shall be taken during the 9th and 10th hour from the commencement of duty.

6.14.9 **Rest pauses during 12 hour shifts**

i. Every employee who works a 12 hour shift in accordance with this Agreement is entitled to a rest pause of 10 minutes during paid time in the 1st and 2nd half of an ordinary 12 hour shift. Such rest pause shall be taken at a time to suit the convenience of UCH and so as not to interfere with the continuity of work where continuity, in the opinion of UCH, is necessary.

ii. Provided that UCH may determine that the rest pauses may be combined into one 20 minute rest pause, with such 20 minute rest pause and meal breaks arranged in such a way that the ordinary working day is broken up into 3 approximately equal working periods.

6.14.10 **Rostered days off for employees working 12 hours shifts**

i. Each employee shall be allowed 3 whole consecutive days off in each week. Provided that in lieu of 3 whole consecutive rostered days off in each week, an employee may be allowed in each fortnightly period either 2 consecutive days off in one week and 4 consecutive days off in the other week.

ii. Employees may be allowed to have a single rostered day off, at their own written request.

6.14.11 **Roster of hours for employees working 12 hour shifts**

i. Rosters settling out the employees' days of duty, and starting and finishing times on such days shall be displayed in a place conveniently accessible to employees at least seven (7) days before the commencement of each 4 week work cycle.

ii. An employee may only work a maximum of 3 of the same type of 12-hour shift in a row. This means an employee may only work a maximum of 3 day shifts or a maximum of 3 night shifts in a row.

iii. An employee may work a maximum span of 4 12-hour shifts, where those shifts are a combination of 2 day and 2 night shifts or 1 day and 3 night shifts.

iv. Where an employee works a combination of 8 and 12 hour shifts a maximum of 5 shifts in a row may be worked. This will include a minimum of 2 shifts of 8-hours duration.

6.14.12 **Breaks between shifts for employees working 12 hour shifts**

Employees participating in the 12 hours shift arrangements shall be allowed a break of 10 hours between the termination of one shift and the commencement of another shift. The ability to agree to shorten breaks between shifts does not exist under this arrangement.

6.14.13 **Annual leave for employees working 12 hours shifts**

i. The Agreement continues to apply for all employees (other than a casual employee) who are subject to this arrangement except as provided below.

ii. The number of occasions upon which the allowances mentioned in clause 6.14.6 are paid shall be counted as work performed on evening or night shifts for the purposes of calculating the additional leave entitlement under the Agreement.

iii. Provided that payment for the evening shift allowance for 4 hours on 2 occasions will equal one full shift for the purpose of calculating the number of evening shifts worked.

iv. Annual leave will be debited equivalent to the ordinary hours per shift the employee would have worked had they not been on paid leave. Such leave will therefore be paid and debited on the basis of hours actually taken.

6.14.14 **Personal /carers' leave for employees working 12 hour shifts**

Personal/carers' leave will be debited equivalent to the ordinary hours the employee would have worked had they not been on paid personal/carers' leave. Such leave will therefore be paid and debited on the basis of hours actually taken.

6.14.15 **Other leave for employees working 12 hour shifts**

All other types of leave e.g. compassionate leave will be debited equivalent to the ordinary hours the employee would have worked had they not been on paid or unpaid leave.

6.14.16 **Part-time employees participating in the trial of 12 hour shifts**

The following additional conditions shall apply to part-time employees participating in the 12 hours shift arrangements:

i. A part-time employee may be rostered to work a minimum of 4 hours and up to 12 ordinary hours on any one-day.

ii. Employees participating in 12 hour shift arrangements will receive payment as follows each fortnight:
   a) Payment for the rostered hours they have been engaged to work that fortnight; and
   b) Payment for any ordinary hours they worked in addition to those they were rostered to work during that fortnight in the 4 week roster cycle; and
   c) Payment for any penalties owed and overtime worked during the preceding

fortnight;

d) Less any period of unpaid leave.

iii. Subject to the provisions contained herein, all other entitlements within this Agreement applicable to a full-time employee shall apply pro-rata to a part-time employee.

6.14.17 **Trial arrangements**

i. The 12 hour night shift arrangements shall be trialled for a period of 12 months duration unless otherwise mutually agreed between the parties.

ii. Either party may withdraw from the trial at any period throughout the period of the trial by written notice of no less than 21 days to the other party, providing all reasonable attempts will be made to resolve any problems that may arise during the trial period and that clause 3.5 (Dispute resolution) has been exhausted.

iii. Two months before the trial's conclusion, negotiations will commence to determine the working arrangements that will apply after the conclusion of the trial. The relevant working party established will include LCF members.

iv. It is clearly understood by the parties this trial is on a "without prejudice" basis. The parties will not use this Agreement as the basis for the introduction of these arrangements in any other work area or for any other work groups without mutual agreement.

6.14.18 **Monitoring and evaluation**

i. The parties will agree, prior to commencement of the trial, on how the effectiveness of the 12 hour shift arrangements provided for this agreement shall be evaluated. Such evaluation, through a working party, shall include, but not be limited to, consideration of the following factors:

- Patient outcomes;
- Health and safety and absenteeism;
- Adverse incidents;
- Staff satisfaction;
- Financial implications;
- Effects on family and social life;
- Professional development;
- Communication; and
- Effects on management – recruitment and retention and other units within UCH hospitals.

ii. The above methodology may be varied during the life of the trial, by mutual agreement between the parties.

6.14.19 **Participation in training and development activities**

Where an employee working in accordance with this clause participates in training development activities, management will take a reasonable approach in determining whether an employee either commences duty before, or returns to duty after the activity ceases. Factors, which should be considered, are the location and duration of the activity, reasonable traveling time, and the balance of shift remaining.

7 Leave of absence and public holidays

7.1 Annual leave

7.1.1 Annual leave is paid leave and applies to all full-time and part-time employees.

7.1.2 **Quantum of annual leave**

i. All full-time and part-time employees are entitled to 5 weeks annual leave.

ii. Employees who meet the definition of a shift worker for the purpose of this clause are entitled to 6 weeks annual leave.

iii. A shift worker for the purpose of the additional week of annual leave provided by the NES is defined as an employee who:

a) is regularly rostered over 24 hours/7 days of the week (i.e. an employee who does not have set days/shifts in a week) in a ward/department that operates 24/7;

b) who regularly works weekends (i.e. 13 or more weekend days (Saturday or Sunday) in a year – pro rata for part time employees); and

c) who regularly works night shifts (ten (10) or more night shifts in a year – pro rata for part time employees).

7.1.3 **Permanent night shift – 6 weeks annual leave**

Employees who meet the definition of a permanent night shift worker for the purpose of this clause are entitled to 6 weeks annual leave. For the purpose of the additional week of annual leave, a permanent night shift worker is defined as an employee who is employed to work night shift for a minimum of 4 night shifts each fortnight.

7.1.4 **Annual leave loading**

i. In addition to their ordinary rate of pay, an employee, other than a shift worker, will be paid annual leave loading of 17.5% of their ordinary rate of pay on a maximum of 152 hours/four weeks annual leave per annum.

ii. Shift workers for the purposes of the NES, in addition to their ordinary rate of pay, will be paid the higher of:

a) an annual leave loading of 17.5% of ordinary pay; or

b) the weekend and shift penalties the employee would have received had they not been on leave during the relevant period.

7.1.5 **Leave debits**

i. Leave debits will be equivalent to the ordinary hours employees would have worked had they not been on paid leave. Such leave will therefore be paid and debited on the basis of hours actually taken.

ii. Whilst on annual leave an employee continues to accrue time for the purposes of an ADO as if the employee had been at work. Such accrued time may be taken as additional time in conjunction with the annual leave, or be accumulated.

7.1.6 **Accrual of annual leave**

An employee's entitlement to paid annual leave accrues progressively during a year of service according to the employee's ordinary hours of work, and accumulates from year to year.

If an employee's employment ends during what would otherwise have been a year of service, the employee accrues paid annual leave up to when the employment ends.

7.1.7 **Taking annual leave and notice requirements**

An employee may take paid annual leave by giving their manager an Application for Leave form and the manager will consider the application in line with known operational needs of the business but will not unreasonably refuse to agree to the request.

Within 14 days of receiving an employee's application for annual leave, the Employer will respond to the employee on whether the leave is granted or not. If the leave is not granted, reasons will be provided, which may include equity considerations around access to leave around peak holiday periods (eg Easter, Christmas / New Year's).
While annual leave may be taken in a single day period, employee requests for a single day period above 5 occurrences in any calendar year will be by mutual agreement only. Where possible, the application to take leave should be given with 4 weeks' notice.

Paid annual leave cannot be taken in advance of accrual.

Paid annual leave should be taken within the year it accrues. UCH may require an employee to take paid annual leave, but not in single day absences and only if the requirement is reasonable. If UCH seeks to direct an employee to take annual leave, the employee shall be given a minimum of 4 weeks' notice by UCH of the commencement of annual leave. By agreement leave may commence earlier than the 4 weeks' notice.

7.1.8 **Excess annual leave**

Unless UCH and an employee otherwise agree, and where the employee has accrued annual leave in excess of 10 weeks, UCH may direct an employee to take the excess annual leave. The employee shall be given a minimum of 4 weeks' notice by UCH of the commencement of annual leave and the employee is to comply with such notice.

7.1.9 **Adjustments to annual leave for personal leave**

Where an employee falls sick or suffers an injury while on annual leave and provides UCH a medical certificate to show they were incapacitated to the extent that normal duties could not be performed, and where the employee has accrued personal leave, UCH shall debit such time as personal leave and credit the same period of annual leave. Annual leave loading paid shall be recouped from the employee as part of the debit process.

7.1.10 **Annual leave – extension at half-pay**

Employees are entitled, in certain circumstances, to elect to use annual leave at half pay for any period up to the available annual leave credit. Credits will be deducted at a rate of 50% of the credit per day.

UCH will consider requests to extend leave at half-pay in the following circumstances:

- To be a child's primary care giver during a period of parental leave;
- During an extended period of absence due to illness or injury;
- Due to a domestic or pressing necessity; or
- When in transition to retirement.

7.1.11 **Pre-purchased annual leave**

Pre-purchased leave is where employees have planned absences of up to four weeks of unpaid leave which is funded by salary deductions spread evenly over the year. This allows employees to continue to receive pay during such leave.

i. Employees may apply for up to four weeks purchased leave in each financial year. Purchased leave will only be approved for the amount of credit that an employee has in respect to the purchased leave.

ii. Pre-purchased leave can only be taken in whole week blocks and must be utilised in the calendar year in which it is purchased. The leave period is the financial year.

iii. Applications for pre-purchased leave must be made by 15th June each year and approval of pre-purchased leave will be based on the operational requirements of the hospital and will be by mutual agreement.

iv. The manager must consider the employee's existing annual leave balance and direct the employee to utilise their annual leave balance if it is excessive.

7.1.12 **Cashing out terms**

i. An employee may make a request to cash out an amount of paid annual leave by giving their manager an Application for Cashout of Leave form and the manager will not unreasonably refuse to agree to the request. However, where a request results in the employee's remaining accrued entitlement to paid annual leave being less than 4 weeks, the request must not be approved.

ii. Each cashing out of a particular amount of paid annual leave must be by a separate agreement in writing.

iii. The employee must be paid at least the full amount that would have been payable to the employee had the employee taken the leave that the employee has foregone.

7.1.13 **Payment of annual leave on termination**

On termination of their employment, an employee will be paid their untaken annual leave and pro rata annual leave.

7.2 Public Holidays

7.2.1 **Payment for work done on public holidays**

All work done by an employee during their ordinary shifts on a public holiday, including a substituted day, will be paid for at double time of their ordinary rate of pay. This includes:

- New Year's Day;
- Australia Day;
- Good Friday;
- Easter Saturday;
- Easter Monday;
- Anzac Day;
- The Birthday of the Sovereign;
- Show Day (shall be a day in a district specified and notified);
- Labour Day;
- Christmas Eve (24 December between 6pm and midnight);
- Christmas Day;
- Boxing Day; or
- Any day appointed under the Holidays Act 1983 to be kept in place of any such holiday.

7.2.2 An employer and the employee may, by agreement, substitute another day for a public holiday.

7.2.3 **Payment for absence on a public holiday**

i. Full-time employees will receive a day's ordinary pay for public holidays that occur on their rostered day off except:

a) where the public holidays fall on Saturday or Sunday with respect to Monday-Friday employees; or

b) where the full time employee does not usually work ordinary hours on the day of the week the public holiday falls. For the purpose of determining whether a full time employee does not usually work ordinary hours on a day of the week the public holiday falls, the employer shall review the employee's time and attendance records over the six (6) months preceding the public holiday. If in the past six months the employee has not worked any ordinary hours on the day of the week the public holiday falls then employee shall not be entitled to payment for such day.

ii. Part-time employees will receive a day's ordinary pay for public holidays that fall on a day that the employee usually works. If the employee does not have ordinary hours of work on the public holiday, the employee is not entitled to payment. For the purpose of determining whether an employee usually works the day on which the public holiday falls the employer shall review the employee's time and attendance records over the six (6) months preceding the public holiday. If the employee has worked 50% or more of the days on which the public holiday falls the employee shall be entitled to payment for such day if so entitled. Should the employee have worked less than 50% of such days there is no entitlement.

iii. Casual employees are excluded from entitlement to payment for absences on a public holiday.

7.2.4 **Accrued days off (ADOs) on public holidays**

Where an employee's accrued day off falls on a public holiday, another day determined by the employer will be taken instead within the same four or five week work cycle, where practical.

7.2.5 **Additional leave days by mutual agreement**

i. In lieu of double time under clause 7.2.1, where the employer and employee mutually agree in writing at the time the public holiday is worked, an employee may be paid their ordinary rate of pay for time worked on a public holiday and have the same number of hours worked accrued, to be taken as leave, including in conjunction with a period of annual leave.

ii. Payment for any days taken as leave, accrued in accordance with clause 7.2.5(a) shall be at the employee's ordinary rate of pay, excluding shift and/or weekend penalties and annual leave loading.

iii. The taking of any additional days accrued as annual leave in accordance with 7.2.5(a) shall be by mutual agreement between the employer and employee, provided that such agreement shall not be unreasonably withheld.

iv. Any untaken additional days accrued as leave in accordance with clause 7.2.5(a) shall be paid out to the employee upon termination of employment.

v. Provided that any additional days accrued as leave in accordance with 7.2.5(a) shall not be considered annual leave or personal/carer's leave for any purpose.

7.2.6 **Reasonable requirement to work on public holidays**

i. The 24/7 operational requirement to provide patient care in an acute hospital setting creates a reasonable expectation that UCH may request employees to work public holidays, especially those employees who work in the wards. Employees who work in procedural areas may feasibly have a reasonable expectation that they will be absent on public holidays.

ii. UCH may request an employee work on a public holiday, and the employee may refuse the request if the request is not reasonable or the refusal is reasonable.

7.2.7 **Rostering principles on public holidays**

Public holiday rostering will be in accordance with the usual rostering practices under this Agreement as per clause 6.4.

7.3 Personal / carer's leave

7.3.1 **Paid leave**

Personal/carer's leave is paid leave and applies to all full-time and part-time employees.

7.3.2 **Entitlement to paid personal / carer's leave**

For each year of service with UCH, an employee is entitled to 10 days (76 hours) of paid personal/carer's leave.

An employee's entitlement to paid personal/carer's leave accrues progressively during a year of service according to the employee's ordinary hours of work, and accumulates from year to year.

7.3.3 **Taking personal / carer's leave**

An employee may take paid personal/carer's leave if the leave is taken:

i. Because the employee is not fit for work because of a personal illness, or personal injury, affecting the employee; or

ii. To provide care or support to a member of the employee's immediate family, or a member of the employee's household, who requires care or support because of:

a) A personal illness, or personal injury, affecting the member; or

b) An unexpected emergency affecting the member.

Personal leave may be taken for part of a day or shift.

7.3.4 **Entitlement to unpaid personal / carer's leave**

An employee is entitled to 2 days of unpaid carer's leave for each occasion when a member of the employee's immediate family, or a member of the employee's household, requires care or support because of:

i. A personal illness, or personal injury, affecting the member; or

ii. An unexpected emergency affecting the member.

An employee cannot take unpaid carer's leave during a particular period if the employee could instead take paid personal/carer's leave.

7.3.5 **Notice and evidence requirements**

An employee must give their manager notice as soon as practicable and must also advise their manager the period, or expected period, of the absence.

It is expected that a medical certificate, or if not reasonably practical to do so, a statutory declaration by the employee is provided for any period in excess of 2 days for personal leave.

Where there appears to be a pattern of nonattendance and/or high levels of absenteeism, the employee may be requested to provide a medical certificate for each absence. The employee will be made aware of the requirement and of the duration for which evidence will be required for each occasion of taking personal leave.

7.4 Compassionate leave

7.4.1 An employee may take compassionate leave for a particular permissible occasion if the leave is taken to spend time with the seriously ill or seriously injured person or after their death (subject to entitlement provisions).

7.4.2 **Entitlement to compassionate leave**

An employee is entitled to 2 days of paid compassionate leave for each occasion (a permissible occasion) when:

- a member of the employee's immediate family or a member of the employee's household:
    i. Contracts or develops a personal illness that poses a serious threat to his or her life; or
    ii. Sustains a personal injury that poses a serious threat to his or her life; or
    iii. Dies.
- a baby in their immediate family or household is stillborn;

- they have a miscarriage; and/or
- their current spouse or de factor partner has a miscarriage.

An employee will be entitled to an additional 2 days of paid compassionate leave if they are required to travel interstate or internationally.

For the purpose of compassionate leave, employees will be able to take compassionate leave for other relatives outside of the immediate family (e.g. cousins, aunts and uncles) if they are a member of the employee's household or if the employer agrees to this.

Casual employees receive unpaid compassionate leave in accordance with the National Employment Standards.

7.4.3 **Taking of compassionate leave – notice and evidence requirements**

An employee must give their manager notice as soon as practicable and must also advise their manager the period, or expected period, of the absence.

Where requested, the employee must give their manager evidence that would satisfy a reasonable person that the leave was taken for a permissible occasion in the circumstances specified, and if applicable that they were required to travel interstate or internationally.

7.5 Parental leave

7.5.1 Parental leave is unpaid leave for employees who have worked for UCH for at least 12 months and is available to:

i. An employee who gives birth;
ii. An employee whose spouse or de facto partner gives birth;
iii. An employee who adopts a child under 16 years of age.

7.5.2 In the case of casual employees, they must have been working on a regular and systematic basis for at least 12 months and have a reasonable expectation of ongoing employment.

7.5.3 Each parent can take up to 12 months' unpaid leave (to run consecutively) or one parent can request up to 24 months' leave. Leave has to be taken in a single continuous period. Both parents may take parental leave concurrently for a maximum of three weeks around the time of a child's birth/adoption.

7.5.4 UCH provides for parental leave consistent with the NES with the exception of providing paid parental leave to qualifying full-time and part-time employees. For clarity, qualifying employees for paid parental leave are those who have worked for UCH for at least 12 months and can only be accessed by:

i. A pregnant employee; or

ii. An employee who is the primary care giver of their newborn child; or

iii. An employee who is the primary care giver of a newly adopted child provided that child is not a stepchild of the employee or the employee's partner, is under the age of five, and has not lived continuously with the employee for six months or longer.

7.5.5 The quantum of paid leave that is available to a primary care giver of the child at the time of birth is provided for in the below table.

Leave commencing between	**Quantum of paid leave available**
Date of commencement of the Agreement to 30 June 2023	12 weeks
1 July 2023 to 30 June 2024	13 weeks
On or after 1 July 2024	14 weeks

7.5.6 Where the leave is birth-related leave for an employee who is pregnant with, or gives birth to, the child, the period of leave may start up to 6 weeks before the expected date of birth of the child, but must not start later than the date of birth of the child.

7.5.7 An employee may request to take UCH paid maternity leave on half pay (e.g. 14 weeks pay spread over a 28 week period). UCH paid maternity leave is separate from the Government's Paid Parental Leave scheme.

7.5.8 Paid Partner Leave

a) Upon the birth or adoption of a child, a full-time or part-time employee, being a parent of the child, who is not the primary carer, shall be entitled to two (2) weeks paid partner leave, provided the employee has completed at least 12 months continuous services with the Employer.

b) Part-time employees shall be entitled to payment on a pro-rata basis, calculated on the average hours worked by the employee in the six (6) months preceding the taking of paid partner leave.

c) Paid partner leave must be taken in one (1) continuous period.

d) Paid partner leave may be taken at half pay. For example, two (2) weeks pay spread over a four (4) week period. For clarity, when leave is taken at half pay, leave shall accrue at half pay.

e) Payment shall be at the employee's base rate of pay for ordinary hours.

7.5.9 Where an employee has proceeded on UCH paid maternity leave and has received payment in accordance with 7.7.4 and the pregnancy ends otherwise than by the birth of a living child, the employee shall be entitled to retain the 12 weeks payment.

7.5.10 **Taking parental leave and notice requirements**

An employee must provide written notice of the taking of parental leave. The notice should be given 10 weeks before starting the leave and must specify the intended start and end dates of the leave. Where an employee is providing notice of taking parental leave, then a medical certificate confirming the date of birth, or the expected date of birth, of the child is required.

Leave must be taken in a single continuous period, but the employee may take a form of paid leave at the same time as they are on 'unpaid parental leave'.

7.5.11 **Pregnant employees may be required to take parental leave within 6 weeks before the birth**

If a pregnant employee continues to work during the 6 week period before the expected date of birth of the child, UCH may request the employee to provide a medical certificate containing the following statements (as applicable):

i. A statement of whether the employee is fit to work;

ii. If the employee is fit to work – a statement of whether it is advisable for the employee to continue in her present position during a stated period because of:
   a) Illness, or risks, arising out of the employee's pregnancy; or
   b) Hazards connected with the position.

UCH may require the employee to commence maternity leave as soon as practicable if the medical certificate is not provided within 7 days of request.

Where the employee provides a medical certificate that states they are unfit for work, then depending on the circumstances, UCH may require the employee to commence paid maternity leave.

7.5.12 **Extending period of parental leave – to maximum of 12 month leave period**

An employee may request to extend the period of parental leave by giving written notice at least 4 weeks before the end date of the original leave period. The notice must specify the new end date for the leave. Only one extension is permitted and the extension cannot extend the leave beyond the employee's available parental leave period.

7.5.13 **Extending period of parental leave – to maximum of 24 month leave period**

An employee may seek agreement from UCH for an extension of unpaid parental leave for a further period. The request must be in writing and given to UCH for consideration at least 4 weeks before the end date of leave period.

Where the request is approved, the employee will be advised in writing as soon as practicable, and not later than 21 days after the request was made.

Where the request is not granted, due to reasonable business grounds, the employee will be advised in writing as soon as practicable and not later than 21 days after the request was made. The written response will provide details of the reasons for the refusal.

7.5.14 **Reducing period of unpaid parental leave**

An employee may seek agreement from UCH to reduce the period of unpaid parental leave.

7.5.15 **Return to part-time work – during period of parental leave**

With the agreement of UCH, an employee may work part-time for one or more periods during their period of unpaid parental leave. Likewise, a casual employee may perform work on a casual basis.

7.5.16 **Return to work – lactation breaks**

In order to assist women who are wishing to continue breastfeeding upon return to work, UCH will:

i. Where practical, offer rostered shifts conducive to the needs of the lactating mother; and
ii. Provide access to a room within the hospital where privacy is maintained for expressing and breastfeeding.

7.6 Long service leave

7.6.1 Long service leave is paid leave and applies to all employees.

7.6.2 **Entitlement to long service leave**

All employees are entitled to 13 weeks long service leave after 10 years of continuous service. Thereafter, an employee's entitlement to paid long service leave accrues progressively during a year of service according to the employee's ordinary hours of work, and accumulates from year to year.

An employee is entitled to pro-rata long service leave following seven (7) years of continuous service.

Continuous service refers to paid working time and paid leave. Employment is the total period engaged and can include unpaid leave. The long service leave entitlement is based on continuous service.

7.6.3 **Taking long service leave and notice requirements.**

An employee may take long service leave (including pro-rata long service leave) by giving their manager an Application for Leave form and the manager will consider the application in

line with known operational needs of the business but will not unreasonably refuse to agree to the request. Where possible, the application to take leave should be given with a minimum of 4 weeks' notice.

An employee may request to take long service leave for a period of 2 weeks (as a minimum) or more.

The employee may request to take long service leave on half pay (e.g. 2 weeks pay spread over a 4 week period).

Payment of long service leave is at the base rate of pay at the time the leave is taken.

7.6.4 **Cash equivalent**

Cash equivalent on ceasing employment occurs at or after 10 calendar years continuous service. However, payment of accrued Long Service Leave will be made for lesser periods of continuous service in the following circumstances:

i. Upon retrenchment – entitlement at or after 1 year of continuous service
ii. Upon ill health retirement – entitlement at or after 5 years of continuous service
iii. Upon retirement within ten years after age 65 – entitlement at or after 5 years of continuous service
iv. Upon death – entitlement at or after 5 years of continuous service

7.6.5 **Payment instead of Long Service Leave**

An employee may be paid all or part of their entitlement to long service leave after 10 years of continuous service, instead of taking such leave. This arrangement must be agreed between UCH and the employee, made in writing and signed by the employer and employee.

7.7 Community service (including Jury Duty)

7.7.1 UCH allows their employees to take unpaid leave in accordance with the NES for eligible community service activities such as jury duty or voluntary emergency management.

7.7.2 **Entitlement to community service leave**

An employee who engages in an eligible community service activity is entitled to be absent for:

i. Time when the employee engages in the activity;
ii. Reasonable travelling time associated with the activity;
iii. Reasonable rest time immediately following the activity.

7.7.3 **Notice and evidence requirements**

An employee must give their manager notice as soon as practicable and must also advise their manager the period, or expected period, of the absence.

Community Service Leave (excluding jury service) is unpaid leave, however an employee may request to take paid annual leave, subject to accrued entitlement, for the approved period of leave.

UCH will pay full-time and part-time employees undertaking jury duty for a period of up to 10 days. They are paid at their ordinary rate for the ordinary hours of work. The amount payable is reduced by any jury service pay that has been paid or is payable to the employee. Payment by UCH is subject to meeting reasonable evidence requirements (i.e. evidence that the employee has taken all necessary steps to obtain any amount of jury service pay to which the employee is entitled).

Periods of jury service must be supported by an approved Application for Leave form and a copy of documentation of their notice of Jury Service. Only the rostered days, which were not worked due to jury service, should be claimed as payment for jury service.

7.8 Ceremonial leave

An employee who is legitimately required by Aboriginal tradition to be absent from work for Aboriginal ceremonial purposes will be entitled to up to ten working days of unpaid leave in any one year, subject to prior application and approval.

7.9 Family and Domestic Violence Leave

UCH provides employees with access to 10 days paid family and domestic violence leave. It is provided on the following basis:

i. it supplements the Nurses Award 2020 / NES entitlements and not in addition to;
ii. payment is based upon the number of ordinary hours that would have been worked on the day taken as family and domestic violence leave, or in the absence of rostered ordinary hours payment is based upon the average daily ordinary hours worked by the employee;
iii. family and domestic violence leave is paid at the employee's full rate of pay;
iv. the leave is available in full at the start of each 12 month period of the employee's employment;
v. the leave does not accumulate from year to year; and
vi. the leave is available to full time, part-time and casual employees.

8 Other matters

8.1 Professional development

8.1.1 The parties to this Agreement recognise the importance of training and education to the productivity and efficiency of the workplace.

Accordingly, the parties commit themselves to:

i. developing a more highly skilled and flexible workforce;
ii. completion of all mandatory and core competency training;
iii. assisting employees' career opportunities and productivity through the provision of appropriate training and development; and
iv. ensuring skills so acquired are able to be utilised.

8.1.2 Employees shall be entitled to professional development leave as set out in the below table. The leave is to be paid at the base rate of pay and is cumulative for a period of up to two (2) years – and so the maximum accrual will be up to 10 days of leave. The leave may be accessed to attend courses and seminars. This attendance may be outside normal hours.

Date	**Leave entitlement (per year)**
From the date the Agreement commences	4 days
1 January 2024	5 days

8.1.3 Manager's approval for professional development will be based on operational business requirements for each hospital. Approval for such leave will not be unreasonably withheld where it aligns with the organisation's strategic direction and future workforce planning and where it enhances the employees' capability and work performance in their current role or prepares them for a future role. This leave is in addition to and will be granted subject to the employee maintaining compliance with all annual mandatory training requirements.

8.1.4 Additional leave may be granted on request as per the Professional Development Policy. Following attendance at professional development activities, knowledge sharing across UnitingCare Health must be demonstrated.

8.1.5 Payment of registration for professional development activities will be provided where attendance at such activity is part of professional accreditation and required by the hospital and/or department.

8.2 Immunisation / X-Ray

UCH will provide and arrange administration of the following immunisation where required by UCH and agreed by the employee:

i. Flu-vax to be provided to staff annually;
ii. Hep B to be provided where not currently immunised and required in the role.

UCH will reimburse any employee who is required by UCH to have an x-ray.

8.3 Parking

When staff are engaged on evening shift and staff parking within the hospital has been restricted, affected staff shall have 10 minutes added to their meal break to allow them to relocate their vehicle into or closer to the hospital. UCH will ensure a Security Officer is available for escorting the staff member for these purposes, or will ensure an alternative arrangement is put in place.

Designated car parking spaces will be made available to afternoon shift workers.

8.4 Nursing and Midwifery Graduate Statement

At UCH we respond to changing healthcare needs and foster the highest standards in health related education in all our facilities.

Our services combine to ensure UCH offer comprehensive healthcare education and Graduate Programs to our newly graduated registered nurses, midwives and enrolled nurses. Our Clinical School supports graduates by offering a range of resources, advice and mentorship from a very experienced team of clinicians who deliver programs both on-line and face to face.

Our graduate programs ensure graduates are supported, remain supervised for appropriate periods and have access to study days throughout their program.

Graduates are provided with learning opportunities through formal study days and have access to an extensive range of clinical education courses and workshops; as well as educational support from preceptors, clinical nurse managers (CNMs), and clinical nurse educators (CNEs).

Should they need it, UCH offers their employees additional support through the Employee Assistance Program (EAP). Further information about EAP and fact sheets on caring for your mental health can be found on the UCH intranet.

We are committed to providing ongoing opportunities for our nurses and midwives to work together with all members of the healthcare team to provide not only excellence in care and compassion to our patients and families, but maintain better outcomes for our patients and the wider UCH community.

All UCH facilities agree to:

i. Provide supernumerary hours with preceptors on commencement and at rotation, Monday to Friday;
ii. Support individual graduates with allocated preceptors;
iii. Provide timely feedback to graduates regarding their performance;
iv. Provide designated study days during the graduate year;
v. Ensure graduates are not placed in situations where they are expected to team lead in their graduate year.

Appendix 1 – Hourly wage rates

Uniting Care Health Nurses and Midwives Enterprise Agreement	FFPPOA	FFPPOA	FFPPOA	FFPPOA	FFPPOA	FFPPOA	FFPPOA
	1-Jul-21	31-Jul-22 (Current)	31-Jul-22 (Backpay)	Commencement	31-Jul-23	31-Jul-24	1-Apr-25
		2%	Top up to 4% for 31-July-22	1%	4.5%	3%	2%
Assistant Nurses							
Paypoint 1	28.88690	29.46464	30.04238	30.34280	31.70823	32.65947	33.31266
Paypoint 2	29.05945	29.64064	30.22183	30.52405	31.89763	32.85456	33.51165
Paypoint 3	29.91205	30.51029	31.10853	31.41962	32.83350	33.81851	34.49488
Paypoint 4	31.49545	32.12536	32.75527	33.08282	34.57155	35.60869	36.32087
Paypoint 5				33.53000	35.03885	36.09002	36.81182
Paypoint 6						36.71000	37.44420
Enrolled Nurses							
Paypoint 1	31.70860	32.34277	32.97694	33.30671	34.80552	35.84968	36.56667
Paypoint 2	32.34805	32.99501	33.64197	33.97839	35.50742	36.57264	37.30409
Paypoint 3	32.98750	33.64725	34.30700	34.65007	36.20932	37.29560	38.04151
Paypoint 4	33.64725	34.32020	34.99314	35.34307	36.93351	38.04151	38.80235
Paypoint 5	34.79420	35.49008	36.18597	36.54783	38.19248	39.33825	40.12502
Paypoint 6	35.49455	36.20444	36.91433	37.28348	38.96123	40.13007	40.93267
Advanced Skill				40.44000	42.25980	43.52759	44.39815

Registered Nurses and Midwives							
Level 1.1	36.85465	37.59174	38.32884	38.71212	40.45417	41.66780	42.50115
Level 1.2	38.61060	39.38281	40.15502	40.55657	42.38162	43.65307	44.52613
Level 1.3	40.35640	41.16353	41.97066	42.39036	44.29793	45.62687	46.53940
Level 1.4	42.12250	42.96495	43.80740	44.24547	46.23652	47.62362	48.57609
Level 1.5	43.86830	44.74567	45.62303	46.07926	48.15283	49.59741	50.58936
Level 1.6	45.62425	46.53674	47.44922	47.92371	50.08028	51.58269	52.61434
Level 1.7	47.37005	48.31745	49.26485	49.75750	51.99659	53.55649	54.62762
Level 2.1	48.24295	49.20781	50.17267	50.67439	52.95474	54.54338	55.63425
Level 2.2	49.40005	50.38805	51.37605	51.88981	54.22485	55.85160	56.96863
Level 2.3	50.55715	51.56829	52.57944	53.10523	55.49497	57.15981	58.30301
Level 2.4	51.69395	52.72783	53.76171	54.29933	56.74279	58.44508	59.61398
Level 3.1	56.33250	57.45915	58.58580	59.17166	61.83438	63.68941	64.96320
Level 3.2	57.69260	58.84645	60.00030	60.60031	63.32732	65.22714	66.53168
Level 3.3	59.03240	60.21305	61.39370	62.00763	64.79798	66.74192	68.07675
Level 3.4	60.40265	61.61070	62.81876	63.44694	66.30206	68.29112	69.65694
Level 3.5	63.32585	64.59237	65.85888	66.51747	69.51076	71.59608	73.02800
Nurse Practitioner							
Paypoint 1				73.82000	77.14190	79.45616	81.04528
Paypoint 2				75.65000	79.05425	81.42588	83.05440
Paypoint 3				77.07000	80.53815	82.95429	84.61338

Appendix 2 – Allowances

Uniting Care Health Nurses and Midwives Enterprise Agreement		Current allowances	FFPPOA 31-Jul-22 4%	FFPPOA Commencement 1%	FFPPOA 31-Jul-23 4.5%	FFPPOA 30-Jul-24 3%	FFPPOA 1-Apr-25 2%
Allowance	**Frequency**						
X-Ray (10 hours or less)	per week	12.08	12.56	12.69	13.26	13.66	13.93
X-Ray (more than 10 hours)	per week	24.17	25.14	25.39	26.53	27.33	27.87
Qualification - Certificate	per week	21.68	22.55	46.96	49.07	50.55	51.56
Qualification - Diploma	per week	27.11	28.19	65.74	68.70	70.76	72.17
Qualification - Masters	per week	36.14	37.59	75.13	78.51	80.87	82.48
In charge	per shift	15.12	15.72	15.88	16.60	17.09	17.44
On-call Mon to Fri	per 24 hours or part thereof	35.80	37.23	37.60	39.30	40.48	41.28
On-call Sat, Sun, PH, RDO	per 24 hours or part thereof	64.46	67.04	67.71	70.76	72.88	74.34
Meal allowance - Overtime	when and as applicable	13.15	13.68	13.81	14.43	14.87	15.16

Attachment A – Glossary and definitions

Classification definitions – general

The following definitions of classifications shall apply for the purposes of ascertaining duties and appropriate rates of pay of employees:–

(a) **Registered Nurse** means an employee:

i. registered under the *Health Practitioner Regulation National Law Act 2009* as a Registered Nurse and is subject to the standards, codes and guidelines of the Nursing and Midwifery Board of Australia (NMBA) and holds current registration; and

ii. who appears on the Australian Health Practitioner Regulation Agency as Register of Practitioners as a Registered Nurse (Division One).

(b) **Registered Midwife** means an employee:

i. registered under the *Health Practitioner Regulation National Law Act 2009* as a Registered Midwife and is subject to the standards, codes and guidelines of the Nursing and Midwifery Board of Australia and holds current registration; and

ii. who appears on the Australian Health Practitioner Regulation Agency as Register of Practitioners as a Registered Midwife.

(c) **Director of Clinical Services** means a Registered Nurse and/or Registered Midwife Level 5, appointed as such, who has charge of the nursing/midwifery employees and who may also be required to supervise other staff (including domestic staff).

(d) **Assistant Director of Nursing/Clinical Services** means a Registered Nurse and/or Registered Midwife Level 4, appointed as such, who assists in hospital administration and who may relieve a Director of Clinical Services and who is responsible for a stream or combination of streams of clinical practice as required by the employer and consistent with the nursing/midwifery career structure. Examples of such streams include management, research, clinical, education.

(e) **Registered Nurse/Midwife Level 3** means a Registered Nurse/Midwife appointed as such who has responsibilities as allocated by the employer for a stream or combination of streams of nursing/midwifery practice consistent with the nursing/midwifery career structure, and whose responsibilities are greater than those of a Registered Nurse/Midwife Level 2. Examples of such streams include management, research, education, or clinical.

(f) **Nurse Practitioner** means a Registered Nurse/Midwife appointed to the role who has obtained an additional qualification relevant to the Nursing and Midwifery Board of Australia or its successor to enable them to become a licensed Nurse Practitioner. A Nurse Practitioner is authorised to function autonomously and collaboratively in an advanced and extended clinical role.

(g) **Nurse Researcher** means a Registered Nurse/Midwife Level 3, appointed as such, who is

responsible for the development, conduct and quality of ethically sound nursing/midwifery research projects and quality assurance programs, and exercising responsibility in these matters greater than that of a Registered Nurse/Midwife Level 2.

(h) **Nurse Educator** means a Registered Nurse/Midwife Level 3, appointed as such, who is responsible for the assessment, planning, implementation and evaluation of nursing/midwifery education and/or staff development programs, and exercising responsibility in these matters greater than that of a Registered Nurse/Midwife Level 2.

(i) **Clinical Nurse/Midwife Consultant** means a Registered Nurse/Midwife Level 3, appointed as such, who is responsible for the co-ordination of standards of care delivered in a specific patient care area, and exercising responsibility in these **matters** greater than that of a Registered Nurse/Midwife Level 2.

(j) **Nurse/midwife Manager** means a Registered Nurse/Midwife Level 3, appointed as such who is responsible for the management of human and material resources for a specified UCH of clinical units, and exercising responsibility in these matters greater than that of a Registered Nurse/Midwife Level 2.

(k) **Clinical Nurse/Midwife** means a Registered Nurse/Midwife Level 2 appointed as such, who identifies, selects, implements and evaluates nursing/midwifery interventions that have less predictable outcomes for a specific client population, and functions in more complex situations, providing support and direction to Registered Nurses/Midwives and/or other personnel.

(l) **Registered Nurse/Midwife Level 1** means a Registered Nurse/Midwife appointed as such other than Registered Nurses/Midwives Levels 2 to 5.

(m) **Enrolled Nurse** means an employee:

i. who is enrolled under the *Health Practitioner Regulation National Law Act 2009* as an Enrolled Nurse and is subject to the standards, codes and guidelines of the Nursing and Midwifery Board of Australia and holds current registration; and

ii. who appears on the Australian Health Practitioner Regulation Agency Register of Practitioners as an Enrolled Nurse.

(n) **Assistant in Nursing** means an employee, other than one registered under the *Health Practitioner Regulation National Law Act 2009* (Qld) or one who is in training for the purpose of such registration, who is under the direct control, delegation and supervision of a Registered Nurse and whose delegated nursing care may be overseen by an Enrolled nurse.

(o) **Student Enrolled Nurse** means a student undertaking study to become an enrolled nurse.

Attachment B – Classification definitions

Enrolled Nurses

The UCH Agreement shall be applied according to the following definitions:–

(a) **In-service training** means the formal and/or informal work related learning activities required by the employer to be undertaken by an employee through opportunities provided by the employer, which contribute to an employee's professional development and efficiency by:–

(i) the acquisition and updating of skills and knowledge beneficial to effective performance within a team; and/or

(ii) reducing the degree of direct supervision required of the employee; and/or

(iii) enhancing the breadth and/or depth of knowledge and skills required by an employee in a specific area and/or range of areas of nursing practice, as the case may be.

Supervision means, subject to the regulations and/or bylaws of NMBA, the oversight, direction, instruction, guidance and/or support provided to an employee by a named and accessible Registered Nurse responsible for ensuring such an employee is not placed in situations where required to function beyond the employee's education and training.

Specifically:–

(iv) **Direct supervision** means the employee works side by side continuously with a Registered Nurse responsible for observing and directing the employee's activities in circumstances where, in the judgement of the Registered Nurse, such an arrangement is warranted in the interests of safe and/or effective practice;

(v) **Indirect supervision** means such other supervision provided to an employee assuming responsibility for functions delegated by a Registered Nurse in circumstances where, in the judgement of the Registered Nurse accountable for such delegation, direct supervisions of the employee is not required.

(b) **Year of practical experience** means 1976 ordinary hours of duty, or paid leave to the equivalent of 1976 ordinary hours including annual, personal, compassionate and other paid leave.

(c) **Paypoint 1** means the Paypoint to which an employee shall be appointed as an Enrolled Nurse, where the employee possesses and may be required to utilise a level of nursing skill and knowledge based on:–

i. **Training and Experience**

Satisfactory completion of an enrolled nurse course delivered by a registered training organisation.

Appearance on the Register of Practitioners maintained by APHRA;

and practical experience of up to but not more than 12 months in the provisions of nursing care and/or services, and the undertaking of in-service training, subject to its provision by the employer, from time to time; and

ii. **Skill indicators**

Upon appointment it is recognised that the employee has:–

- limited or no practical experience of current situations, and
- limited discretionary judgement, not yet developed by practical experience.

iii. At Paypoint 1, the employee will demonstrate some of the following in the performance of work:–

- Performs basic nursing care effectively for assigned patients according to Registered Nurse delegation, directives and patient care plan and/or
- Performs basic nursing-related activities according to Registered Nurse directions and/or
- Requires guidance from a Registered Nurse to apply nursing principles, protocols and rules to clinical problem solving related to basic patient care and/or
- Reports accurately, and within an appropriate time frame all changes in patient condition and/or nursing related work situation to the Registered Nurse.

(d) **Paypoint 2** means the Paypoint to which an employee shall be appointed or shall progress from Paypoint 1, where the employee possesses and may be required to utilise a level of nursing skill and knowledge based on:–

(i) **Training and Experience**

- Satisfactory completion of an enrolled nurse course delivered by a registered training organisation
- Appearance on the AHPRA Register of Practitioners, or
- In addition to the experience, skill and knowledge requirements specified for Paypoint 1, not more than one further year of practical experience in the provision of nursing care and/or services;
- and the undertaking of in-service training, subject to its provision by the employer, from time to time; and

(ii) **Skill indicators**

An employee is required to demonstrate some of the following in the performance of work:–

a. implements planned patient care which is patient centred and has realistic outcomes under the direction of and in consultation with, a Registered Nurse and/or
b. follows relevant hospital protocols accurately and applies nursing principles and rules to solve problems of basic nursing practice in conjunction with a Registered Nurse and/or
c. seeks advice to resolve competing demands made upon the employee.

(e) **"Paypoint 3"** means the Paypoint to which an employee shall be appointed or progress from Paypoint 2, where the employee possesses and may be required to utilise a level of nursing skill and knowledge based on:–

(i) **Training and Experience**

- In addition to the experience, skill and knowledge requirements specified for Paypoint 2, not more than one further year of practical experience in the provision of nursing care and/or services; and
- the undertaking of in-service training, subject to its provision by the employer, from time to time; and

(ii) **Skill indicators**

An employee is required to demonstrate some of the following in the performance of work:–

- as a team member utilises accepted nursing practice standards in providing basic patient care in conjunction with a Registered Nurse and/or
- promotes optimal outcomes by implementing appropriate basic nursing practice in stable situations in consultation with the Registered Nurse and/or
- is able to organise and prioritise workload effectively to meet basic nursing practice demands in stable situations with indirect supervision by a Registered Nurse.

(f) **"Paypoint 4"** means the Paypoint to which an Enrolled Nurse shall be appointed or progress from Paypoint 3, where such an employee possesses and may be required to utilise a level of nursing skill and knowledge based on:–

(i) **Training and Experience**

- In addition to the experience, skill and knowledge requirements specified for Paypoint 3, not more than one further year of practical experience in the provision of nursing care and/or services; and
- the undertaking of in service training, subject to its provision by the employer, from time to time; and

(ii) **Skill indicators**

An employee is required to demonstrate some of the following in the performance of work:–

- utilises knowledge gained from previous experience to provide support to colleagues in clinical problem solving of basic patient care with indirect supervision by a Registered Nurse and/or
- promotes optimal outcomes by implementing appropriate nursing care in less stable situations with direct supervision by a Registered Nurse and/or
- prioritises to meet competing demands using relevant experience in consultation with the Registered Nurse and/or
- contributes to the development of nursing/midwifery procedures and/or basic nursing/midwifery practices at a ward/unit level.

(g) **"Paypoint 5"** means the Paypoint to which an Enrolled Nurse shall be appointed or shall progress from Paypoint 4, where such an employee possesses and may be required to utilise a level of nursing skill and knowledge acquired on the basis of:–

(i) **Training and Experience**

- In addition to the experience, skill and knowledge requirements specified for

Paypoint 4, not more than one further year of practical experience in the provision of patient care and/or services; and

- the undertaking of relevant in-service training, subject to its provision by the employer, from time to time; and

(ii) **Skill Indicators**

An employee is required to demonstrate all of the following in the performance of work:–

a. demonstrates the ability to assist with clinical problem solving in less stable situations in collaboration with the Registered Nurse and/or
b. is able to manage patient care in less stable and/or changed situations in conjunction with the Registered Nurse and/or
c. prioritises effectively and efficiently as the result of broad experience in resolving issues of competing demands of delegated basic nursing practice and/or
d. assists the review and evaluation of procedures and protocols within area of responsibility by contributing relevant information to the Registered Nurse.

(h) **"Paypoint 6"** means the Paypoint to which an Enrolled Nurse shall be appointed or shall progress from Paypoint 5, where such an employee possesses and may be required to utilise a level of nursing skill and knowledge acquired on the basis of:–

(i) **Training and Experience**

- In addition to the experience, skill and knowledge requirements specified for Paypoint 5, not more than one further year of practical experience in the provision of patient care and/or services; and
- the undertaking of relevant in-service training, subject to its provision by the employer, from time to time; and

(ii) **Skill Indicators**

An employee is required to demonstrate all of the following in the performance of work:–

- demonstrates the ability to assist with clinical problem solving in less stable situations in collaboration with the Registered Nurse and/or
- is able to manage patient care in less stable and/or changed situations in conjunction with the Registered Nurse/Midwife and/or
- prioritises effectively and efficiently as the result of broad experience in resolving issues of competing demands of delegated basic nursing practice and/or assists the review and evaluation of procedures and protocols within area of responsibility by contributing relevant information to the Registered Nurse.

(i) **Special Grade Enrolled Nurse / Enrolled Nurse Advanced Skill**

An employee who is appointed to the role and who is an Enrolled Nurse with advanced skill who supports a registered nurse/registered midwife in the provision of patient centred care as specified by registration requirements, NMBA standards and codes, educational preparation, relevant legislation and context of care.

Autonomy

(a) Practises predominately with indirect supervision while assisting with the care of recipients of healthcare services as delegated by the registered nurse/registered midwife; and

(b) Seeks assistance and support in decision making from a registered nurse/registered midwife.

Domain 1	**Domain 2**	**Domain 3**	**Domain 4**	**Domain 5**
Direct comprehensive care or provision of direct care	**Support of Systems**	**Education**	**Research**	**Professional Leadership**
Accountability and Responsibility • Accountable for NMBA and own standards, actions and the outcomes of own nursing/midwifery practice and supervision of unregulated healthcare workers. • Provide direct and indirect care, engage in reflective and analytical practice and demonstrate professional and collaborative practice. **Skills and Knowledge** • Demonstrate a greater depth of knowledge, skills, experience, competence and more effective integration of theory to practice than a Nurse Grade 3. • Provide support and direction and act as a role model to others where appropriate. **Role in clinical care** • Demonstrate greater	**Policies, protocols, guidelines and standards** • Adhere to established guidelines, protocols, procedures, standards and systems of work as set out by the organisation. • May assist in reviewing and evaluating nursing/midwifery standards at the local level. • May hold a portfolio in an area of advanced skill **Quality/Safety/Risk management** • Maintain the safety of recipients of healthcare services by identifying risk and undertaking safe work activities within the clinical practice environment. • Engage in incident reporting and participate in quality improvement activities to promote safe and	• Contribute to quality healthcare through lifelong learning and professional development of self and others. • Provide health promotion and education to recipients of healthcare services and carers. • Educate and support less experienced staff in relation to the provision of care where appropriate.	• Participate as appropriate in evaluative and local action research activities. • Apply evidence-based guidelines to achieve positive care outcomes for recipients of healthcare services as delegated by the registered nurse/registered midwife.	• Collaborate with the registered nurse/registered midwife in clinical and organisational governance through active participation in team leadership and decision making. • Under the guidance of the registered nurse/registered midwife work to achieve best practice outcomes within the work unit environment.

experience and competence in the development, implementation and evaluation of care plans than a Nurse Grade 3. • Provide effective communication with members of the healthcare team, recipients of healthcare services, families and other agencies in collaboration with the registered nurse/registered midwife	/or rectify unsafe practice. **Mentorship/Reporting lines** • Participate with other members of the healthcare team in providing support and mentorship to new and less experienced staff.			

Registered Nurses /Midwives

These generic level statements are intended as broad descriptions of the role at each level. Specific job descriptions may be developed for individual positions at each level.

REGISTERED NURSE/MIDWIFE LEVEL 1	RESPONSIBILITIES
The Registered Nurse/Midwife is the first level nurse/midwife who is licensed to practise nursing/midwifery without supervision and who assumes accountability and responsibility for own actions and acts to rectify unsafe nursing/midwifery practice and/or unprofessional conduct. It is essential that the nurse/midwife is registered by the Australian Health Practitioner Regulation Agency (AHPRA) and holds a current practicing certificate. The degree of expertise will increase as the Registered Nurse/Midwife advances through this level.	The Registered Nurse/Midwife gives direct nursing/midwifery care based on the Nursing and Midwifery Board of Australia Codes of Conduct and Ethics and Standards for Practice, to a group of patients in collaboration with the Clinical Nurse/Midwife/Clinical Nurse/Midwife Consultant.

REGISTERED NURSE/MIDWIFE LEVEL 2	RESPONSIBILITIES
Level 2 means a Registered Nurse/Midwife who is appointed as such. The Level 2 role requires a broad developing knowledge in professional nursing issues and a sound specific knowledge-base in relation to a field of practice. The Level 2 assumes accountability and responsibility for own actions and acts to rectify unsafe nursing/midwifery practice and/or unprofessional conduct. The Level 2 functions in more complex situations while providing support and direction to Registered Nurses/Midwives and other non-registered nursing employees. The Level 2 applies critical reasoning and problem solving skills greater than Level 1. The Level 2 is able to demonstrate: • Advanced level clinical skills and problem-solving skills; • Planning and co-ordination skills in the clinical management of client care; • Ability to work within a collegiate/team structure; • Awareness of and involvement with the quality assurance and improvement process; • Contribution of professional practice of the unit.	Gives direct care to patients. Acts as a role model for Registered Nurses/Midwives and other non-registered personnel in the provision of holistic clinical care. Takes additional responsibility as delegated which clearly differentiates the role from that of the Level 1 e.g.: • Planning or co-ordination of education programs and other staff development activities • Orientation of new staff • Preceptorship of new staff • Participates in action research. • Provides support to the Clinical Manager/Level 3 Participates in nursing/midwifery practice policy review and quality improvement initiatives. Co-operates with others in relation to development of clinical programs and initiatives.

REGISTERED NURSE/MIDWIFE LEVEL 3	RESPONSIBILITIES
Level 3 means a Registered Nurse/Midwife who is appointed as such. The Level 3 is a proficient practitioner who is accountable for a discrete area of nursing/midwifery practice or a combination of areas of practice. Areas of nursing and or midwifery practice include: • Clinical • Management (including resource management) • Education • Nursing/midwifery Research. The Level 3 has the authority to co-ordinate care and/or service delivery for patients and accepts accountability and responsibility for own actions and acts to rectify unsafe nursing/midwifery practice and/or unprofessional conduct. The Level 3 collaborates with other nurses to facilitate the provision of quality cost effective nursing/midwifery care. The Level 3 is: • accountable for the co-ordination of standards of care; and/or • accountable for the management of human and material resources; and/or • responsible for the development, conduct and quality of ethically sound nursing/midwifery research projects and quality assurance and improvement programs; and/or • accountable for the assessment, planning, implementation and evaluation of	1. Co-ordinates patient care and service delivery. 2. Provides direct care to patients with complex care needs. 3. Manages activities related to the provision of safe patient care. 4. Evaluates care and institutes mechanisms to correct deficiencies. 5. Participates in multi-disciplinary reviews of patient care outcomes. 6. Monitors patients'' perceptions of their care and institutes mechanisms to remedy deficiencies in care. 7. Undertakes action research to address patient care problems and issues. 8. Reviews pattern of care delivery and assesses appropriateness of change. 9. Participates in committees for patient care improvements, initiatives and policy development. 10. Assesses professional development needs of employees and co-ordinates education programs. 11. Acts as a proficient consultant to employees. 12. Identifies issues requiring policy/procedural review. 13. Participates in relevant policy/procedural development. 14. Participates in employee selection process. 15. Participates in orientation and other employee

nursing/midwifery, education and/or employee development programs. The Level 3 demonstrates a number of the following attributes relevant to the responsibilities allocated to them in their area of employment: • Proficiency in clinical skills and the delivery of nursing/midwifery care • Skilled co-ordination of care and service delivery • Leadership qualities. • Organisation and planning skills in relation to human and material resource management awareness and an understanding of human resource practices. • Analytical and report writing skills. • Organisational and planning skills in relation to education. • Knowledge of and an ability to apply a range of research techniques and methodologies. • Awareness of ethical standards in research practice.	development activities. 16. Participates in performance review mechanisms. 17. Participates in action research. 18. Provides management of human and material resources for a specific group of units or teams. 19. Provides financial management, budget preparation and cost control. 20. Allocates and rosters employees for the efficient and effective level of patient. 21. Co-ordinates human resource planning. 22. Develops a management information data base for area.

NURSE PRACTITIONER	RESPONSIBILITIES
Nurse Practitioner means an employee appointed as such, who is a Registered Nurse / Midwife endorsed to practice as a Nurse Practitioner by the NMBA. The Nurse Practitioner collaborates with Medical Specialists, Nurse Unit Manager, Nurse Education Coordinator, Nurse Researcher, Clinical Nurse / Nurse Educator to facilitate the provision of quality, specialised nursing care. Nurse Practitioners must demonstrate: • Autonomous and collaborative functioning in an advanced and expanded clinical role.	1. Clear authority for advanced scope of practice in an extended nursing role with autonomous decision making. 2. Works autonomously and collaboratively within the multi-disciplinary team. 3. Exercises professional and clinical expertise in collaboration with nursing and midwifery and multi-disciplinary stakeholders. 4. Advanced level decision making. 5. Partners with other health professionals to operationalise clinical and corporate governance requirements aligned with the defined scope of

• Use of expanded skills and knowledge in assessment planning and implementation, diagnosis and evaluation of nursing care required. • Assessment and management of recipients of healthcare services using nursing knowledge and skills which may include, but is not limited to: - direct referral of recipients of healthcare services to other healthcare professionals; - prescribing medications, and - ordering and interpreting results of diagnostic investigations.	practice.

REGISTERED NURSE/MIDWIFE LEVEL 4	RESPONSIBILITIES
The Level 4 is a Registered Nurse/Midwife who is appointed as such. The Level 4 has a high level of clinical and management expertise. The Level 4 is responsible for the overall planning, co-ordination, formulation and direction of policies relating to the provision of clinical patient care and the provision of human and material resources for an assigned number of clinical units. The Level 4 works collaboratively with other employees to ensure the provision of quality and cost-effective patient care. The Level 4 is responsible for the development of appropriate policy and standards for the planning, development, implementation and evaluation of patient care.	1. Engages in co-ordination of care to patients 2. Responsible with the clinical unit employees for a safe standard of patient care. 3. Develops strategies to effect appropriate quality management program. 4. Responsible for operational planning and decision making. 5. Promotes participate decision making. 6. Co-ordinates and promotes action research. 7. Management of human and material resources for specified area. 8. Engages in human resource functions. 9. Monitors staff allocation for specified areas. 10. Responsible for review of occupational health and safety programs for area. 11. Participates in the development, monitoring and modification of budgets for area of responsibility in collaboration with the Director of Clinical Services, nurses/midwives and others as required. 12. Researches management issues and problems for designated area including absenteeism, turnover, job satisfaction and occupational injuries. 13. Provides effective leadership and support to employees of designated area. 14. Represent nursing/midwifery in multi-disciplinary committees in relation to designated area. 15. Functions as a member of a management team. 16. Deputises for Director of Nursing/Director of Clinical Services when required. 17. Provides supervision for other non-registered employees.

REGISTERED NURSE/MIDWIFE LEVEL 5	RESPONSIBILITIES
Director of Nursing/Director of Clinical Services means an employee appointed as such, who is a Registered Nurse/Midwife. The Director of Nursing/Director of Clinical Services has responsibility for strategic planning and decision-making relating to the organisation. The Director of Nursing/Director of Clinical Services is accountable for the activities of the service, participates as a member of the management team and is involved in future planning strategies to ensure the changing needs of patients. The Director of Nursing/Director of Clinical Services demonstrates knowledge of contemporary nursing/midwifery theory and practice and expertise in health and, financial/economic management. The Director of Nursing/Director of Clinical Services demonstrates a high level of management and formulates policies and strategic plans for employee's and organisational development.	1. Promotes and co-ordinates the delivery of quality care. 2. Represents the organisation, its philosophies and objectives. 3. Provides overall budgetary management. 4. Functions as a member of the management team. 5. Represents the interests of nursing/midwifery to organisation and the community. 6. Demonstrated leadership of nursing/midwifery with developed philosophies, policies, objectives and goals of the organisation. 7. Responsible for strategic and operational planning and decision making. 8. Promotes a high standard of nursing/midwifery practice. 9. Promotes participate decision-making and decentralisation of operation. 10. Responsible for the overall supervision of care and operational employees. 11. Represents and promotes the organisation to government and the broader community.

Attachment C – Agreement to work with a minimum 8 hour break between shifts in lieu of 10 hour breaks between shifts



Agreement to work with a minimum 8 hour break between shifts in lieu of 10 hour breaks between shifts

UnitingCare Health & QNMU Nurses and Midwives Enterprise Agreement 2022-2025

1. Personal Details			
Name:		Payroll Number:	
Department / Ward / Section:		Hospital / Facility:	
Position:			

2. Conditions for agreement to work with a minimum 8 hour break between shifts in lieu of 10 hour breaks between shifts

1. Where the employee and the employer mutually agree that the employee will not be unduly fatigued and the employee's professional competence will not be adversely affected by the reduction in the break between shifts, an employee may agree to a break between shifts of not less than 8 hours; and

1. You must sign and date this form to indicate your agreement.

3. Employee commitment and effective commencement date

I hereby agree to work rostered shifts that provide a minimum 8 hour break between shifts in lieu of a 10 hour break.

Effective date for commencement of minimum 8 hour break between shifts: Date __/__/____

I agree to this arrangement for the following period: _____

Employee Signature:

4. Approval and confirmation.

Clinical Nurse Manager (CNM) Approval: **Yes** **No**		
_____	_____	_____
Name	Signature	Date

Attachment D – Agreement to participate in 12 hour shift agreement

UnitingCare

UnitingCare Health & QNMU Nurses and Midwives Enterprise Agreement - 2022- 2025 - 12 Hour Shift Agreement

1. Personal Details			
Name:		Payroll Number:	
Department / Ward / Section:		Hospital / Facility:	
Position:			

2. Conditions for working Voluntary 12 Hour Shifts

2. Participation in 12-hour shift arrangements is on a voluntary basis;
3. You may elect out of working 12 hour shifts at any time by giving 4 week's written notice; and
4. You must sign and date this form to indicate your agreement to participate and/or to cease working 12-hour shifts.

3. Employee commitment and effective commencement date

I have reviewed the UnitingCare Health Nurses and Midwives Enterprise Agreement 2022 -2025 requirements for working 12 Hour Shifts and agree to meet these requirements.

Effective date for commencement of working 12 Hour Shifts **Date:**

Effective date for ceasing participation in 12 Hour Shifts **Date:**

Employee Signature: **Date:**

4. Approval and confirmation that the work area has implemented 12 Hour Shifts as per UCH & QNU Enterprise Agreement requirements.

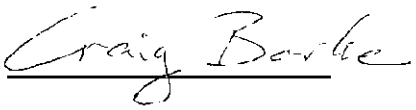
☐ ☐

Clinical Nurse Manager (CNM) Approval: **Yes** **No**

Name	Signature	Date

Signatories

I am authorised to sign this Agreement on behalf of The Uniting Church in Australia Property Trust (Q) trading as UnitingCare Health



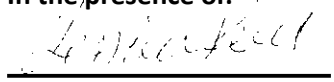
Craig Barke, CEO

Signature **Print name and title**

Address: 192 Ann Street, Brisbane QLD 4001

Date: 13/04/2023

In the presence of:



Jessica Reid, Executive Assistant

Signature **Print name and title**

I am authorised to sign this Agreement as the nominated employee representative on behalf of Queensland Nurses and Midwives' Union of Employees / Australian Nursing and Midwifery Federation

Signature **Print name and title**

Address: 106 Victoria Street, West End QLD 4101

Date:

In the presence of:

Signature **Print name and title**

Signatories

I am authorised to sign this Agreement on behalf of The Uniting Church in Australia Property Trust (Q) trading as UnitingCare Health

Signature	**Print name and title**

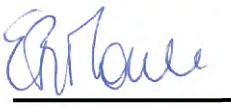
Address: 192 Ann Street, Brisbane QLD 4001

Date:

In the presence of:

Signature	**Print name and title**

I am authorised to sign this Agreement as the nominated employee representative on behalf of Queensland Nurses and Midwives' Union of Employees / Australian Nursing and Midwifery Federation

	Elizabeth Mohle QNMU Secretary
Signature	**Print name and title**

Address: 106 Victoria Street, West End QLD 4101

Date: 12 April 2023

In the presence of:

	Merren Dickins PA to Secretary
Signature	**Print name and title**

IN THE FAIR WORK COMMISSION

FWC Matter No.:

AG2023/1036

Applicant:

Uniting Church in Australia Property Trust (Q.) T/A UnitingCare Health

Section 185 – Application for approval of a single enterprise agreement

Undertaking – section 190

I, Craig Barke, CEO have the authority given to me by Uniting Church in Australia Property Trust (Q.) (**UCH**) to provide the following undertakings with respect to *UnitingCare Health & QNMU – Nurses and Midwives Enterprise Agreement 2022 – 2025* (**Agreement**). These undertakings are provided on the basis of the matters raised by the Fair Work Commission in the application before the Fair Work Commission.

The undertakings are as follows:

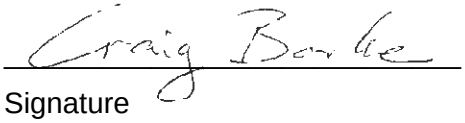
1. NES precedence clause: UCH undertakes that the below will apply as a term of the Agreement:

   This Agreement will be read and interpreted in conjunction with the National Employment Standards (NES). Where there is an inconsistency between this agreement and the NES, and the NES provides a greater benefit, the NES provision will apply to the extent of the inconsistency.

2. Clause 4.5.3 – Notice of termination by employee: UCH undertakes that sub-clause 4.5.3 will be replaced with the below:

   The notice of termination required to be given by an employee shall be two weeks.

   If an employee fails to give the minimum notice, UCH shall have the right to withhold wages due to the employee with a maximum amount equal to the ordinary time rate for the period of notice required but not given by the employee.



Signature

2/05/2023

Date

FAIR WORK COMMISSION

Matter No: AM2024/11

Application by Australian Nursing and Midwifery Federation

WITNESS STATEMENT OF ANNE-MARIE ROBINSON

DATED 29 MAY 2026

I, Anne-Marie Robinson of [redacted], state as follows:

Introduction

1. I am employed by Cabrini Health Ltd (**Cabrini**) as Clinical Services Director – Medical Services, Maternity, ICU and Palliative Care at Cabrini Malvern is located at 181-183 Wattletree Rd, Malvern VIC 3144 (**Malvern**). I have held this role for just over 3 years.

2. In my role, I am the Clinical Director for approximately half of the Cabrini Hospital at the Malvern site. Specifically, nursing directorate covering all of the medical wards, palliative care unit, Intensive Care Unit and maternity services. Across those services there are 12 distinct areas I oversee, including:

   (a) multiple medical wards, ranging from a respiratory ward, general medical wards, oncology ward and haematology precinct over 2 wards;

   (b) an infusion treatment centre, with 36 chairs and treatment spaces and a Dialysis room with 3 chairs – delivering on average 90 to 100 treatments per day (either oncology/haematology treatments or some type of infusion);

   (c) maternity ward, encompassing birth suite, special care, and postnatal ward;

   (d) a palliative and supportive care unit; and

Lodged by: Catholic Health Australia	**Telephone:** Nigel Ward – [redacted]; Alana Rafter – [redacted]
Address for service: Australian Business Lawyers & Advisors Level 7, 8 Chifley Square, SYDNEY NSW 2000	**Email:** Nigel.Ward@ablawyers.com.au Alana.Rafter@ablawyers.com.au

(e) intensive care unit (**ICU**) with 16-beds.

3. I am responsible for the financial management and clinical governance of those services and areas.

4. The surgical wards of the Malvern are overseen by another Clinical Services Director – Surgical and Cardiac Services.

5. In this statement, my descriptions of the work performed by nursing staff at Cabrini concerns the staff working across the services, wards and areas at Malvern that I oversee.

6. This statement is made from my own knowledge and belief, unless otherwise stated. Where statements are not made from my knowledge, they are made to the best of my knowledge, information and belief and I have set out the sources of my knowledge, information and belief.

Nursing Staff at Cabrini Malvern

7. Below the Clinical Services Directors are the nursing teams. This includes:

(a) Nurse Managers that are either Registered Nurses (**RNs**) or Midwives in the Maternity Service:

(i) All general wards have a Nurse Manager, who is delegated to manage one particular ward or one service depending on the size of the service.

(ii) The maternity ward has a Midwife as Service Manager.

(b) Approximately 1800 nurses and midwives are employed across Cabrini Health

8. At this point in time, Cabrini Malvern does not employ any nurse practitioners (**NPs**).

9. The majority of our nursing staff are RNs and midwives. Enrolled nurses (**ENs**) make up about 2.7% of our nursing staff.

10. We often engage ENs as graduates, but many of them, once they complete their EN training, commence their RN training almost immediately as they are looking at

progressing within the profession. We then work with them to help them convert to being an RN, if they wish to, within the next two years or so, by supporting their university time and placement periods.

11. However, we have several experienced ENs that have around 15 years' experience at Cabrini who at this stage have elected not to progress to RN.

24-Hour Acute Hospital Setting

12. Malvern is an acute private hospital that treats an average of 200 surgical cases a day. We have over 400 overnight inpatient beds and a busy Emergency department that sees on average 70 patients per day.

13. Patients in this acute hospital setting are in hospital because there are unwell and can deteriorate rapidly. The recognition of deterioration is a vital skill for staff in a hospital setting.

14. By comparison, residents in aged care are elderly and frail – but they are generally stable in their condition. They may be slowly deteriorating, but it's not a rapid deterioration that will require emergency care and resuscitation. If a resident has a fall, their care may well be escalated to being transported to a hospital for emergency care if required.

15. Across all shifts, wards are busy with staff attending to patient care. Patients will be receiving infusions, needing to be assisted with hygiene or post operative and technical care, family members will be visiting and wanting to talk to nursing staff about their parents or loved ones in care of the hospital, VMO's will be attending and reviewing patients and care needs and treatment plans will be constantly adjusted and reviewed.

16. Discharges and admissions are occurring, at Cabrini Malvern, throughout the day and night; there is not one only busy shift – there may be different care needs across different shifts that require more staff. Hence there is usually more staff during the day and less staff at night when historically, less patients are admitted to and discharged

from wards. Cabrini Theatre suite is staffed 24/7 and will often still be sending patients back to wards post-surgery overnight.

Shift Structure

17. Malvern operates 24 hours, seven days a week. The shift structure is as follows for the wards and Emergency department:

    (a) 7am to 3:06pm;

    (b) 2pm to 10:06pm;

    (c) 9:30pm to 7:30am (10 hour night shift).

18. In the ICU, staff work 12-hour shifts:

    (a) 7am to 7:30pm; and

    (b) 7pm to 7:30am.

Admission Of Patients

19. The patients admitted to general wards either come through the emergency department (**ED**) or direct from the community with a range of medical conditions. That might be something like falls, a sepsis or pneumonia.

20. The intake area for the respiratory ward would be:

    (a) through our ED;

    (b) a direct admit from the community; or

    (c) they could be transferred from another hospital or one of the other wards here.

21. A *"direct admit"* would be somebody who potentially has previously seen one of our consultants. This means they are known to them, they know that the patient is unwell in the community and they need to come in; so, they make a request for a bed through our equivalent of an intake coordinator. That patient then comes in directly to a ward area.

22. Patients also get admitted via our Theatre suite and come to wards post operatively or out from ICU.

23. The last admission pathway is via the Emergency Department, they can only be transferred up to a ward once they are stabilized, have a treatment plan in place, they can be admitted to the ward areas.

Enrolled Nurses at Cabrini Malvern

24. Cabrini has a position description for ENs.

A COPY OF THE CABRINI EN POSITION DESCRIPTION IS ANNEXED AND MARKED AMR-1

25. ENs do not work in all areas in the hospital. At Malvern, we have no EN's working in maternity, Day Oncology or the ICU. EN are not allocated to those wards because:

(a) maternity is very specialised in antenatal and postnatal care of the woman and in birth suite, it is a requirement that only Registered midwives are to be looking after labouring women (we do not even have RNs in that space);

(b) there is a legal requirement that you have one midwife looking after a labouring women and an EN is not qualified to birth babies;

(c) ICU is also highly specialised, requiring highly technical care to be provided. This falls outside the scope of an EN (again, we do not generally have RNs in ICU unless they are in training to get their critical care certificate whilst working in the ICU);

(d) an EN cannot look after a ventilated patient; and

(e) there are a number of infusions provided in the ICU and in Oncology that, again, fall outside the scope of an EN.

(f) EN's do not also have the scope to care for or access Central Venous Access Devices (CVAD's) such as PICC's or PORTS, at Cabrini making it also difficult to work in oncology or the day infusion areas.

26. Across the remaining wards I oversee, we would have around 3 to 4 Ens only.

Rostering

27. Typically, the following staff would be rostered on a ward (assuming 30 beds):

(a) 8 to 9 RNs, inclusive of 1 RN in charge of shift;

(b) 1 EN (if available on ward); and

(c) 1 PCA (if it is a morning shift or there is a need).

28. The reason there is only one EN is due to the limitation with medications; an EN cannot check with another EN.

Tasks performed by ENs

29. ENs provide full nursing care of a patient:

(a) activities of daily living;

(b) hygiene;

(c) administering medications;

(d) looking after IV lines and giving IV medications (ENs do not put IVs in, they can only look after them once they are in the patient);

(e) observations;

(f) blood sugars;

(g) communicating with families; and

(h) communicating with the visiting medical officers, as required, the doctors.

30. ENs can also assist with the admission process of patients, including completing risk assessments. This consists of about 10 forms that cover multiple assessments including falls risk, skin assessment, neurological assessment, etc.

Observations

31. ENs record their observations using an observation chart provided by Cabrini.

A COPY OF SOME CABRINI ADMISSION RISK ASSESSMENTS AND OBSERVATIONS CHARTS IS ANNEXED AND MARKED AMR-2

Medications

32. In relation to medications:

(a) ENs do not give chemotherapy;

(b) ENs are not permitted to check medications with another EN. They are required to check their medications with an RN; and

(c) ENs do not take phone orders for medications.

33. ENs must act within the scope of their practice and, especially when administering medications, are accountable for what they are giving to a patient.

34. During a shift, ENs must:

(a) report to the RN in charge of shift;

(b) check their medications with an RN;

(c) escalate to the RN with any concerns about care, anything they feel they could not manage and in accordance with their training (e.g. there are scenarios where an EN is expected and trained to escalate to an RN – such as a deteriorating patient).

Responding to Emergencies

35. Both RNs and ENs respond to emergencies. However, an EN does not provide advanced life support like the RN. An EN can do Basic Life support such as chest compressions, airway management (breathing), they can put on the automated external defibrillator (**AED**) and follow AED prompts, and scribe.

36. ENs receive training about how to make and respond to a MET call, which is a medical emergency response that calls a team. The EN may press the buzzer in the room or pick up the phone and call the MET call number to call the emergency. As can all Cabrini staff (e.g. a code blue for cardiac arrest, a code for stroke, or a code pink for children).

37. Our orderlies and personal care attendants (**PCA**) can also make this escalation call, they receive the same training.

Night Shift

38. During a night shift an EN may be allocated the care of 8 medical or post-operative patients. The nursing care includes:

    (a) IV hydration (i.e. checking and changing the IV fluids);

    (b) checking on wounds;

    (c) monitoring and recording observations;

    (d) hygiene;

    (e) Care of all activities of daily living

    (f) post-op washes and care.

Personal Care Attendants

39. A PCA can only deliver care only under the guidance of an RN or EN. The PCAs assist with daily living activities, washing and assistance with feeding. The do not currently perform observations or technical nursing care.

40. We roster a PCA on every morning shift in every ward. Beyond that, allocation of a PCA to a shift is based on acuity and need. If the ward needs more ward support, based on acuity of the ward, then I will authorise more. For example, at the time of writing this statement, two of my wards have a PCA deployed in the afternoon shift at well, but, and it is purely based on need and acuity of the ward at the time.

41. Both RNs and ENs provide on shift supervision to our PCAs.

Support Provided by Cabrini to Enrolled Nurses

Supernumerary

42. ENs that commence with Cabrini as graduates are provided the following support:

Week 1

(a) **Day 1 and 2:** They are with our education team off-site, which covers their basic assessments like hand hygiene, completion of basic life support training, and getting oriented to our paperwork. The EN is considered "supernumerary" to the normal requirements of the ward on these days because they are totally surplus to the requirements of the ward on the day – they are not counted into the staffing numbers.

(b) **Days 3 to 4:** The ENs commence on the wards totally supernumerary and are supported by their preceptor (an RN), who is their buddy/preceptor, looking after their patient. During this time, they get shown around the ward and start-off watching and start doing tasks interchangeably with their preceptor on Day 4.

Week 2

(c) **Days 5 and 6:** Another two days of supernumerary time, where they work with their buddy/preceptor, looking after the patients in their allocation together so they can be supervised in their care delivery. On day 6, the EN and

preceptor/buddy flip roles, the EN will now be the one caring for the patients with the buddy supervising and assisting as required. During that time, they will still be deemed to be supernumerary.

(d) **Days 7 and 8:** during these days the EN is now allocated a direct patient load to perform tasks in a ward (e.g. four patients), but they still have their preceptor to go to whilst on shift. The buddy works on the same shift alongside them with another allocation of patients, preferably physically co-located, so that they have always got somebody to go to and to ask if they have questions.

43. Graduate ENs only work a four-day week when then join our graduate program and they do not work weekends or perform any night duty within the first eight weeks.

44. After the eighth week, they can work on weekends. After 3 months, they can then rotate onto night duty.

45. The preceptor continues to work alongside the ENs for the first six weeks. If this is unable to be achieved due to sick leave or planned leave then the EN Grad will have another preceptor/buddy allocated to refer to for that shift or period of time.

46. There is also education support available on every ward; that is a Clinical Support Nurse (**CSN**) that looks after the EN and RN Graduates. These CSNs primarily work with the graduates and the undergraduates on the ward.

47. On top of that, Cabrini have graduate coordinators who are checking in all the time with the graduates over the period of the Grad year.

48. The EN Grads (and RN Grads) report directly into the normal reporting lines of that ward, so into the Nurse Manager of the ward.

Rotation

49. After working 6 months on one ward, our graduates complete a rotation in another ward during their 1 year Grad program.

50. At the completion of their first 12 months, the graduate EN gets to choose where they want to go. They could even choose a different opportunity (e.g. a ward they did not rotate through) if they elect to.

Mandatory Training

51. All staff are required to complete mandatory training on an annual basis.

52. This includes (but is not exclusive to) topics such as:

    (a) hand hygiene, which is provided through Hand Hygiene Australia;

    (b) fire and evacuation response;

    (c) Bloodsafe training;

    (d) basic life support

    (e) medication competency (EN's and RN's).

    (f) Annual performance appraisal

53. The only mandatory training listed above that requires face-to-face training is basic life support.

54. The yearly mandatory training list is quite extensive and takes around 6 hours to complete (and it paid for by Cabrini). ENs are required to do the same mandatory training list as RN's every year.

A COPY OF A LIST OF MANDATORY TRAINING TOPICS FOR ENS IS ANNEXED AND MARKED AMR-3

Progression and Competency

55. Based on my observations of ENs, I think the time it takes for an EN to achieve certain competencies in the role is subject to the individual, including their:

    (a) personal drive;

    (b) willingness and or personal ability to learn;

(c) dedication to their role; and

(d) maturity.

56. I have observed both:

(a) ENs who will work at a standard with no progression or desire to progress

(b) ENs that have been embedded in a ward for many years, who become the backbone of the ward, work to full scope, and patients would struggle to differentiate them from an RN.

57. I have made similar observations of RNs.

58. Examples of maturity impacting an EN's performance in their role:

(a) I have observed ENs that have a bit more life experience, who are more comfortable to have conversations or even be a bit more extroverted.

(b) I have also observed 19- to 20-year-olds be a little more shy compared to an EN that is 35 or 40 years in the way they communicate with patients.

59. Other differences I observe in individuals is their ability to cope with shift work and manage workload.

60. I have made similar observations, of the above, of RNs and other staff.

Continuing Professional Development

61. ENs can complete education through Cabrini or external providers that can count toward continuing professional development (**CPD**).

Rates

62. Nursing employees at Cabrini are covered by the *Cabrini Nurses and Midwives Enterprise Agreement 2025* (**EA**).

63. The EA was only recently ratified by the Fair Work Commission in April 2026.

64. The rates in our EA work to match the recent increases made in the public sector, which resulted in many Cabrini staff receiving an up to 16% uplift in their pay by July 2027.

65. This EA is an 18-month agreement, so we will be back at the negotiating table late next year.

Possible Impact of Further Increases

66. In the private sector:

    (a) we cannot pass the costs on to our patients, because our revenue is dictated by the Health Fund Rebate that we get per visit or per MBS item or DRG; and

    (b) we do not receive government funding.

Signed:



Anne-Marie Robinson

Dated: 29 May 2026

Cabrini

POSITION DESCRIPTION

Position Title	**Enrolled Nurse**
Reports to (Title)	**Nurse Manager/Department Manager**
Executive Director	**Group Director Nursing and Clinical Education**
Department	**Nursing Services**
Position Location	
Award/Agreement	**Salary & Conditions in accordance with Contract of Employment**
Delegation of Authority Level	**AS per DOA Matrix**

Position Summary & Role Purpose

The Enrolled Nurse works under the direction and supervision of the registered nurse and is responsible for the provision of patient-centred nursing care. This includes the recognition of the normal and abnormal in assessment, intervention and evaluation of individual health and functional status.
The Enrolled Nurse responsibilities also include providing support and comfort, assisting with activities of daily living to achieve an optimal level of independence, and providing for emotional needs of individuals.
Enrolled nurses may administer prescribed medicines or maintain intravenous fluids, in accordance with their educational preparation and must adhere to Cabrini policies and procedures. At all times, the Enrolled Nurse retains responsibility for his/her actions and remains accountable in providing nursing care delegated to them.
All activities are undertaken within the framework of the Mission, Values and Vision of Cabrini Health.

Key Result Areas

1. Key Responsibilities, Outcomes and Activities

1.1 Leadership and management

- Responding to the need for flexible rostering to maximise patient care, meet service needs and those needs of the individual
- Communicating, referring to, and being involved in consultation with, other relevant health professionals, service providers, and community and support services
- Is a strong patient and family advocate

1.2 Operational Responsibilities

- Assessing, planning, implementing and reviewing nursing care in collaboration with Registered Nurses as part of the multidisciplinary health care team
- Delivering care within their scope of practice to meet organisational goals. Performing nursing interventions in accordance with recognised standards of practice and ensuring accurate and timely documentation
- Carrying out medical and nursing orders within scope of practice ensuring care delivery and outcomes of care are communicated and coordinated in collaboration with the registered nurse and multidisciplinary team
- Demonstrating attention to the needs of the patient and family to maintain privacy, dignity and confidentiality
- Responding effectively to and escalating issues as required

- Ensuring they only accept delegated care that takes into consideration their education and training and the context of care
- Following the discharge plan to ensure patients and families are well prepared for discharge
- Using evidence based references to support nursing care

1.3 Resource Management

- Adherence to the Cabrini codes of professional conduct, code of ethics, standards of practice and competencies, Mission, Values and Vision, and the Behaviours that Matter

1.4 Contributes to the achievement of professional expertise for self and direct reports through:

- Maintenance of ongoing personal professional development / continuing education
- Personal application of the Cabrini performance management framework
- Identifying, encouraging and monitoring the continuing development of others within a learning culture

2. Work Health and Safety

Cabrini is committed to providing facilities and services which minimise the risk of physical and psychosocial harm to our workforce, patients, residents, clients and visitors, so far as is reasonably practicable.

To achieve this, managers are required to implement, in consultation with their employees, the components of Cabrini's work health and safety management systems (the collection of policies, procedures, guidelines, other related documents and resources) to control the hazards that their employees, and any other person exposed to the work they do, may face. The WHS management system enshrines a risk management approach to managing hazards. For any hazards not explicitly covered in the WHS management system, managers are required to assess and control hazards as outlined in the WHS Risk Management Procedure).

Employees are responsible to work in a way that protects their own health and safety and that of others who may be affected by their actions. This includes following the policies and procedures from the WHS management system that apply to their work, any local processes and instructions from their manager regarding how work is to be performed. Employees are responsible to report hazards, incidents and injuries to their manager.

The Cabrini WHS Department facilitate the ongoing development and review of the WHS management system, build the capability of managers to assess and manage wellbeing, hazards, incidents and injuries and provide advice and support in the management of these areas.

The Cabrini Work Health and Safety Responsibilities Procedure defines the responsibilities of employees at all levels of the organisation – Chief Executive; Group Directors; General Managers; Managers; those with specified work health and safety responsibilities; and all other employees. Please refer to the procedure for more details of the responsibilities associated with your role.

3. Safety and Quality

It is the responsibility of all staff at Cabrini to ensure that they provide safe high quality care to our patients, residents and service users. Safe care means accepting individual and shared responsibility as well as compliance with the Cabrini policies and protocols by all staff.

4. Child Safety

Cabrini complies with the Victorian Child Safe Standards 2015 and the National Catholic Safeguarding Standards. All children who come to Cabrini have a right to feel and be safe. Cabrini policies and practices aim to keep children safe from harm. All Cabrini staff must comply with all policies including the following:

- Child safe organisational framework
- Mandatory reporting of suspected child abuse
- Working with children check

Organisational Relationships

The Enrolled Nurse:

- Reports directly to the Nurse Manager/Department Head
- Reports on a shift by shift basis to the Registered Nurse providing direction and supervision of care
- Maintains a close collaborative working relationship with the other Nursing, Medical, Allied Health and other support staff across Cabrini

Committee Membership

The Enrolled Nurse will participate as a member of the following committees:

- Relevant external committees as a representative of Cabrini
- As directed by the Nurse Manager/Department Head

Staff Development

The Enrolled Nurse will demonstrate a commitment to personal and professional development of self and staff by:

- Participating in professional development programs
- Maintaining own skills and knowledge
- Remaining up to date with contemporary human resources practices
- Contributing to the Cabrini professional development program as required
- Participating on performance reviews in accordance with Cabrini policy

Key Competencies

The Enrolled Nurse must demonstrate the following requirements:

ESSENTIAL

Educational/Vocational

- Holds or working towards Diploma level education

Registration

- Current AHPRA registration as an Enrolled Nurse

Experience

- Clinical experience desirable in clinical area of employment
- Relevant experience and proficiency in keyboard and computer skills

Knowledge

- Of the requirements of the *Nurses Act 1993 (Vic)* and the ANMC National Competencies
- Of the Cabrini Mission, Vision and Values
- Of using computers for clinical and business requirements

Conditions of Employment

Salary and conditions in accordance with the Cabrini Contract of Employment / Employment Agreement

Cabrini Mission, Values and Behaviours that Matter

Our mission

WHO WE ARE
We are a Catholic healthcare service inspired by the spirit and vision of Mother Cabrini and the Missionary Sisters of the Sacred Heart of Jesus.

WHAT WE BELIEVE
We are a community of care, reaching out with compassion, integrity, courage and respect to all we serve.

WHAT WE DO
We provide excellence in all of our services and work to identify and meet unmet need.

Our values

Our values form the base of our mission, are built around what we believe and drive how we act. They are drawn from Mother Cabrini's life and reflect her heart, her spirit, her conviction and her approach.

Compassion
Our drive to care is not just a professional duty to provide excellent quality care but is born of a heartfelt compassion for those in need, motivated by God's love for all people.

- We care deeply about each and every person we serve
- We respond willingly and positively to help meet the needs of those around us
- We put people first as we look to provide extra support and care, beyond our professional duties
- We promote a sense of belonging and community.

Integrity
We believe in the power of hope to transform people's lives and remain faithful to the bold healing mission and legacy of Mother Cabrini.

- We remain true to our beliefs at all times – our mission and values are non-negotiable
- We are welcoming, hospitable and find comfort and motivation in the context of God's all-inclusive love
- We look for the good in each other and recognise each person's contribution as we work together to provide the best possible experience for our patients, residents and their families
- We are honest and reliable, making decisions that are consistent with our mission and taking responsibility for our own actions.

Courage
We have the strength, determination, vision and conviction to continue the work of Mother Cabrini and the Missionary Sisters.

- We care for the whole person – spiritually, physically and emotionally – creating an environment of hope and healing
- We rise up to challenges and opportunities, meeting them with an open mind and a positive attitude
- We maintain the courage of our convictions and express our values through our actions

- We continually look beyond our current services to help support and engage with those who are marginalised.

Respect

We believe that every person is worthy of the utmost respect and the best possible healthcare. We know that our resources are entrusted to us to use for the benefit of others.

- We uphold the worth and dignity of all people, regardless of gender, race, age, ability and social position and treat them with courtesy, respect, equality and justice
- We respect ourselves, our colleagues and the excellence of the services we deliver
- We identify and respond to emerging healthcare needs in our community
- We manage our resources wisely and actively seek to minimise our impact on the environment.

Behaviours that Matter

Our values are displayed in the way in which we behave in every interaction – with each other, with our patients and residents, with their families and carers, and with visitors and other customers.

The behaviours that matter have been identified through consultation with staff. They are the minimum standard expected for all who work at Cabrini (employees, volunteers and accredited staff). They describe the organisational culture that we think is fundamental to our mission to "provide excellence in all of our services".

Unacceptable behaviours have also been identified and described as follows. These behaviours are inconsistent with our values, have a detrimental effect on others and prevent us from achieving our mission and quality goals. If you experience or witness these behaviours, please speak up. If you are unable to address the issue yourself, advise your manager, another senior member of staff or People and Culture.

We are committed to safety and quality:

Behaviours that matter	Unacceptable behaviours
We put patient/resident safety first	We are careless, impulsive or take unnecessary risks that may cause harm to patients/residents
We ask questions to understand the problem	We jump to conclusions and look for someone to blame
We admit when we make a mistake and seek a solution	We try to cover up or make excuses for mistakes
We look for opportunities to improve our care and services	We resist or sabotage change
We speak up when we see behaviour that is inconsistent with our values	We encourage or participate in poor behaviour

We are here to provide service:

Behaviours that matter	Unacceptable behaviours
We greet everyone warmly	We are rude or discourteous
We are always kind and caring	We are arrogant or demeaning
We give our full attention to the person speaking to us	We are distracted, impatient or dismissive
We communicate openly, sensitively and in a timely manner	We are dominating, abrupt or sarcastic

We work together to achieve the best outcome:

Behaviours that matter	Unacceptable behaviours
We are quick to offer help without waiting to be asked	We refuse to help even when it is clearly required
We share information readily to promote the best care and services	We withhold information or are competitive to the detriment of others
We do as we say we will	We are unreliable or inconsistent
We encourage and support each other	We berate or humiliate others
We give praise for a job well done	We are excessively critical or devalue the contributions of others

We exhibit a positive attitude:

Behaviours that matter	Unacceptable behaviours
We approach our day with energy and enthusiasm	We are negative or apathetic
We look for the best in people	We are judgemental and put others down
We take pride in our personal appearance	We look dishevelled, dirty or have offensive personal odour

We want to build a just and sustainable community:

Behaviours that matter	Unacceptable behaviours
We treat each other fairly	We are hostile or abuse our power
We use our resources responsibly	We are wasteful or extravagant
We consider the environmental impact of all we do	We are thoughtless or careless

APPROVAL

The above statements are intended to describe the general nature and level of work being performed by the incumbent of this role. This document may be revised or updated at any time in line with role, and/or organisational changes. Any such changes will be communicated with the appointed person.

I certify that this position description is an accurate description of the responsibilities assigned to the role.

Approved:

Authorised:

[redacted]

Cabrini

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

Clinical Risk Screening

Date: / / **Time:** : **Completed by:** ☐ **DOSA** ☐ **Ward / Department:** _____

Instructions

Clinical Risk Screening must be completed on ALL patients upon admission to Cabrini and rescreened as required during their stay.

DOSA: *Complete all risk screening questions, and VTE actions.*
Ward: *Ensure all risk screening and all actions completed.*

Day of Admission			**Action**
Have you changed / stopped any medications since the pre-admission call or completing pre-admission paperwork online?	☐ No	☐ Yes	**If Yes:** ☐ Which med(s): _____
If yes, was this part of your plan for the procedure?	☐ No	☐ Yes	**If No:** ☐ Notify anaesthetist
Patient ID			**Action**
Verify patient identification. ID band present?	☐ No	☐ Yes	**If No:** ☐ ID band applied

Malnutrition Screening Tool — **Action**

Q1: Have you lost weight in the last 6 months without trying?

☐ No	(0 points)
☐ 0.5 - 5.0kg	(1 point)
☐ 5.1 - 10kg	(2 points)
☐ 10.1 - 15kg	(3 points)
☐ > 15kg	(4 points)
☐ Unsure	(2 points)

Q2: Have you been eating poorly due to a decreased appetite?

☐ No	(0 points)
☐ Yes	(1 point)

Total combined score Q1 & Q2: _____

Total score ≥ 2

Ward: ☐ Refer to Dietetic Services on PAS
Ensure re-screen planned for 7 days

Are you taking nutritional supplement drinks regularly? (e.g. Sustagen Hospital Formula)	☐ No	☐ Yes	**If Yes:** ☐ Ward to refer to Dietetic Services on PAS (U-Pre Existing ONS) and specify 'ONS' in comments
Do you require assistance or supervision with eating / drinking?	☐ No	☐ Yes	**If Yes:** ☐ Update meal assistance requirements on PAS

Venous Thromboembolism Risk Assessment	**Action**
VTE Risk Assessment completed in eMM? ☐ No ☐ Yes	☐ **If No**, notify Medical Officer / Anaesthetist to complete
Step 1: Assess Patient Bleeding Risk *Refer to VTE Prophylaxis Tool to identify the bleeding risk*	☐ **No Risk factors**: Low Bleeding Risk ☐ **Any risk factors: High Bleeding Risk** (if new or unknown bleeding risk notify Medical Officer / Anaesthetist)
Step 2: Assess Patient VTE Risk *Refer to VTE Prophylaxis Tool to identify the VTE risk*	☐ **No to all risk factors**: Patient VTE Risk – Low ☐ **Yes to any risk factors: Patient VTE Risk - High**
Step 3: Assess Surgical Risk (Surgical Patients Only) *Refer to VTE Prophylaxis Tool to identify the surgical risk*	☐ **Minor** Surgical Risk ☐ **Moderate** Surgical Risk ☐ **Major** Surgical Risk
Step 4: VTE Prophylaxis Overall Risk and Action Tool *Use information from steps 1-3 and the table below to identify the appropriate VTE prophylaxis plan - indicate by checking the corresponding colour coded box.* Does the VTE prophylaxis management plan prescribed in eMM match the overall risk & management plan you have determined in this assessment?	☐ **If Yes,** follow prescribed VTE prophylaxis ☐ **If No**, clarify plan with Medical Officer / Anaesthetist *Do not initiate prophylaxis without a prescription. Follow prescribed prophylaxis only.*

Patient VTE Risk High	☐ LMWH* +/- SCD If LMWH* contraindicated, then SCD			☐ LMWH* & SCD Refer to Physician / Anaesthetist
Patient VTE Risk - Low	☐ Early mobilisation		☐ LMWH* until mobilisation / baseline VTE risk If LMWH* contraindicated, consider SCD until mobilisation / baseline VTE risk	
	N/A (Non-surgical patient)	**Minor Surgical Risk**	**Moderate Surgical Risk**	**Major Surgical Risk**

☐ **In high bleeding risk patients - SCD until LMWH is safe or in patients with a low VTE risk until back to baseline VTE risk**

LMWH* = Low molecular weight Heparin or already receiving anticoagulant therapy. SCD = Sequential Compression Device

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N/F
10/10/24

CLINICAL RISK SCREENING MR002F-CRS

Cabrini

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

Clinical Risk Screening

Instructions

If the following risk screening questions have been completed in the ED PAT, re-screening is not required on admission to ward, unless concerned or there is a change in patient's condition. Mark 'Completed in ED' as appropriate but ensure all actions have been completed for each section.

Delirium & Cognition	☐ Completed in ED →		**Action**
Q1: Age > 65 (> 45 years for Aboriginal and Torres Strait Islander people)	☐ No	☐ Yes	**If Yes to any:** ☐ Complete Delirium & Cognitive Impairment Assessment Tool (4AT) (MR003E) ☐ Create Delirium alert on PAS (if delirium present) **Palliative Care patients:** ☐ Complete Nu-DESC (MR366) and relevant actions
Q2: Known cognitive impairment or diagnosed dementia	☐ No	☐ Yes	
Q3: Previous diagnosis of delirium	☐ No	☐ Yes	
Q4: A severe medical illness at risk of deterioration	☐ No	☐ Yes	
Q5: Current hip fracture	☐ No	☐ Yes	
Q6: Previous admission or consultation with geriatrician involvement	☐ No	☐ Yes	
Mental health & Behaviours of Concern	☐ Completed in ED →		**Action**
Observe Appearance, Affect, Behaviour, Conversation, Mood			*Consider risks and safety for staff and patients* *Consider de-escalation strategies* *Consider PAS alert for aggression* **If Yes to any:** ☐ Inform NIC and treating doctor ☐ Commence Cognition and Wellbeing Monitoring Chart (MR188DD)
Q1: Is the patient displaying behaviours of concern / different to norm?	☐ No	☐ Yes	
Q2: Is there an acute deterioration in mental health condition?	☐ No	☐ Yes	
Q3: Is the patient expressing intent to harm self or others (including suicidal ideation)?	☐ No	☐ Yes	
Q4: Is the patient displaying aggression / agitation / substance misuse?	☐ No	☐ Yes	
Falls	☐ Completed in ED →		**Action**
Q1: Has the patient fallen in the past 12 months?	☐ No	☐ Yes	**If Yes to any:** ☐ Commence FRI-PAP (MR176 FRI-PAP) ☐ Create Falls alert on PAS **All patients to receive Standard Falls Prevention Actions**
Q2: Is the patient confused, disoriented, agitated, impulsive, or has a known cognitive impairment?	☐ No	☐ Yes	
Q3: Does the patient have alterations in urination or bowel habits (urgency / frequency / incontinence) or nocturia?	☐ No	☐ Yes	
Q4: Does the patient require verbal or physical assistance with transfers or mobility (weakness, co-ordination, balance)?	☐ No	☐ Yes	
Skin	☐ Completed in ED →		**Action**
Q1: Do you have any skin lacerations, pressure areas, ulcers or lesions?	☐ No	☐ Yes	**If Yes:** ☐ Document in Head-to Toe / SSKINE (MR060B) ☐ Upload photo to PAS ☐ **Pressure injury:** Implement prevention strategies
Infection	☐ Completed in ED →		**Action**
Q1: Do you currently have any symptoms of an acute illness? *(e.g. vomiting, diarrhoea, fever, cough, sore throat, body aches, runny nose, rash or other concerns)* Details: _____	☐ No	☐ Yes	**For all symptoms of acute illness / multi-resistant organism / overseas care facility attendance:** ☐ Implement appropriate precautions ☐ Create PAS alert ☐ Complete test for infection risk
Q2: Have you had or currently have any of the following? ☐ C Auris ☐ CRE / CPE / CPO ☐ MRSA ☐ VRE ☐ ESBL ☐ TB ☐ Other _____	☐ No	☐ Yes	
Q3: Have you attended an overseas hospital, emergency department or care facility in the last 12 months?	☐ No	☐ Yes	**Overseas care facility attendance:** ☐ Complete CRE / C auris screen ☐ Notify Hospital Coordinator
Q4: Have you recently had COVID-19? If so, when: _____	☐ No	☐ Yes	

Other comments:

All sections completed and actioned:

DOSA: Name: _____ Signature: _____ Designation: _____ Date: / /

Ward: Name: _____ Signature: _____ Designation: _____ Date: / /

FCH203200

Cabrini

Adult Neurological Observation and Response Chart

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

Use in conjunction with relevant observation and response chart

			Date	
			Time	
Glasgow Coma Score (GCS) Use a "•" to graph - join the dots	**Best eye opening** *Unable to open due to swelling / trauma = C*	Spontaneous	4	
		To speech	3	
		To pain	2	
		None	1	
	Best verbal response *Tracheostomy tube or intubated = 1*	Orientated	5	
		Confused	4	
		Inappropriate	3	
		Incomprehensible	2	
		None	1	
	Best motor response *Record the best upper limb response*	Obeys commands	6	
		Localises to pain	5	
		Withdraws	4	
		Abnormal flexion	3	
		Extension	2	
		None	1	
	Baseline GCS	GCS total score Graph score below		
	If GCS drops ≥ 2 from best or 1 point drop in motor response = MET call	15		
		14		
		13		
		12		
		11		
		10		
		Write if < 10		

Refer to the Adult Observation and Response Chart for response criteria and action required for observations that fall in the Purple zone

• 1 ● 2 ● 3 ● 4 ● 5 ● 6 ● 7 ● 8	**Pupils** *Reaction* B Brisk S Sluggish C Eye closed N Non reactive	Right	Size	
			Reaction	
		Left	Size	
			Reaction	
	Upper limbs *R / L = Equal R = Right L = Left*	Full strength	5	
		Mild weakness	4	
		Moderate weakness	3	
		Severe weakness	2	
		Flicker of movement	1	
		No movement	0	
	Lower limbs *R / L = Equal R = Right L = Left*	Full strength	5	
		Mild weakness	4	
		Moderate weakness	3	
		Severe weakness	2	
		Flicker of movement	1	
		No movement	0	
	Interventions / comments e.g. 'A'			
		Initial		
A				
B				
C				
D				
E				
F				
G				
H				
I				
J				

ADULT NEUROLOGICAL OBSERVATION AND RESPONSE CHART MR188B

Allanby
CH1086
A/F
09/07/21

Assess the Glasgow Coma Scale (GCS)

Best eye opening
Observe the patient as you enter the room, without touching or talking to them.

Spontaneously	4	Their eyes are open, or their eyes open as you approach.
To speech	3	You call to the patient (Not touch) and their eyes open.
To pain	2	Light touch graduated up to pain stimulus cause their eyes to open.
None	1	No eye opening at all.

Record "C" if eyes are unable to be opened e.g. swollen eyelids, facial fractures.

Best verbal
Ask the same four questions: What is your name? What is the name of this place? What year is it? What month is it? You must score the **verbal** response you **hear**.

Orientated	5	The patient answers all four questions correctly.
Confused	4	The patient answers one or more questions incorrectly, and the answer was relevant e.g. "What is the name of this place?" "The Supermarket". Give the correct answer, and re-evaluate at the next set of observations.
Inappropriate	3	The responses are not relevant to the question e.g. "what is the name of this place?" "ten please".
Incomprehensible	2	Sounds are heard e.g. gurgles, moans, grunts.
None	1	No sounds are heard.

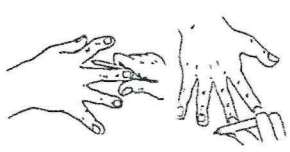
Record "T" if tracheostomy tube / intubated; " A" if pre-existing aphasic. For culturally and linguistically diverse patient, record 'X' in the appropriate box, and note interpreter type in Interventions / comments section.

Best motor
Record the best arm response for a two-step command e.g. lift your arm, squeeze my fingers. Alternatively, any two-step command may be used e.g. "Close your eyes, then open your eyes".

Obeys command	6	The patient obeys a two-step command.
Localises to pain	5	Patient brings hand above clavicle to push away your hand.
Withdraws	4	Patient briskly bends arm at elbow and rapidly pulls hand away.
Abnormal flexion	3	Patient slowly flexes, elbow, adducts arm and clenches fist.
Extension	2	Patient slowly extends elbow, adducts and internally rotates arm.
None	1	No movement.

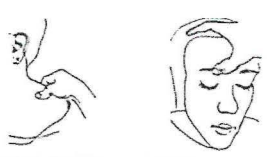
Peripheral painful stimulus

Apply pressure on lateral finger / toe or distal nail bed.

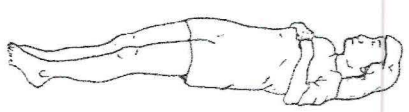


Central painful stimulus

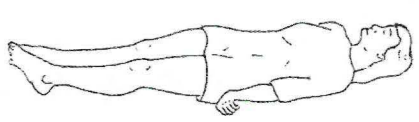
Apply a trapezius squeeze or supra-orbital pressure.



Abnormal flexion pain



Extension to pain



Asses pupil response

- Observe and record pupil size at rest.
- Using a pen torch, examine each eye for reaction to light.
- Record abnormal shape and movements in the Intervention / comments section.

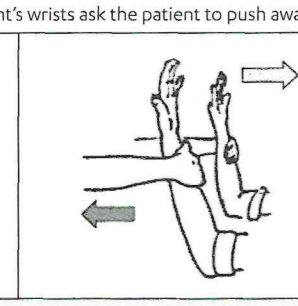
Assess limb strength

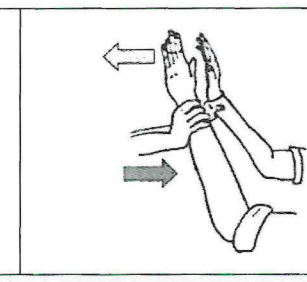
In order to demonstrate normal strength the patient must be tested against gravity and against resistance.
A weakness detected in any one of the strength tests per limb described should be graded as a weakness.

Upper limbs

- Offering your 2nd and 3rd fingers, ask the patient lift their arms and grasp and squeeze your fingers.
- **Elbow flexion** - holding the patient's wrists, ask the patient to pull towards them selves, against resistance.
- **Elbow extension** - holding the patient's wrists ask the patient to push away against resistance.

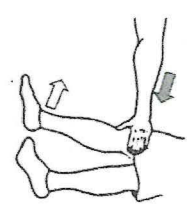


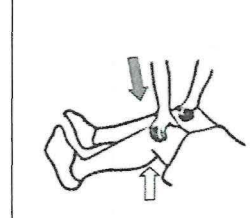


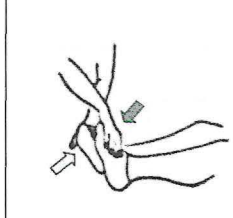


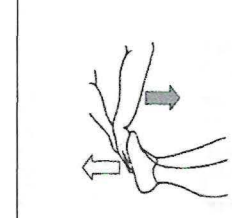
Lower limbs

- **Straight leg raise** - with your hands on the patient's knees, ask the patient to perform a straight leg raise against resistance, one leg at a time.
- **Knee flexion** - with your hands on the patient's knees, ask the patient to bend their knees up against resistance.
- **Dorsi flexion** - with both your hands providing downward pressure across the toe, ask the patient to point their toes up.
- **Plantar flexion** - With both your hands under the toes providing upward resistance, ask the patient to point their toes down.









Full strength against resistance	5	Active movement of body part against gravity with full resistance
Mild weakness against resistance	4	Active movement of body part against gravity with some resistance.
Moderate weakness against gravity	3	Active movement of body part against gravity only.
Severe weakness - cannot overcome gravity	2	Active movement of body part, but cannot overcome gravity.
Flicker of movement	1	Flicker of movement is seen or able to be palpated.
No movement	0	No movement (Paralysis).

FCH202800

Cabrini

Stool Observation Chart

Unit Record Number _____

Surname _____

Given Names _____

DOB _____ Sex _____

Record patient bowel actions **each shift:**

Date	Time	Type (Refer to Bristol Stool Chart)	Amount (Approximate in cupfuls)	Colour	Comments (E.g. incontinence, interventions provided / required, regime, FOB test)	Day BNO	Initials
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STOOL OBSERVATION CHART MR185

Allanby
CH1122
A/F
07/11/14

Cabrini

Stool Observation Chart

Unit Record Number _____

Surname _____

Given Names _____

DOB _____ Sex _____

Record patient bowel actions **each shift:**

Date	**Time**	**Type** (Refer to Bristol Stool Chart)	**Amount** (Approximate in cupfuls)	**Colour**	**Comments** (E.g. incontinence, interventions provided / required, regime, FOB test)	**Day BNO**	**Initials**
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Cabrini

Falls Risk Identification and Personalised Action Plan (FRI-PAP)

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

FRI-PAP Indication	*Number of Falls*	*Instructions:*
Reason for completion: ☐ Admission ☐ Change of medical condition ☐ Transfer to another ward ☐ Post-fall ☐ 7-day review	Last 12 months ☐ This admission ☐	**TURN OVERLEAF FOR FURTHER FALLS PREVENTION PLAN INFORMATION AND EXAMPLES** 1. **FRI** - complete Falls Risk Identification risk screening questions 2. **PAP** - select relevant actions for identified risk factors. This becomes patient's plan 3. **Shift-by-Shift Check** - actions from plan are incorporated into shift Additional Actions Complete FRI-PAP on admission, after a fall, change of condition, on transfer, and every 7 days.

1 FRI - Falls Risk Identification

	History of fall	Cognition	Toileting	Transfer / Mobility	Visual impairment	Risk of syncope	Medications
	Has the patient fallen in the last 12 months, including reason for admission, or during admission?	Is the patient confused, disorientated, agitated, impulsive or has a known cognitive impairment?	Does the patient have alterations in urination, defecation or nocturia?	Does the patient feel unsteady when standing or walking or require any verbal or physical assistance with transfers, mobility or functional tasks? **OR** Are there concerns about falling causing avoidance of some activities?	Glasses; blurred vision; glaucoma; cataracts; macular degeneration?	Is the patient at risk of / has a history of syncopal episodes?	Is the patient on ≥ 5 medications, or medications that increase risk of falls?
	☐ No ☐ Yes ⇩	☐ No ☐ Yes ⇩	☐ No ☐ Yes ⇩	☐ No ☐ Yes ⇩	☐ No ☐ Yes ⇩	☐ No ☐ Yes ⇩	☐ No ☐ Yes ⇩

2 PAP – Personalised Action Plan

Care plan	☐ Falls history documented ☐ Create PAS alert	Commence / continue: ☐ MR003E ☐ MR188DD	☐ Develop toileting plan	☐ Update mobility status ☐ Update Communication Board with mobility instructions		☐ Monitor for symptoms ☐ Regular lying / standing BP's	
Referrals	☐ Medical team	☐ Geriatrician	☐ Continence Nurse	☐ Physiotherapist ☐ Occupational therapist ☐ Podiatrist		☐ Medical Team	☐ Medical team ☐ Geriatrician ☐ Pharmacist
Environment	*Consider and select appropriate interventions:* ☐ Appropriate bed ☐ Safety mat ☐ Declutter room ☐ Frequently used items within easy reach including mobility aids, call bell, phone ☐ Remove obstacles to chair / bathroom ☐ High observation room						
Assistance	*Assistance and supervision at all times with:* ☐ Increased rounding / observation ☐ Toileting / ADLs / bathroom ☐ Allow extra time with position changes ☐ Staffed 1:1 ☐ Mobilisation ☐ Equipment for mobility assistance / transfer / self-care						

Completed by:_____ Signature:_____ Designation:_____ Date: / /

3 *Shift-by-Shift Check*

Instructions: Complete each shift to confirm standard falls prevention actions (see page 2) are in place, as well as any additional actions from the PAP	Date: / /			Date: / /			Date: / /			Date: / /			Date: / /			Date: / /			Date: / /		
	AM	PM	ND	AM	PM	ND	AM	PM	ND	AM	PM	ND	AM	PM	ND	AM	PM	ND	AM	PM	ND
STANDARD FALLS PREVENTION ACTIONS	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
ADDITIONAL ACTIONS (see PAP)	√ Tick as indicated			√ Tick as indicated			√ Tick as indicated			√ Tick as indicated			√ Tick as indicated			√ Tick as indicated			√ Tick as indicated		
Appropriate bed in place i.e. floor-line																					
Safety mat or mattress next to bed																					
Assistance / supervision with mobility +/- aids																					
Equipment required and within reach i.e. aids																					
Assistance / supervision with ADLs / toileting / bathroom																					
Monitor for symptoms i.e. dizziness, BP changes, light-headedness, blurred vision																					
Allow extra time to adjust positions																					
Document / communicate toileting plan																					
Lying / Standing BPs required If postural drop > 20mmHg systolic or > 10mmHg diastolic – refer to Medical Team																					
Other actions: _____ _____																					
Nurse initials:																					

Allanby
CH1918
A/F
12/05/24

FCH202025

Falls Risk Identification and Personalised Action Plan (FRI-PAP) MR176 FRI-PAP

Post-Fall Huddle

Instructions: • Following a patient fall, organise a brief huddle as soon as practical • Include all staff providing direct care (Multidisciplinary Team), patient and / or family • To be held at the bedside and include inspection of the fall location • Discuss the below criteria and complete the following documentation • Complete a RiskMan entry • Begin another FRI-PAP ensuring new plan and prevention strategies are updated		**6. Multi-disciplinary discussion**	***Consider:*** Delirium, sepsis, mobility, hypotension, toileting, equipment, medications • What may have contributed to the fall? • What were the fall risk factors? • What strategies were already in place? • Are there other prevention strategies that could be implemented?
1. Members present	☐ Patient ☐ Nurse in-charge ☐ PCA / Orderly ☐ Family / Carer ☐ Treating doctor ☐ Pharmacy ☐ Bedside nurse ☐ Allied Health ☐ Other _____	**7. Outcomes**	*Patient risk factors:* _____ _____ _____ _____ _____ *Contributing factors:* _____ _____ _____ _____ _____ *Additional prevention strategies:* _____ _____ _____ _____ *Other comments:* _____ _____
2. Introduction	· Acknowledge and introduce each person · Explain the purpose of the huddle		
3. Open disclosure	☐ Open disclosure followed and documented in medical record ☐ NOK notified Name: _____		
4. Event details	Time of fall: ___ :___ Witnessed ☐ No ☐ Yes Head-strike ☐ No ☐ Yes Details of fall: _____ _____ _____ _____ _____ _____		
5. Patient / family questions	• Has anyone had a conversation with you about your risk of falling and how to prevent a fall whilst in hospital? • What do you recall about your fall? • Is there anything we could have done to help prevent you from falling?	**8. Teach back**	• Reiterate fall prevention actions with patient and their responsibility in preventing another fall • Ask patient to summarise huddle discussion to ascertain their understanding, and clarify any uncertainty

Completed by:_____ Signature:_____ Designation:_____ Date: / /

Guiding principles

- Ongoing patient education is of the upmost importance in preventing inpatient falls
- Patient, families, carers and staff are to be involved in the development of falls prevention plans to reduce the risk of falls
- For further guidance on risk factors and additional falls prevention actions, please refer to *Fall Prevention and Management Policy*

FRI-PAP Information & Examples		*Standard Falls Prevention Actions for ALL patients*
History of falls	**Falls history documentation:** How many times they have fallen, injuries sustained, context of fall, consequences of fall etc.	In partnership, discuss and educate about falls risk factors and develop falls prevention plan. Provide culturally appropriate information
Cognition	**Delirium Assessment Tool:** Implement and document prevention and treatment actions as per *Prevention and Management of Delirium Policy*	Purposeful Patient Rounding and safety checks - patient informed of process and rounding log completed at time of event
Toileting	Examples of alterations in urination and defecation: urgency, frequency, incontinence, constipation, retention etc. **Consider:** • Medications that treat or cause toileting alterations or cause urgency i.e diuretics / laxatives • FWT / MSU for frequency / urgency • Bladder scan for urinary retention • Monitor for constipation • Impact of mobility assistance and cognitive impairment on toileting requirements • Proximity to toilet and use of commode / urinals **Toileting plan:** usual patterns, frequency, continence aid, retention, bowel regime, prompted toileting (toileting after meals / before settling)	Provide written and verbal falls prevention information i.e. falls prevention brochure At Bedside Handover - communicate falls risk to patient and staff. Ensure prevention strategies discussed and remain in place Patient Communication Board - discussed with patient and updated with mobility aids, level of assistance and / or risk of falling: actions Ongoing orientation to room, toilet and ward Ensure patient has non-slip, firm, well-fitting, safe, footwear
Transfer & mobility	Consider lower limb weakness, footwear and foot problems i.e. decreased sensation and pain	Instruct patient on the use of the call bell, ensure it is in reach and advise to call and wait for assistance if required
Risk of syncope	**Monitor symptoms:** Dizziness, blurred vision, BP changes, light-headedness, fainting, vasovagal, postural hypotension, hypoglycaemia, seizures or post-operative (with GA)	Ensure patient is using appropriate personal aids such as glasses or hearing aids Encourage adequate fluid and nutrition intake
Medications	**Medications causing increased risk of falls:** Any medications causing drowsiness, dizziness or confusion e.g. opioids, antidepressants, antipsychotics and benzodiazepines	Bed rest minimised. Safe mobilisation and meals out of bed encouraged as appropriate Place IV pole and other devices on exit side of bed and devices / attachments secured
Environment	**Appropriate bed:** Floor-line bed	Ensure frequently used items are in reach at all times i.e. mobility aids, glasses, water glass, mobile phone / phone
Assistance	**Position changes:** Lie-to-sit and sit-to-stand	Ensure adequate lighting, especially at night Review room setup: bed / chair appropriate height and check bed brakes are on
Language	Does the patient require an interpreter for communication of care needs?	Reduce or remove clutter and obstacles in room, clear access to chair and bathroom, cables secured

Cabrini

Head to Toe Body Map / SSKINE Care Bundle

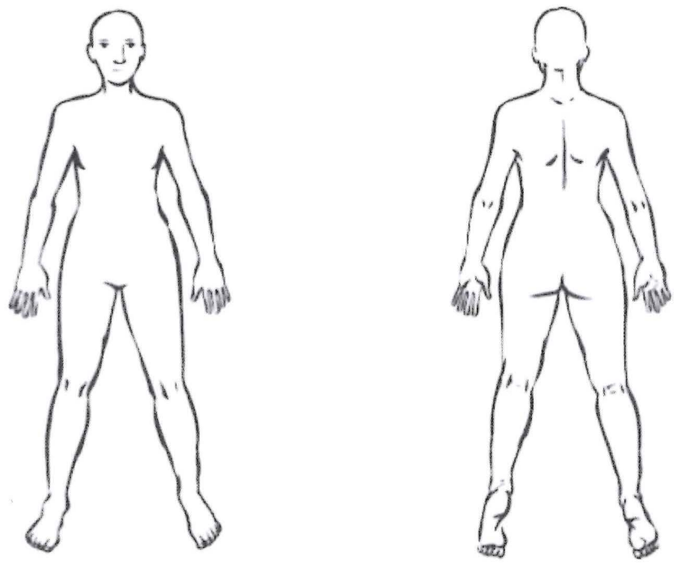
Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details



Complete chart daily

Guide for completion:
Using numbers indicate on the diagram any of the following, for example: invasive device(s), surgical wound, pressure injury, skin tear, bruising, rash or other

Legend for comments section or record specific details

I = In situ
R = Removed
H = Healed
RWC = Refer to Wound Assessment & Management Plan (MR060A)
RCVAD = Refer to Central Venous Access Device and Assessment Chart (MR186B)
RPIVC = Refer to Peripheral Intravenous Insertion & Management Chart (MR186A)

Skin breach lesion / invasive device (E.g. rash, pressure injury, wound, CVAD, IV cannula, urinary catheter)	**Insertion Date & time device / lesion inserted / identified**	Record of inspection / assessment						
		No.	/ / Time: ___ : ___	/ / Time: ___ : ___	/ / Time: ___ : ___	/ / Time: ___ : ___	/ / Time: ___ : ___	/ / Time: ___ : ___
Initial of staff:								

HEAD TO TOE BODY MAP / SSKINE CARE BUNDLE MR060B

FCH105805

Allanby
CH1788
N/F
20/07/22

Daily SSKINE Bundle - Assessment & prevention of skin injury

How to use this form

1. Write the corresponding letter in the corresponding box
2. Please free write anything into the boxes if it does not fit into the categories
3. If there is not enough space to write in the variance box, please document in the patient's Progress Notes and make note in the variance box (E.g. refer to file entry)
4. Use N/A in the space below if not applicable or not required for patient care
5. Use daily Rounding Log to document turning regime, mobility and continence care

Skin assessment	Surface	Keep moving	Incontinence / moisture	Nutrition	Education
If pressure injury found State location & stage of pressure injury A. RiskMan completed B. Photograph completed C. Wound Assessment and Management Plan (MR060A) documented D. Referral to Wound Care Nurse (Stage 3 and above) E. Previous identified pressure injury – dressing intact **If no pressure injuries found** • State "nil issue"	A. High specification foam mattress B. Accumax mattress with pump C. Alternating air mattress D. Cushion insitu E. Heel wedge cushion F. OT referral as per AH referral, triage & management policy	Bed turning regime: A. Independent with bed regime B. Encourage turning C. Physical 2 hourly turns Seating regime: D. Hourly stands E. Encourage independent Mobility F. Physical assisted mobility G. Physio / OT referral	A. Pads changed B. Barrier cream applied C. Skin moisture management D. Urinal bottle used E. Regular toileting F. Continence nurse referral	A. Ensure Malnutrition Screening Tool (MST) is completed B. Monitor oral intake (Food and fluid chart if required) C. Encourage oral nutrition support if prescribed by Dietitian D. Dietitian referral	A. Discussed strategies with patient / family / carer (E.g. reminders, reinforced interventions, encouragement provided) B. Brochure given to patient/ family / carer

Refer to prompts form for further clinical guidance

Ward:	Date: / /	Date: / /	Date: / /	Date: / /	Date: / /	Date: / /
	Time: ___ : ___	Time: ___ : ___	Time: ___ : ___	Time: ___ : ___	Time: ___ : ___	Time: ___ : ___
Skin assessment	☐ Head to toe skin Ax complete	☐ Head to toe skin Ax complete	☐ Head to toe skin Ax complete	☐ Head to toe skin Ax complete	☐ Head to toe skin Ax complete	☐ Head to toe skin Ax complete
Surface						
Keep moving						
Incontinence or moisture						
Nutrition						
Education						
Variance box (E.g. cognition, theatre event)						
Name, signature & designation						

Cabrini

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

Clinical Risk Screening

Date: / / **Time:** : **Completed by:** ☐ **DOSA** ☐ **Ward / Department:** _____

Instructions

Clinical Risk Screening must be completed on ALL patients upon admission to Cabrini and rescreened as required during their stay.

DOSA: *Complete all risk screening questions, and VTE actions.*
Ward: *Ensure all risk screening and all actions completed.*

Day of Admission			**Action**
Have you changed / stopped any medications since the pre-admission call or completing pre-admission paperwork online?	☐ No	☐ Yes	**If Yes:** ☐ Which med(s): _____
If yes, was this part of your plan for the procedure?	☐ No	☐ Yes	**If No:** ☐ Notify anaesthetist
Patient ID			**Action**
Verify patient identification. ID band present?	☐ No	☐ Yes	**If No:** ☐ ID band applied

Malnutrition Screening Tool — **Action**

Q1: Have you lost weight in the last 6 months without trying?	
☐ No	(0 points)
☐ 0.5 - 5.0kg	(1 point)
☐ 5.1 - 10kg	(2 points)
☐ 10.1 - 15kg	(3 points)
☐ > 15kg	(4 points)
☐ Unsure	(2 points)

Q2: Have you been eating poorly due to a decreased appetite?	
☐ No	(0 points)
☐ Yes	(1 point)

Total combined score Q1 & Q2: _____

Total score ≥ 2

Ward: ☐ Refer to Dietetic Services on PAS
Ensure re-screen planned for 7 days

Are you taking nutritional supplement drinks regularly? (e.g. Sustagen Hospital Formula)	☐ No	☐ Yes	**If Yes:** ☐ Ward to refer to Dietetic Services on PAS (U-Pre Existing ONS) and specify 'ONS' in comments
Do you require assistance or supervision with eating / drinking?	☐ No	☐ Yes	**If Yes:** ☐ Update meal assistance requirements on PAS

Venous Thromboembolism Risk Assessment	**Action**
VTE Risk Assessment completed in eMM? ☐ No ☐ Yes	☐ **If No**, notify Medical Officer / Anaesthetist to complete
Step 1: Assess Patient Bleeding Risk *Refer to VTE Prophylaxis Tool to identify the bleeding risk*	☐ **No Risk factors**: Low Bleeding Risk ☐ **Any risk factors: High Bleeding Risk** (if new or unknown bleeding risk notify Medical Officer / Anaesthetist)
Step 2: Assess Patient VTE Risk *Refer to VTE Prophylaxis Tool to identify the VTE risk*	☐ **No to all risk factors**: Patient VTE Risk – Low ☐ **Yes to any risk factors: Patient VTE Risk - High**
Step 3: Assess Surgical Risk (Surgical Patients Only) *Refer to VTE Prophylaxis Tool to identify the surgical risk*	☐ **Minor** Surgical Risk ☐ **Moderate** Surgical Risk ☐ **Major** Surgical Risk
Step 4: VTE Prophylaxis Overall Risk and Action Tool *Use information from steps 1-3 and the table below to identify the appropriate VTE prophylaxis plan - indicate by checking the corresponding colour coded box.* Does the VTE prophylaxis management plan prescribed in eMM match the overall risk & management plan you have determined in this assessment?	☐ **If Yes,** follow prescribed VTE prophylaxis ☐ **If No**, clarify plan with Medical Officer / Anaesthetist *Do not initiate prophylaxis without a prescription. Follow prescribed prophylaxis only.*

Patient VTE Risk High	☐ LMWH* +/- SCD If LMWH* contraindicated, then SCD			☐ LMWH* & SCD Refer to Physician / Anaesthetist
Patient VTE Risk - Low	☐ Early mobilisation		☐ LMWH* until mobilisation / baseline VTE risk If LMWH* contraindicated, consider SCD until mobilisation / baseline VTE risk	
	N/A (Non-surgical patient)	**Minor Surgical Risk**	**Moderate Surgical Risk**	**Major Surgical Risk**

☐ **In high bleeding risk patients - SCD until LMWH is safe or in patients with a low VTE risk until back to baseline VTE risk**

LMWH* = Low molecular weight Heparin or already receiving anticoagulant therapy. SCD = Sequential Compression Device

FCH10099

Allanby
CH2021
N/F
10/10/24

CLINICAL RISK SCREENING MR002F-CRS

Cabrini

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

Clinical Risk Screening

Instructions

If the following risk screening questions have been completed in the ED PAT, re-screening is not required on admission to ward, unless concerned or there is a change in patient's condition. Mark 'Completed in ED' as appropriate but ensure all actions have been completed for each section.

Delirium & Cognition	☐ Completed in ED →		**Action**
Q1: Age > 65 (> 45 years for Aboriginal and Torres Strait Islander people)	☐ No	☐ Yes	**If Yes to any:** ☐ Complete Delirium & Cognitive Impairment Assessment Tool (4AT) (MR003E) ☐ Create Delirium alert on PAS (if delirium present) **Palliative Care patients:** ☐ Complete Nu-DESC (MR366) and relevant actions
Q2: Known cognitive impairment or diagnosed dementia	☐ No	☐ Yes	
Q3: Previous diagnosis of delirium	☐ No	☐ Yes	
Q4: A severe medical illness at risk of deterioration	☐ No	☐ Yes	
Q5: Current hip fracture	☐ No	☐ Yes	
Q6: Previous admission or consultation with geriatrician involvement	☐ No	☐ Yes	
Mental health & Behaviours of Concern	☐ Completed in ED →		**Action**
Observe Appearance, Affect, Behaviour, Conversation, Mood			*Consider risks and safety for staff and patients* *Consider de-escalation strategies* *Consider PAS alert for aggression* **If Yes to any:** ☐ Inform NIC and treating doctor ☐ Commence Cognition and Wellbeing Monitoring Chart (MR188DD)
Q1: Is the patient displaying behaviours of concern / different to norm?	☐ No	☐ Yes	
Q2: Is there an acute deterioration in mental health condition?	☐ No	☐ Yes	
Q3: Is the patient expressing intent to harm self or others (including suicidal ideation)?	☐ No	☐ Yes	
Q4: Is the patient displaying aggression / agitation / substance misuse?	☐ No	☐ Yes	
Falls	☐ Completed in ED →		**Action**
Q1: Has the patient fallen in the past 12 months?	☐ No	☐ Yes	**If Yes to any:** ☐ Commence FRI-PAP (MR176 FRI-PAP) ☐ Create Falls alert on PAS **All patients to receive Standard Falls Prevention Actions**
Q2: Is the patient confused, disoriented, agitated, impulsive, or has a known cognitive impairment?	☐ No	☐ Yes	
Q3: Does the patient have alterations in urination or bowel habits (urgency / frequency / incontinence) or nocturia?	☐ No	☐ Yes	
Q4: Does the patient require verbal or physical assistance with transfers or mobility (weakness, co-ordination, balance)?	☐ No	☐ Yes	
Skin	☐ Completed in ED →		**Action**
Q1: Do you have any skin lacerations, pressure areas, ulcers or lesions?	☐ No	☐ Yes	**If Yes:** ☐ Document in Head-to Toe / SSKINE (MR060B) ☐ Upload photo to PAS ☐ **Pressure injury:** Implement prevention strategies
Infection	☐ Completed in ED →		**Action**
Q1: Do you currently have any symptoms of an acute illness? *(e.g. vomiting, diarrhoea, fever, cough, sore throat, body aches, runny nose, rash or other concerns)* Details: _____	☐ No	☐ Yes	**For all symptoms of acute illness / multi-resistant organism / overseas care facility attendance:** ☐ Implement appropriate precautions ☐ Create PAS alert ☐ Complete test for infection risk
Q2: Have you had or currently have any of the following? ☐ C Auris ☐ CRE / CPE / CPO ☐ MRSA ☐ VRE ☐ ESBL ☐ TB ☐ Other _____	☐ No	☐ Yes	
Q3: Have you attended an overseas hospital, emergency department or care facility in the last 12 months?	☐ No	☐ Yes	**Overseas care facility attendance:** ☐ Complete CRE / C auris screen ☐ Notify Hospital Coordinator
Q4: Have you recently had COVID-19? If so, when: _____	☐ No	☐ Yes	

Other comments:

All sections completed and actioned:

DOSA: Name: _____ Signature: _____ Designation: _____ Date: / /

Ward: Name: _____ Signature: _____ Designation: _____ Date: / /

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	Day: _____ Date: / / LOS: _____ days	Day: _____ Date: / / LOS: _____ days	Day: _____ Date: / / LOS: _____ days	Day: _____ Date: / / LOS: _____ days	Day: _____ Date: / / LOS: _____ days	Day: _____ Date: / / LOS: _____ days	Day: _____ Date: / / LOS: _____ days
Goal of care for day / discuss plan of care with patient							
CNS							
CVS							
RESP							
Renal							
GIT							
Metabolic							
Muskuloskeletal							
Psychosocial							
Skin							
Personal care							
Medications							
Discharge							
Allied Heath: ***AH staff initial any changes made including discussion with nurse caring for patient*							
Signature log	**AM _____ PM_____ND _____**	**AM _____ PM_____ND _____**	**AM _____ PM_____ND _____**	**AM _____ PM_____ND _____**	**AM _____ PM_____ND _____**	**AM _____ PM_____ND _____**	**AM _____ PM_____ND _____**

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Cabrini

Comprehensive Medical Care Plan

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

Overview

Patient admission date: / /

Patient's reason for admission: _____

Replace admission diagnosis with nurse asking why patient has been admitted

Supporting legal documents:

Advanced care plan: ☐ No ☐ Yes

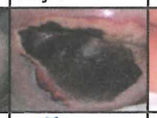
Resuscitation plan: ☐ No ☐ Yes

Tests & Procedures completed:

Date:	Test:
/ /	
/ /	
/ /	

Assessment guide

Pressure injury

Stage 1 Minor	Stage 2 Moderate	Stage 3 Major	Stage 4 Major	Suspected Deep Tissue (SDTI) Major	Unstageable Major	Moisture lesion Category 1 Minor	Moisture lesion Category 2 Moderate
							
Skin intact (Non blanching erythema) usually over bony prominence and / or - Pain - Warmer, cooler, firmer or softer surrounding skin - Dark skin tones may not see blanching but colour may differ to surrounding skin	**Partial thickness skin loss of dermis** - Shallow open ulcer red / pink wound bed - Open or ruptured blister	**Full thickness tissue loss** - Subcutaneous fat may be visible - Slough may be present (does not obscure depth of ulcer) - May include tunnelling or undermining	**Full thickness tissue loss** - Exposed bone / tendon / muscle (risk of osteomyelitis possible) - Slough or eschar present on some parts - Undermining or tunneling	**Skin intact and / or** - Purple, maroon or discoloured intact skin - Blood filled blister - Change in skin temperature, firm / boggy skin, painful	**Full thickness tissue loss** - Base of ulcer covered with slough or eschar - Unable to determine depth or stage	**Red but skin intact**	**Red with moderate to severe skin breakdown**

Skin tears

Category 1a - Minor	Category 1b - Minor	Category 2a - Minor	Category 2b - Moderate	Category 3 - Major
				
Skin tear where edges can be realigned to normal anatomical position (Without undue stretching and skin or flap is not pale, dusky or darkened	Skin tear where edges can be realigned to normal anatomical position (Without undue stretching and skin or flap is not pale, dusky or darkened	Skin tear where edges cannot be realigned to normal anatomical position and the skin or flap colour is not pale, dusky or darkened	Skin tear where edges cannot be realigned to normal anatomical position and the skin or flap colour is pale, dusky or darkened	Skin tear where skin flap is completely absent

Medical Adhesive Related Skin Incidents (MARSI)

MARSI 1 – Minor	MARSI 2 – Moderate	MARSI 3 – Moderate	MARSI 4 - Major
			
Irritant Contact Dermatitis - +/- Erythema - Well defined - Reddened & swollen area correlating to area exposed to medical adhesive	**Intact Blister(s)** - +/- Erythema - Surface area – less than 5cm x 5cm - Serum filled blisters	**Deroofed Blister(s)** - +/- Erythema - Surface area – less than 5cm x 5cm - +/- Intact blister(s) - Deroofed blister(s) may have skin tear appearance - Not requiring surgical intervention	Skin Stripping - +/- Erythema - Surface area – greater than 5cm x 5cm - Removal of one or more layers of skin post removal of adhesive / tapes - Shallow irregular shape - Shiny appearance - Requires surgical intervention

Wound Classifications

Necrotic	Sloughy	Granulating	Epithelialising	Infected	Fungating Malodorous
					
Debride: Remove eschar	Remove slough: Provide clean base for granulation tissue	Promote granualtion: Provide healthy base for epithelialisation	Promote epithelialisation and wound maturation	Reduce bacterial load	Manage complex wounds: E.g., bleeding (Use alginate), exudates, maladour, size, site

Record appropriate keyword on care plan

Wound bed	Surrounding tissue	Exudate amount	Exudate type	Infection
* (Estimate % age covered) * Pink * Epithelialisation	* Normal	* Heavy	* Serous	* None
* Red granulating	* Dry	* Moderate	* Haemoserous	* Suspected
* Yellow, slough	* Cellulitic	* Low	* Purulent	* Known
* Black, necrotic	* Oedematous		* Haemopurulent	* Swab taken
* Green, infected	* Macerated		* Blood	* Surgical wound infection * Superficial
	* Eczema		* Biliary	* Surgical wound * Infection deep
	* Venous staining		* Faecal	* Antibiotics
	* Fragile		* Other	
	* Other			

Assessment plan

Date	/ /	/ /	/ /	/ /
Time	__ : __	__ : __	__ : __	__ : __
Wound type / number				
Wound bed				
Surrounding tissue				
Exudate amount				
Exudate type				
Infection yes / no				
Wound measurement **Length (cm)** **Width (cm)** **Depth (cm)** **Undermining / sinus (cm)**				
Pain score **Pain of wound**				
Primary dressing used **(E.g. hydrofibre, foam, non-stick Tulle)** ***indicate dressing size**				
Secondary dressing **(E.g. foam, hydrocolloid, gauze)** ***indicate dressing size**				
Secure with **(E.g. film, tubular bandage, tape, bandage)**				
Compression **(E.g. stocking / bandage)**				
Evaluation of healing				
Frequency of dressing change				
Staff name & signature				

"AMR-2"

Record appropriate keyword on care plan

Wound bed	Surrounding tissue	Exudate amount	Exudate type	Infection
* (Estimate % age covered) * Pink * Epithelialisation	* Normal	* Heavy	* Serous	* None
* Red granulating	* Dry	* Moderate	* Haemoserous	* Suspected
* Yellow, slough	* Cellulitic	* Low	* Purulent	* Known
* Black, necrotic	* Oedematous		* Haemopurulent	* Swab taken
* Green, infected	* Macerated		* Blood	* Surgical wound infection * Superficial
	* Eczema		* Biliary	* Surgical wound * Infection deep
	* Venous staining		* Faecal	* Antibiotics
	* Fragile		* Other	
	* Other			

Assessment plan

Date	/ /	/ /	/ /	/ /
Time	__ : __	__ : __	__ : __	__ : __
Wound type / number				
Wound bed				
Surrounding tissue				
Exudate amount				
Exudate type				
Infection yes / no				
Wound measurement **Length (cm)** **Width (cm)** **Depth (cm)** **Undermining / sinus (cm)**				
Pain score **Pain of wound**				
Primary dressing used **(E.g. hydrofibre, foam, non-stick Tulle)** ***indicate dressing size**				
Secondary dressing **(E.g. foam, hydrocolloid, gauze)** ***indicate dressing size**				
Secure with **(E.g. film, tubular bandage, tape, bandage)**				
Compression **(E.g. stocking / bandage)**				
Evaluation of healing				
Frequency of dressing change				
Staff name & signature				

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Cabrini

Wound Assessment and Management Plan

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

Assessor's name: _____ Designation: _____ Date: / /

Chart number ____ of ____

Type of wound

Pressure injury

- ☐ Stage 1
- ☐ Stage 2
- ☐ Stage 3
- ☐ Stage 4
- ☐ Suspected deep tissue injury (SDTI)
- ☐ Unstageable

Skin tear

- ☐ Category 1a
- ☐ Category 1b
- ☐ Category 2a
- ☐ Category 2b
- ☐ Category 3

Medical **A**dhesive **R**elated **S**kin **I**njury

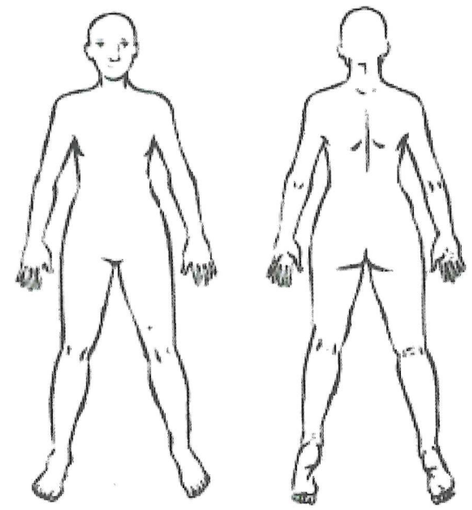
- ☐ MARSI 1
- ☐ MARSI 2
- ☐ MARSI 3
- ☐ MARSI 4

Moisture lesion

- ☐ Moisture lesion 1
- ☐ Moisture lesion 2

- ☐ Burn / scald
- ☐ Leg ulcer
- ☐ Foot / toe ulcer
- ☐ Other specify: _____

Indicate site of wound on body chart **(**One wound type per body chart)**



Summary of assessment

Pressure injury / skin tear / MARSI / moisture lesion present on admission? ☐ No ☐ Yes

☐ RiskMan completed Date: / / RiskMan incident number: _____

☐ Consent for photographic wound imagery (MR002DD) completed ☐ Uploaded onto PAS

Referrals: ☐ OT ☐ Wound care nurse ☐ Dietitian ☐ Other: _____

Notes: _____

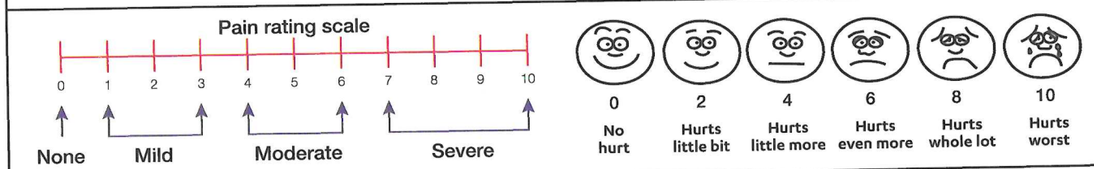
Treatment goal

Definitions:

A) Debridement
B) Promote granulation
C) Reduce bacterial load
D) Promote epithelialisation
E) Promote hydration
F) Prevent / relieve pressure
G) Decrease moisture
H) Prevent maceration

Date	Time	Treatment goal	Comments
/ /	__:__		
/ /	__:__		
/ /	__:__		

Pain assessment



SSKINE bundle

Skin assessment
Surface
Keep moving
Incontinence
Nutrition
Education

WOUND ASSESSMENT & MANAGEMENT PLAN MR060A

Cabrini

Adult Observation and Response Chart

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

Section A: Resuscitation plan / Advance Care Directive (ACD)

Resuscitation Plan ☐ No ☐ Yes Advance Care Directive ☐ No ☐ Yes

Section B: Alterations to calling criteria

Medical Officer to document review date and time (maximum 24 hours) **
Any alteration must be signed by a Medical Officer and confirmed by Consultant Medical Officer
Document rationale for altering Calling Criteria in the patient's Medical Record

	Date	/ /	/ /	/ /	/ /	/ /
	Time	:	:	:	:	:
Next review due / **End time**	**Date**	/ /	/ /	/ /	/ /	/ /
	Time	:	:	:	:	:
Respiratory rate	Clinical review					
	MET Call					
O_2 saturation % (SpO_2)	Clinical review					
	MET Call					
Blood pressure	Clinical review					
	MET Call					
Heart rate	Clinical review					
	MET Call					
Other (state)	Clinical review					
	MET Call					
Medical Officer name (Print name)						
Medical Officer signature						

Section C: Monitoring plan - Changes to usual frequency of observations (Default: Acute 8-hourly; Rehabilitation daily)

Date	DD/MM /	DD/MM /	DD/MM /	DD/MM /	DD/MM /	DD/MM /	DD/MM /
Frequency							
Name							
Reason							

Weight, 24hr Fluid Balance, Urinalysis

Date	DD/MM /	DD/MM /	DD/MM /	DD/MM /	DD/MM /	DD/MM /	DD/MM /
Time	:	:	:	:	:	:	:
Weight (kg)							
Scale used							
24hr Fluid Balance + or - (mL) see Fluid Balance Chart							
Urinalysis (e.g. leukocytes present)							

ADULT OBSERVATION AND RESPONSE CHART MR177B

Section H: Other instructions

Chart summary

Section A: Resuscitation plan / ACD
Section B: Alterations to calling criteria
Section C: Monitoring plan / Weight, 24hr Fluid Balance, Urinalysis
Section D: Observation chart
Section E: General instructions
Section F: Criteria and actions
Section G: Intervention / escalation
Section H: Other instructions

Alterations to calling criteria

Medical Officer to document:

- Observations for patients within a specified time that alter the escalation trigger criteria
- The duration of the alteration – write start and finish. Alteration will cease if not reviewed

Alterations should be reviewed at a minimum every 24 hours and during transfers / handover to another team / doctor
Alterations to be consistent with patient's ACD and Resuscitation Plan

** Extended duration alteration to calling criteria may be done for CHRONIC ILLNESS related alterations only. Must be done by or in consultation with admitting consultant.

Monitoring plan

Changes to usual frequency of observations

Frequency, duration and reason to be recorded in Section C
Reasons include:

- Requested by treating doctor
- You are worried about the patient
- After a MET call
- After an intervention, incident, procedure
- If the patient / family is concerned
- Until all observations are within normal range (white zones)
- Patient entering terminal phase
- Other

24 Hour fluid balance

24 hour fluid balance totals

When ordered by Medical Officer or nurse initiated Fluid Balance Chart (FBC) for patient, nurse to record 24 hour fluid balance total including (+) or (-). Total to include all Intravenous (IV) fluids, Nasogastric (N/G) and Oral as total balance; Wound drainage to be considered.

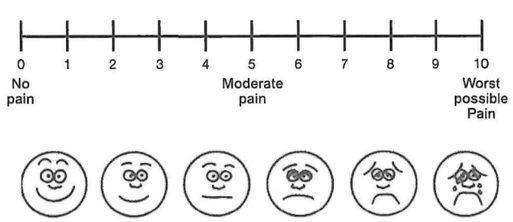
Abbreviations

General abbreviations

ACD	Advance Care Directive
BO / BNO	Bowels Opened / Bowels Not Opened
BP	Blood Pressure
FBC	Fluid Balance Chart
GCS	Glasgow Coma Scale
IV	Intravenous
MET	Medical Emergency Team
MSU	Midstream Sample of Urine
NIC	Nurse In Charge
N/G	Nasogastric
SBP	Systolic Blood Pressure

Pain assessment scale 0 - 10

0 – 10 numeric rating scale



BMC Nurs. 2015; 14: 42. Published online 2015 Aug 11. doi: 10.1186/s12912-015-0094-6

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Section D: Observation chart

	Date	/ /	/ /	/ /	/ /	/ /	
	Time						
Respiratory Rate (Breaths/minute)	Print ≥ 30						Print ≥ 30
	30						30
	28						28
	26						26
	24						24
	22						22
	20						20
	18						18
	16						16
	14						14
	12						12
	10						0
	8						8
	Print ≤ 8						Print ≤ 8
O_2 Saturation % on air or O_2 (Print %)	≥ 94%						≥ 94%
	91 - 93%						91 - 93%
	≤ 90%						≤ 90%
O_2 Flow Rate (L/minute) (Call criteria excludes high flow nasal prongs)	Print ≥ 10						Print ≥ 10
	8 - 9						8 - 9
	6 - 7						6 - 7
	4 -5						4 -5
	≤ 3						≤ 3
O_2 Mode of Delivery	Print						Print
Blood Pressure (mmHg) (Call criteria applies to SBP only) Systolic BP V / Diastolic BP Λ	Print ≥ 200						Print ≥ 200
	200						200
	190						190
	180						180
	170						170
	160						160
	150						150
	140						140
	130						130
	120						120
	110						110
	100						100
	90						90
	80						80
	70						70
	60						60
	Print ≤ 60						Print ≤ 60
Heart Rate (Beats/minute)	Print ≥ 150						Print ≥ 150
	150						150
	140						140
	130						130
	120						120
	110						110
	100						100
	90						90
	80						80
	70						70
	60						60
	50						50
	40						40
	Print ≤ 40						Print ≤ 40
Heart Rhythm							
Temperature (°C)	Print ≥ 39						Print ≥ 39
	39						39
	38.5						38.5
	38						38
	37.5						37.5
	37						37
	36.5						36.5
	36						36
	35.5						35.5
	35						35
	Print ≤ 35						Print ≤ 35
Consciousness Patient should be fully awake before scoring	Alert						Alert
	Voice						Voice
	Pain						Pain
	Unresponsive						Unresponsive
Pain (see scale Section H) None (0) - Worst (10)	At rest						At rest
	On movement						On movement
Bowels: BO / BNO							
Intervention reference letter (see Section G)							
Staff member initials							

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Section E: General instructions

Minimum set of physiological observations:

- Respiratory rate, oxygen saturation, blood pressure, heart rate, temperature, consciousness, pain.
- Other observations on the chart are O_2 flow rate and O_2 Mode of Delivery - see table below.

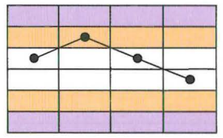
Record a full set of physiological observations:

- On admission, initial assessment, prior to and after transfer from one clinical area to another
- At a frequency appropriate for the patient's clinical state
- Minimum frequency:
  - Acute: 3 times daily at 8 hourly
  - Rehabilitation: Daily

Graph the observations:

The chart is designed to enhance the identification of trends in vital signs. It is important to look for worsening trends and report these.

Graph all observations unless indicated to print. When graphing observations, place a dot (•) in the box and connect it to the previous dot with a straight line, see example below.



For
- blood pressure, use the symbols indicated
- O_2 saturation %, write the number in the relevant box.

Actions

Whenever an observation falls within an orange or purple shaded area, or between the red flagged areas, follow the actions described in SECTION F: Criteria and actions, unless an alteration has been made.

See page 1 - SECTION B Alterations to calling criteria.

If observations are within orange and purple areas at the same time, follow actions for the purple area.

Neurological observations

If a patient needs neurological observations, commence an Adult Neurological Observation and Response Chart (MR188B) in addition to this chart.

Nurse can call a MET -

if the Nurse is concerned about a patient, even if observations are not in MET criteria.

O_2 mode of delivery / respiratory device

RA = Room air	HM = Hudson mask
H = Humidifier	NP = Nasal prong
HFNP = High flow nasal prongs	NRB = Non re-breather

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

Section F: Criteria and actions

Could your patient have sepsis?

Response criteria Is there any new onset of **signs and symptoms of infection?**			Action required
If your patient has **Two (or more) of the below criteria?** ☐ **Systolic BP** <100mmHg ☐ **Respirations** >22 breaths/min ☐ **Change in mental state** or altered consciousness	**and**	☐ **Lactate** >2mmol/L	Activate a MET Call

Clinical review

Vital signs	Response criteria	Action required
Respiratory rate	9 - 10 breaths/min or 26 - 29 breaths/min	• Complete a full set of observations • Inform Nurse in Charge (NIC) • NIC will contact doctor • Activate a MET Call if concerned • Review Monitoring Plan • Document the response and outcome in the medical record. • When Conscious State is assessed as 'responsive to voice', commence MR188B and complete GCS score
Oxygen saturation (On air or O_2)	91 - 93%	
Oxygen flow rate	• Any oxygen flow rate of 6L/min or more • Increase in O_2 flow rate of ≥ 4L/min	
Systolic blood pressure	91 - 100 mmHg or 180 - 199 mmHg	
Heart rate	41 - 50 beats/min or 120 - 139 beats/min	
Temperature	≤ 35.0°C or ≥ 39.0°C	
Conscious state	Previously alert patient now only responsive to verbal stimuli	
Other	You are worried about the patient but they do not fit the above criteria eg: uncontrolled pain, poor peripheral circulation, new onset of confusion, low urine output	

MET Call

Vital signs	Response criteria	Action required
Airway	Threatened	• Activate a MET Call unless **Not for MET** documented on Resuscitation Plan (MR004) • MET Team Leader to ensure consultant is notified • Document the response and outcome in the medical record • NIC to communicate with patient's next-of-kin or Emergency Contact and document the discussion and outcomes in medical record.
Respiratory rate	≤ 8 breaths/min or ≥ 30 breaths/min	
Oxygen saturation (On air or O_2)	≤ 90%	
Systolic blood pressure	≤ 90 mmHg or ≥ 200 mmHg	
Heart rate	≤ 40 beats/min or ≥ 140 beats/min	
Conscious state (See also: MR188B)	• Responding only to pain • Seizures • MR188B: Fall in GCS score ≥ 2 points **or** 1 point drop in motor response (with a neurological condition i.e. stroke)	
Other	• Serious concern • Uncontrolled pain	

Code Blue

Response criteria	Action required
• Not breathing or absence of normal breathing • Unresponsive • Absence of movement • GCS score < 8	• Activate a Code Blue unless Resuscitation Plan (MR004) documents **Not for Code Blue** or **Do NOT attempt CPR** • Notify Consultant • Document the response and outcome in the medical record • NIC to communicate with patient's next-of-kin or Emergency Contact and document discussion and outcomes in medical record

Section G: Intervention / escalation

If you administer an intervention, including escalations, record here. Note the **letter** in **'Intervention reference letter'** row at base of adjacent chart in appropriate time column.

Example
A Hypotensive, NIC informed, Medical team notified, medical review in 30 minutes, 300mL fluid bolus given per MO
B Pain relief given
C Urine output measured / O_2 changes

A

B

C

D

E

F

Cabrini

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

Patient Admission Assessment

Part C: Pre-Procedural Patient Assessment *(For surgical patients only)*

Anaesthetics referral: Does the patient have?			**Action**
One of the following:	**Or**	**Two** of the following:	☐ No
☐ Pacemaker / defibrillator		☐ BMI > 40	**If Yes:** **NPAS:** ☐ Refer to anaesthetist **Ward:** ☐ Notify surgeon for referral
☐ Obstructive sleep apnoea		☐ Gastric lap band / sleeve	
☐ Pregnancy or breastfeeding		☐ Renal impairment	List any other concerns or comments here:
☐ Myopathy		☐ Active oncology treatment	_____
☐ Myasthenia gravis		☐ Blood disorder / anaemia / previous clots	_____
☐ Diabetes requiring insulin +/- insulin pump		**Significant* history / condition:**	_____
☐ Diabetes taking Na Glucose Cotransport 2 Inhibitors *(See list supplied)*		☐ Cardiac ☐ Neurological ☐ Respiratory ☐ Delirium	_____ **Clinical judgement required – consider history, reason for admission and other co-morbidities*

Anaesthetics risk screening			**Action**
Have you ever experienced a problem with anaesthetics? If Yes, details:	☐ No	☐ Yes	**If Yes to any:** ☐ Refer to anaesthetist ☐ Create PAS alert ☐ Notify relevant department theatre manager
Do you have a family history of serious problems with anaesthesia?	☐ No	☐ Yes	

Fasting and Medications			**Action**
Have you been advised about fasting for your upcoming procedure?	☐ No	☐ Yes	**If No:** ☐ Provide patient with fasting instructions
Did you receive instructions on fasting and taking regular medications?	☐ No	☐ Yes	**If No:** ☐ Seek advice from doctor

Creutzfeldt-Jakob Disease (CJD) Screen			**Action**
For eye, neuro, endoscopic nasal surgery, tonsillectomy & lumbar puncture only	☐ N/A		**If Yes to any:** ☐ Contact Nurse Director Perioperative Services (Malvern) ☐ **Or** Perioperative Services Manager (Brighton)
Have you ever had a corneal transplant?	☐ No	☐ Yes	
Have you ever had a dura mater graft before 1990?	☐ No	☐ Yes	
Human pituitary hormone prior to 1985 for growth or fertility?	☐ No	☐ Yes	
Immediate family history with CJD?	☐ No	☐ Yes	

Infection *(NPAS only)*			**Action**
Do you currently have any symptoms of an acute illness? *(e.g. vomiting, diarrhoea, fever, cough, sore throat, body aches, runny nose, rash)* Details:	☐ No	☐ Yes	**If Yes:** ☐ Notify surgeon and anaesthetist
Have you had or currently have any of the following? ☐ C Auris ☐ CRE / CPE / CPO ☐ MRSA ☐ VRE ☐ ESBL ☐ TB ☐ Other	☐ No	☐ Yes	**If Yes to any:** ☐ Create PAS alert
Have you attended an overseas hospital, emergency department or care facility in the last 12 months?	☐ No	☐ Yes	☐ Notify theatre staff
Have you ever had COVID-19? If so, when	☐ No	☐ Yes	**If ≤ 7 weeks:** ☐ Notify surgeon and anaesthetist

Additional comments:

Pre-Procedural Assessment completed by: ☐ NPAS ☐ DOSA ☐ Ward:

Name: Signature: Designation: Date: / /

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N/F
21/08/24

Cabrini

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

Patient Admission Assessment

Admission date: / /	**Time:** :	**Point of admission:**	**Admitting consultant:**
Instructions for completion:	***Welcome patient to ward and provide introduction***		***Ward orientation***
PART A / B: *NPAS or Ward* ***PART C:*** *NPAS, DOSA or Ward*	√ Complete Valuables & Belongings Form √ Review actions within this form and ensure all completed		☐ Call bell / TV remote ☐ Toilet ☐ Communication board ☐ Bed control ☐ Falls / Pressure injury risks ☐ Phone

Part A: Patient Information

Reason for admission

Communication / info source	**Medico-legal**			**Action**
☐ Patient ☐ Other: _____ Language: _____	Advance Care Directive	☐ No	☐ Yes	**If Yes:** Ensure copy of document provided Date received: / / Interpreter booked ☐ No ☐ Yes ☐ Not required
	Medical Treatment Decision Maker	☐ No	☐ Yes	
	Guardianship Order	☐ No	☐ Yes	

Allergies / intolerances		**Action**
☐ **Nil Known** ☐ **Unsure**		☐ **Update on MedChart**
Allergen / Intolerance	**Reaction**	☐ **Update Allergy and ADR Divider**
		☐ **Create food alert[s] in PAS**
		☐ **Red ID band provided** (Ward / DOSA)
		If Procedural: • Notify anaesthetist of any reaction to anaesthesia • Notify theatre of latex allergy if present

Medication			**Action**
Has 'Meds on Admission' been completed on MedChart? ☐ **No:** List current medications below ☐ **Yes:** Listing of medications NOT required			Ask patient to bring medications in original packaging and a current medication list on admission if available. If no medication list available, document current medications. Patients > 48 hours length of stay and one or more of the following require referral to pharmacy: • DVA • 65+ and prescribed ≥ 5 meds • Risk of mismanaging medication ☐ Medications placed in green bag ☐ Medications locked in bedside drawer ☐ S8 / S4D(S11) locked in DD safe **If No:** Patient to clarify with treating doctor

Antiplatelet and Anticoagulant medication				
For patients on blood thinners and procedural, have you been informed whether to take medications prior to your procedure?	☐ N/A	☐ No	☐ Yes	

Investigations			**Action**
Have you had any recent blood tests, X-rays / CT or other imaging? Date: / / Which providers?	☐ No	☐ Yes	**If Yes:** Source results or ask patient to bring results and scans if available

Discharge risk assessment			**Action**
Has your doctor told you how many days you will be in hospital?	☐ No	☐ Yes	**If Yes:** Expected discharge: / /
Do you live in a supportive care facility?	☐ No	☐ Yes	**If Yes:** Continue to page 2
Do you live alone?	☐ No	☐ Yes	
Do you have someone to take you home?	☐ No	☐ Yes	
Do you have someone to stay with you for the first night when leaving the hospital?	☐ No	☐ Yes	**If Yes:** Details: _____ **If No** (Day Case only): Contact Doctors rooms and inform them that we do not accept overnight bed bookings for social reason
Do you currently access a community service?	☐ No	☐ Yes	**If Yes:** Details: _____
Will you need additional assistance when you leave hospital?	☐ No	☐ Yes	**If Yes:** ☐ Refer to OT and / or Social Work
Do you have carer responsibilities for others?	☐ No	☐ Yes	**If Yes:** ☐ Refer to Social Work

Other requirements

Patient Admission Assessment

Cabrini

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

Patient Admission Assessment

Part B: Clinical History and Care needs

Assessment	Body Mass Index (*BMI = kg/metres²*)			Action: If BMI > 40
Instructions: *Complete all sections to assist with Individualised Care Planning.*	Weight (W):	Height (H):	BMI:	☐ Create alert on PAS ☐ Utilise bariatric equipment if required

Neurological / Cognition / Mental Health

☐ No ☐ Yes

Details:

(Examples: dementia, Alzheimer's, Parkinson's, CVA / TIA, epilepsy, MND, MS, mental health, acute delirium)

Action: Update Care Plan accordingly

Delirium / Cognition:
- ☐ Complete Delirium & Cognitive Impairment Assessment Tool (4AT) (MR003E)
- ☐ **Altered cognition:** Complete Info About Me (MR003EE)
- ☐ **Epilepsy:** Last seizure: / /
- ☐ **Swallowing difficulty:** Refer to Speech Pathology

Cardiovascular

☐ No ☐ Yes

Details:

(Examples: CAGs, AMI, IHD, angina, arrhythmia, heart disease, PPM / defib, blood pressure)

Action: Update Care Plan accordingly

- ☐ **Heart disease:** Is the patient fluid restricted?
- ☐ **PPM:** Date of last check: / /
- ☐ **ICD:** Date of last check: / /

Respiratory

☐ No ☐ Yes

Details:

(Examples: SOB, COPD, chronic bronchitis, emphysema, OSA / CPAP, smoking history, home O2)

Action: Update Care Plan accordingly

- ☐ **OSA:** Advise patient to bring in home CPAP

Airways disease:
- ☐ Altered MET / review parameters for SaO2 required
- ☐ Known CO2 retainer

Renal

☐ No ☐ Yes

Details:

(Examples: kidney function, CKD, ARF, dialysis, AV fistula, incontinence, SPC / self-catheterisation, BPH)

Action: Update Care Plan accordingly

- ☐ **AV Fistula:** Apply alert band / place bed sign
- ☐ **ARF / CKD:** Is the patient on a low Na+ diet or fluid restricted?

Gastrointestinal

☐ No ☐ Yes

Details:

(Examples: gastric lap band / sleeve, GORD, liver disease, obstruction, alcohol intake)

Action: Update Care Plan accordingly

- ☐ **NGT, PEG, JEJ:** Refer to dietician
- ☐ **Constipation:** Commence bowel chart
- ☐ **> 5 standard alcoholic drinks / day:** Commence AWS
- ☐ **Dietary requirements:** Update PAS

Details: _____

Metabolic

☐ No ☐ Yes

Details:

(Examples: Diabetes – Type 1 or 2, insulin requirements +/- pump, endocrine or thyroid disorders)

Action: Update Care Plan accordingly

- ☐ **Insulin pump:** Notify admitting specialist to refer to endocrinologist and create PAS alert
- ☐ **Refer to Diabetes Education Team if:**
  - Poor control / new diagnosis / new medications
  - Change of condition, or pregnancy with diabetes

Cabrini

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

Patient Admission Assessment

Musculoskeletal

☐ No ☐ Yes

Details:

(Examples: falls, functional status, mobility aids / assistance, joint replacements, myopathies)

Action: Update Care Plan accordingly

Mobility:
- ☐ **Independent** ☐ **Supervised** ☐ **Assist** ☐ **x1** ☐ **x2**
- ☐ **Equipment required:** _____
- ☐ **Falls history:** Consider falls prevention strategies
- ☐ Update communication board

Skin (Integumentary)

☐ No ☐ Yes

Details:

(Examples: psoriasis, dermatitis, wound history, fragile skin, pressure injuries)

Action: Update Care Plan accordingly

- ☐ Complete Head-to-Toe Body Map / SSKINE Care Bundle (MR060B)
- ☐ Pressure relieving equipment required

_____

_____

Psychosocial

☐ No ☐ Yes

Details:

(Examples: stressors, social or work history, smoking, vaping, recreational drug use)

Action: Update Care Plan accordingly

If required, or displaying behaviours of concern:
- ☐ Notify treating doctor and nurse in-charge
- ☐ Refer to Social Work
- ☐ Consider Cognition & Wellbeing Monitoring Chart (MR188DD)

Disability

☐ No ☐ Yes

Details:

(Examples: special care needs, ASD, hearing / visual impairment, physical disability)

Action: Update Care Plan accordingly

- ☐ **If Yes:** Complete Info About Me (MR003EE)
- ☐ **Equipment required:**

_____

_____

- ☐ Update communication board

Oncology / Haematology

☐ No ☐ Yes

Details:

(Examples: cancer +/- treatment, blood and clotting disorders, DVT, PE)

Action: Update Care Plan accordingly

- ☐ **Previous DVT / PE:** Complete VTE prophylaxis tool and notify doctor if required
- ☐ **Chemotherapy:** Last treatment: / /
  Cytotoxic precautions if last treatment < 7 days
- ☐ **Lymph node removal:** Apply pink wrist band if required

Other / Surgical History

☐ No ☐ Yes

Details:

Patient Information, Clinical History and Care Needs completed by: ☐ NPAS ☐ DOSA ☐ Ward:

Name: Signature: Designation: Date: / /

Cabrini

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

Delirium & Cognitive Impairment Assessment Tool (4AT)

Instructions - Complete this screen for patients:

- Age ≥ 65 years (≥ 45 years for Aboriginal and Torres Strait Islander people)
- Known cognitive impairment or diagnosed dementia
- A previous diagnosis of delirium
- A severe medical illness (a clinical condition that is deteriorating or is at risk of deterioration)
- Current hip fracture
- Previous admission or consultation with geriatrician involvement

Cognition assessment		**Repeat on medical request**	
	Date: / /	**Date:** / /	**Date:** / /
	Time: :	**Time:** :	**Time:** :
1. Alertness – includes patients who may be markedly drowsy (eg: difficult to rouse and / or obviously sleepy during assessment) or agitated / hyperactive. Observe the patient: if asleep attempt to wake with speech or gentle touch on shoulder. Ask the patient to state their name and address to assist rating.			
Normal (Fully alert but not agitated throughout the assessment) **0**			
Mild sleepiness for < 10 seconds after waking, then normal **0**			
Clearly abnormal **4**			
2. Orientation – Age, date of birth, place (Name of the hospital or building), current year.			
No mistakes **0**			
One mistake **1**			
Two or more mistakes / untestable **2**			
3. Attention – Ask the patient: "Please tell me the months of the year in backwards order, starting at December." To assist initial understanding, one prompt of "What is the month before December?" is permitted. Months of the year backwards:			
Achieves 7 months or more correctly **0**			
Starts but scores < 7 months / refuses to start **1**			
Untestable (Cannot start because unwell, drowsy, inattentive) **2**			
4. Acute change or fluctuating course – Evidence of significant change or fluctuation in: alertness, cognition, other mental function (eg paranoid, hallucinations) arising over the last 2 weeks and still evident in the last 24 hours.			
No **0**			
Yes **4**			
4 or above: Possible delirium and / or cognitive impairment	**Total Score**	**Total Score**	**Total Score**
1 - 3: Possible cognitive impairment			
0: Delirium or severe cognitive impairment unlikely (but delirium still possible if question 4 information incomplete).			
☐ Possible delirium present on admission	Name:		
☐ Referral made to Geriatrician or Psychiatrist	Signature:		
*Please complete above tickboxes when appropriate	Designation:		

Actions for patients with a score of 1 or more

- ☐ Escalation to NM/ANM
- ☐ Develop and discuss an individualised delirium prevention plan including environmental and clinical practice strategies in partnership with patient / carer as outlined on page 2. Document any strategies implemented in the progress notes.
- ☐ Ask the family / carer to alert the healthcare team of any changes in the patient's mental or physical condition.
- ☐ Enter alert into PAS for inclusion on handover sheet.
- ☐ Monitor patients in conjunction with treating multidisciplinary team, at least daily for changes in cognition, behaviour and for clinical deterioration (risk of delirium is increased post-operatively)
- ☐ Conduct medication reconciliation before patients are transferred between locations, or phases of care.
- ☐ Commence using **Cognition and Wellbeing Monitoring Chart (MR188DD) and Cognition and Wellbeing Observation Record (MR188D)**

Commence using Cognition and Wellbeing Monitoring Chart (MR188DD) and Cognition and Wellbeing Observation Record (MR188D) for patients who score 1 or more OR:

- Present with sleepiness, including altered levels of consciousness
- Are less communicative or less responsive than usual
- Have difficulty cooperating with reasonable requests or any alterations in mood
- You feel have become more confused recently
- Present with agitation or restlessness
- Have a sudden decline in cognitive function or change in behaviour (ask family / carer how the patient usually presents from the patient or their family or carer)

(Note: This tool is a Cabrini adaption of the 4At Assessment test for delirium & cognitive impairment)

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A/F
12/09/24

DELIRIUM & COGNITIVE IMPAIRMENT ASSESSMENT TOOL (4AT) MR003E

Cabrini

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

Delirium & Cognitive Impairment Assessment Tool (4AT)

Strategies that may assist with delirium prevention

Implement the strategies outlined below to reduce a patient's risk of developing delirium, or minimise their symptoms

Communication strategies	Environmental strategies
• Provide the patient and family / carer with a copy of the Delirium brochure available on Cabinet • Introduce yourself at every interaction and make eye contact with the patient where culturally appropriate. • Speak calmly and be empathetic towards how the patient may be feeling • Speak clearly and concisely using short sentences, simple language and avoid medical jargon • Give one instruction at a time and offer few choices to avoid confusion • Give repeated verbal reminders of day, time, location and names and roles of relevant staff members • To reduce fear and anxiety, approach and interact within the patient's field of vision • Use of interpreters and other communication aids for culturally and linguistically diverse (CALD) patients where indicated (i.e. cue cards, interpreters etc)	• Provide lighting appropriate to the time of day; open curtains and blinds during the day to allow sunlight in and ensure minimal lighting over night • Single room where possible to reduce disturbances caused by staff attending other patients in the same room • Quiet environment especially at rest times, noise reduction strategies (e.g. use of vibrating pagers rather than call bells) • Clock and calendar (updated daily) placed within patients field of vision • Ensure signs are present for toilet / bathroom • Encourage family / carer involvement, encouraging them to visit regularly, particularly during unsettled periods • Encourage family / carer to bring in patient's personal and familiar belongings • Avoid room / ward changes where possible – frequent changes may increase disorientation • Recognise that the patient may be at a greater risk of falling and implement a **Falls prevention plan**

Promote:	Minimise / avoid:
• Eating and drinking to ensure adequate intake (assist where necessary) • Use of patient's regular hearing and visual aids (assist where necessary and check are working) • Regulation of bladder and bowel function, avoid constipation • Assistance with ADL's • Safe and regular mobilisation considering the increased Falls risk associated with Delirium • Engagement in activities to stimulate cognition (eg asking simple questions such as orientating to time and place, participation in basic daily tasks etc) • Relaxation and sufficient sleep with regular mobilisation, massage, encouraging wakefulness during the day • Medication reconciliation whenever patients are moved to another area	• Hypoxia by providing oxygen therapy where appropriate • Multiple medications and review all prescribed medication to assess if they may contribute to Delirium • Pain and discomfort by assessing regularly and providing pain relief • Use of indwelling catheters where possible • Sedation • Restraint including Chemical / Pharmacological, Mechanical and Physical • The use of Psychotropic medication

Cabrini

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

Cognition and Wellbeing Observation Record

Frequency of observation								
Review date	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /
Name								
Signature								

Date	Time	Comments / observations	Name	Designation
Example	2300	Appears asleep, lying L side. Resps visible	J Citizen	RN
Example	1715	Sitting in bed, appears upset for no reason	J Citizen	RN

Frequency of observation								
Review date	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /
Name								
Signature								

Date	Time	Comments / observations	Name	Designation

Cabrini

Cognition and Wellbeing Monitoring Chart

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

Criteria	Date	/ /	/ /	/ /	/ /	/ /	/ /	/ /
	Time	___ : ___	___ : ___	___ : ___	___ : ___	___ : ___	___ : ___	___ : ___
Rating score		0 = Not present 1 = Present	0 = Not present 1 = Present	0 = Not present 1 = Present	0 = Not present 1 = Present	0 = Not present 1 = Present	0 = Not present 1 = Present	0 = Not present 1 = Present
Risk to self or others								
Expressed intent to harm self or others (Inc. suicidal ideation)								
Sexually inappropriate / disinhibited								
Raised voice and intimidating demeanour								
Sensitivity to perceived provocation								
Drug and alcohol affected								
Distress								
Agitation								
Irritability / impulsivity								
Emotionally labile (Mood up and down)								
Social isolation								
Ambivalence or withdrawn about treatment / uncommunicative								
Altered mental state								
Bizarre behaviour								
Delusions and / or hallucinations and / or paranoid ideas								
Confusion / impaired memory; Is this patient more confused than before?								
Inability to follow directions / poor judgement								
Loss of function								
Altered sleeping pattern								
Declining food / fluids								
Reported change by others (CARES)								
Reports of altered presentation (Behaving different to their norm)								
Total score								
Circle score *Refer to escalation pathway below		1-2 3-4 5+	1-2 3-4 5+	1-2 3-4 5+	1-2 3-4 5+	1-2 3-4 5+	1-2 3-4 5+	1-2 3-4 5+
Name								
Signature								
Designation								

Escalation pathway

Score 1 - 2
- Escalate to NM / ANM
- Consider hourly visual observations
- **Commence Cognition and Wellbeing Observation Record (MR188D)**
- Review level of observations at change of shift
- Inform family / carer of change in patient's cognitive / wellbeing status and ask how we can help
- Document completed actions in the Progress Notes / Comprehensive Care Plan

Score 3 - 4
- Escalate to NM / ANM and treating Medical Team
- Consider 30 minute visual observations
- **Commence Cognition and Wellbeing Observation Record (MR188D)**
- Review level of observations 4 hourly
- Inform family / carer of change in patient's cognitive / wellbeing status
- Document completed actions in the Progress Notes / Comprehensive Care Plan

Score ≥ 5
- Escalate to NM / ANM and treating Medical Team
- Inform family / carer of change in patient's cognitive / wellbeing status
- Document completed actions in the Progress Notes / Comprehensive Care Plan
- Consider 15 minute visual observations
- **Commence Cognition and Wellbeing Observation Record (MR188D)**
- Review level of observations 4 hourly
- Initiate a **Mental Health Review** with referral to Psychiatrist, Geriatrician (where required), Psychologist / Neuropsychologist

Consideration is given to:
- Person's individual psychosocial needs
- Pharmacological & non-pharmacological interventions
- Use of de-escalation strategies
- Sensory based modulation
- Utilising least restrictive practice
- Early warning signs

COGNITION AND WELLBEING MONITORING CHART MR188DD

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09/02/24

Cabrini

Cognition and Wellbeing Monitoring Chart

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

Signs of deterioration

Reported change -

- A person, or someone who knows the person well, reports that their mental state is deteriorating
- Self-initiated requests for assistance
- Requests for treatment from healthcare professionals or those close to the person
- Self-reported negative or inflated sense of self
- Self-reported uncontrollable thought processes
- Self-reported negative emotions

Elevated risk to self or others -

- A person's actions indicate an increased risk to self, others, or property
- Refusing or disengaging from treatment
- Unresponsiveness to treatment

Distress -

- A person shows signs of distress, which are evident through observation and or conversation
- Uncharacteristic facial expressions
- Physiological / medical deterioration
- Negative themes in conversations

Loss of touch with reality or consequence of behaviours -

- A person is losing touch with reality or the consequences of her or his behaviour
- Indications of experiencing delusions / hallucinations
- Unusual self-presentation
- Unusual ways of behaving
- Appearing confused during conversations

Loss of function -

- A person is losing her or his ability to think clearly, communicate, or engage in regular activities
- Unusual movement patterns
- Loss of skills
- Poor daily self-care
- Reduction in regular activities
- Difficulty participating in conversations
- Unusual speech during conversations
- Seemingly impaired memory

Additional information

Cabrini

Upper Limb Neurovascular Observation Chart

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

When two (2) limbs are affected, use a separate form for each limb ☐ **Left** ☐ **Right** (Please tick appropriate box)

Nerve block ☐ No ☐ Yes Date and Time of Administration: / / Time: __:__

Puncture site _____ ☐ Not Applicable

Date / /																	
Time																	
Pain score 0 - 10																	
Colour N = Normal P = Pale D = Dusky C = Cyanotic F = Flushed / red																	
Warmth H = Hot W = Warm Cl = Cool C = Cold																	
Movement Fingers only if restricted by dressing A- = Active movement without pain A+ = Active movement with pain P- = Passive movement without pain P+ = Passive movement with pain — Radial nerve																	
Median nerve																	
Ulnar nerve																	
Sensation Fingers only if restricted by dressing F = Full P = Partial PN = Pins & Needles N = Nil — Radial nerve																	
Median nerve																	
Ulnar nerve																	
Swelling N = Nil S = Small M = Moderate L = Large Mk - Marked																	
Pulses **Pulse site**: _____ S = Strong W = Weak A = Absent PD = Present with Doppler AD = Absent with Doppler N/A = Not accessible																	
Capillary Refill R = Rapid (<2 sec) Sl = Sluggish																	
AV fistula formation BP = Bruit present BA= Bruit absent																	
Wound ooze / haematoma N= Nil S=Small M=Moderate L=Large Mk - Marked																	
Comments																	
Initials (Print)																	

Note: Write N/A (Not Applicable) on the boxes that are not required based on patient's condition.

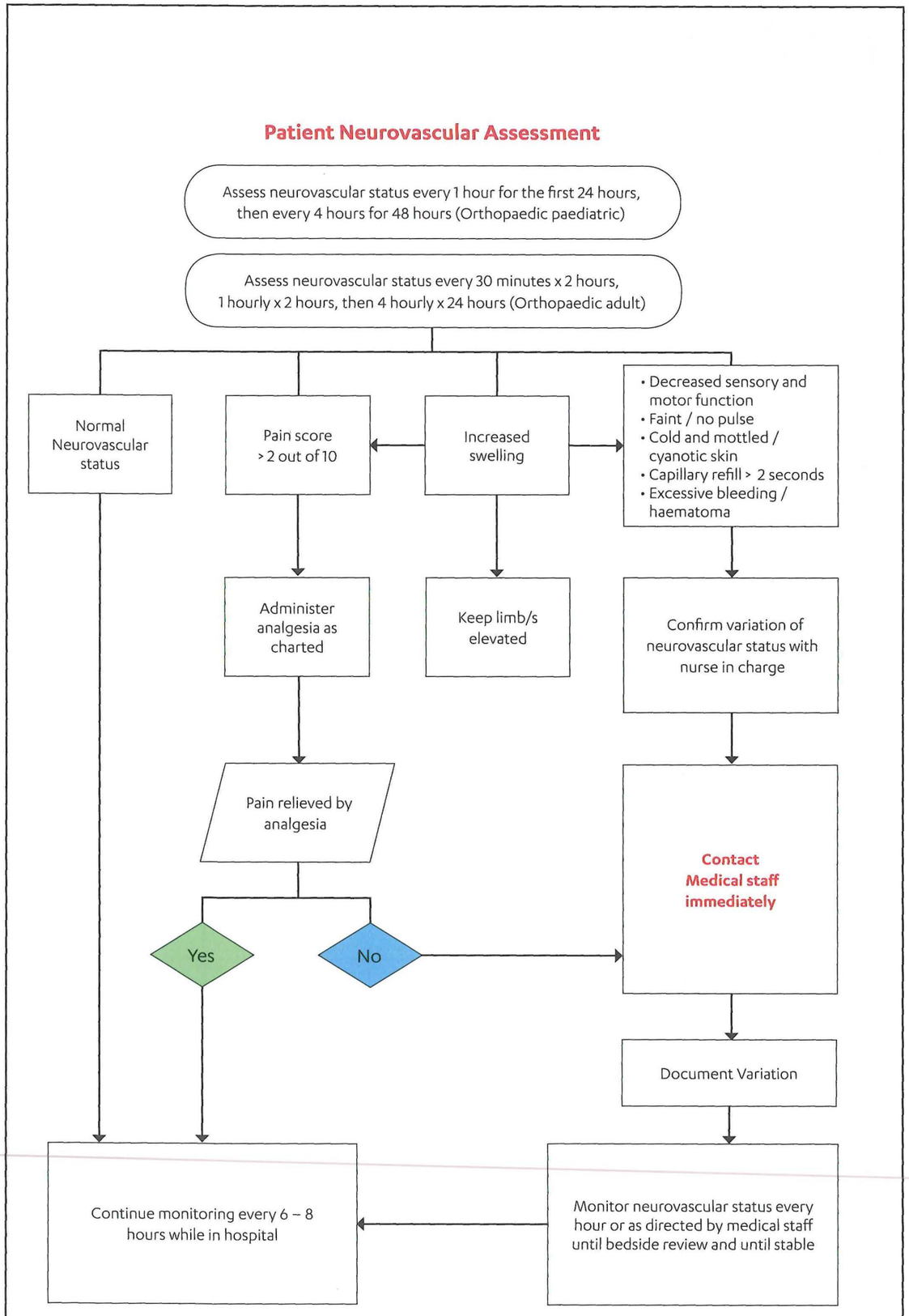
Movement	**Radial Nerve** Ask patient to extend thumb or dorsiflex / extend wrist 	**Median Nerve** Ask patient to oppose thumb to the index / little finger of the same hand, flex wrist or make a fist 	**Ulnar Nerve** Ask patient to abduct all fingers or flex ring and little finger 
Sensation	**Radial Nerve** Palpate webbing space between thumb and index finger or dorsum of thumb, index and middle fingers 	**Median Nerve** Palpate the distal end of the index and middle fingers and the palmar surface of hand 	**Ulnar Nerve** Palpate between the little finger and the ring finger on dorsal and palmar surface of the hand 

UPPER LIMB NEUROVASCULAR OBSERVATION CHART MR181A

FCH202300

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CH1414
N/F
11/01/23

Patient Neurovascular Assessment



NOTE: Refer to hospital policy and procedures or doctor's order for frequency of neurovascular assessment for other non-orthopaedic related conditions / procedures requiring neurovascular assessment.

FCH202400

Cabrini

Lower Limb Neurovascular Observation Chart

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Affix patient label here or complete details

Any observation in ORANGE zone requires immediate escalation to Nurse in Charge (NIC). If you're concerned - speak to NIC.

See over for instructions

Limb ☐ **L** ☐ **R** (Select)

Nerve block ☐ No ☐ Yes
Administration date: / / Time: ___:___

Puncture site (Record site)
_____ or ☐ N/A

Record all observations as dot and graph (except where indicated)

			Date	/ /															
			Time																
	Pain 0 - 10 *(Visual Acuity Scale)*	**0 - 10 Rest** write number	0-4																
			5-10																
		0 - 10 Movement write number	0-4																
			5-10																
VASCULAR	**Pulse** Select site: ☐ Femoral ☐ Popliteal ☐ Posterior tibialis ☐ Dorsalis pedis (NAC = Not accessible)		Strong																
			Weak																
			Absent																
		With Doppler	Present																
			Absent																
	Skin colour		Red or Flushed																
			Normal																
			Pale or white																
			Mottled / blue / cyanotic																
			Purple / black																
	Temperature		Hot																
			(Normal) Warm																
			Cool																
			Cold																
	Capillary refill		≤ 3 sec Brisk																
			> 3 sec Slow to sluggish																
	Swelling		Nil																
			Small																
			Moderate																
			Large																
	Wound ooze or **Bleeding** Add 'Mk' when Outline Marked		Nil																
			Small																
			Moderate																
			Large																
NERVES	**Sensation** (paraesthesia)	Peroneal	Normal																
			Tingle																
			Numb																
			Absent																
		Tibial	Normal																
			Tingle																
			Numb																
			Absent																
	Movement (paralysis)	Peroneal	Full																
			Impaired																
			Absent																
		Tibial	Full																
			Impaired																
			Absent																
	Variance write letter, document below																		
	Staff initials																		

Table 1 VARIANCE - Record baseline observation comments on admission to department. Record variance and intervention / escalation.

Letter	Comments / Variance	Initials

LOWER LIMB NEUROVASCULAR OBSERVATION CHART MR181B

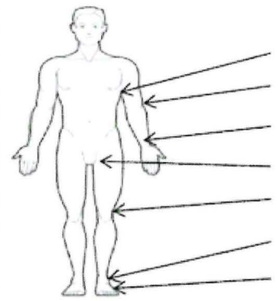
Allanby
CH1415
N/F
30/10/25

Instructions

	Blue shading = baseline observations, document comments in VARIANCE Table
	Orange shading = Reportable limits

- When two (2) limbs are affected, use a separate form for each limb
- Always compare affected limb to unaffected limb
- Review time analgesia administered
- Ensure area is well lit when completing assessment
- Sensation and Movement – assess and document toes only if restricted by dressing
- Write NA (Not Applicable) in boxes not required based on patient condition.

Right **Left**



Location of taking pulse

- Axillary - in the armpit
- Brachial - on the medial side of the elbow's inner surface
- Radial - on the lateral inner surface of the wrist
- Femoral - in the groin
- Popliteal - behind the knee
- Posterior tibialis - behind & above the medial malleoulus
- Dorsalis pedis - on the anterior aspect of the foot

PERONEAL nerve	TIBIAL nerve

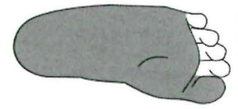
Lower limb SENSATION ASSESSMENT

Test common peroneal and tibial nerves by *lightly* touching the *skin* in the areas as shaded in grey in the diagrams below.

Dorsal surface of the foot



Plantar surface of the foot



Lower limb MOVEMENT ASSESSMENT

To assess for normal lower limb movement, the following nerves are tested.
If ankle dorsiflexion or plantar flexion is restricted by plaster / dressing, then movement of the toes is tested. Record in Table 1.

Test the peroneal nerve through dorsiflexion of the ankle and toes



Test the tibial nerve through plantar flexion of the ankle and toes



Patient Neurovascular Assessment and Escalation

PAIN SCORE > 4 Analgesia administered with good effect?	Increased SWELLING Keep limb/s elevated	Decreased SENSATION or MOVEMENT	PULSE Weak or Absent	SKIN COLOUR Change from normal	TEMPERATURE Cool / Cold or Hot	CAPILLARY REFILL > 3 seconds	Excessive OOZE / BLEEDING or HAEMATOMA

NO Reportable Limit met

Continue monitoring as per policy, and then ongoing every 6 hours while admitted or as per doctor's order

YES TO ANY Reportable Limit

Escalate variation of neurovascular status to NIC

Contact Medical Staff immediately for Clinical Review

Document variation and intervention

Monitor neurovascular status every 30 min until medical review or as directed by medical staff

Neurovascular Observation Frequency for Orthopaedic patients

ORTHOPAEDIC ADULT Assess neurovascular status -

- every 30 minutes x 2 hours,
- 1 - hourly x 2 hours,
- then 4 - hourly x 24 hours

ORTHOPAEDIC PAEDIATRIC Assess neurovascular status -

- every hour for first 24 hours,
- then every 4 hours for 48 hours

NOTE: Refer to hospital policy / procedures or doctor's order for frequency of neurovascular assessment for other Non-orthopaedic related conditions and / or procedures requiring neurovascular assessment - including: - Neurovascular Observations Clinical Guideline - Adult and Paediatric

Cabrini

Unit Record Number_____

Surname_____

Given Names_____

DOB_____ Sex_____

Diabetic Observation Chart

Affix patient label here or complete details

FCH203550

Reportable Blood Glucose Levels (BGL)

Above 20 mmol/L	Notify doctor immediately, check ketones
15 - 20 mmol/L	Notify doctor, check ketones if unwell AND / OR Type 1 Diabetes
12 - 14.9 mmol/L	Notify doctor if 3 consecutive levels 12 mmol/L or above
Below 4 mmol/L	Treat hypoglycaemia (see over) AND notify doctor

Alterations to Reportable Levels

Any alteration must be signed by a Medical Officer
Reportable levels: Less than _____ mmol/L and
Greater than _____ mmol/L
Date: / / Time: ___:___
Medical Officer name: _____
Medical Officer signature: _____

Testing Time		Early morning	Breakfast		Lunch		Dinner		Before Bed	Extra	Remarks
			Before	After	Before	After	Before	After			
Post op / other (enter due time)											
Date	BGL(mmol/L)										
/ /	Above 20										
	15 - 20										
	12 - 14.9										
	8 - 11.9										
	4 - 7.9										
	Below 4										
	Ketones										
/ /	Above 20										
	15 - 20										
	12 - 14.9										
	8 - 11.9										
	4 - 7.9										
	Below 4										
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	Ketones										
/ /	Above 20										
	15 - 20										
	12 - 14.9										
	8 - 11.9										
	4 - 7.9										
	Below 4										
	Ketones										

DIABETIC OBSERVATION CHART MR183

Allanby
CH1927
A/F
21/06/23

Adult hypoglycemia management

See Hypoglycaemic Management Protocol

Confirm hypoglycaemia:
Blood glucose < 4.0 mmol/L
If asymptomatic confirm with second test.

If the patient's clinical condition deteriorates at any stage, reassess and manage from beginning of flow chart

Conscious and intact swallow

Give quick acting carbohydrate – 1 tube of glucose gel (on spoon).

If glucose gel not available, give:

- 5-7 large jelly beans; or
- Up to 150-250mls of soft drink (not diet) or juice; or
- 3 teaspoons sugar.

Recheck blood glucose level after 10-15 minutes.

If **< 4.0 mmol/L** repeat above treatment.

If remains **< 4.0 mmol/L** after treating three times, contact doctor.

Unconscious MET call

MET call.
Give 50mL IV 50% glucose. If no IV access, give 1mg of glucagon IM.

Recheck blood glucose level after 10-15 minutes.

If **< 2.0 mmol/L** repeat above treatment.

Consider ongoing IV glucose infusion.

Conscious and fasting or unable to swallow

Blood glucose < 2.0 mmol/L

Blood glucose 2.0 – 4.0 mmol/L

Commence IV 5% glucose at 100mL/hr. If fluid restricted, use 10% glucose at 50mL/hr.

Recheck blood glucose level after 10-15 minutes.

If **< 4.0 mmol/L** repeat above treatment and contact doctor.

If blood glucose level ≥ 4.0mmol/L and able to swallow

Give long acting carbohydrate:

- Half a sandwich; or
- 1 glass of milk; or
- 1 piece of fruit; or
- Tub of yoghurt.

Or give next meal within 20 minutes.

If blood glucose level ≥ 4.0mmol/L and fasting or unable to swallow

Continue IV 5% glucose at 100mL/hr. If fluid restricted, use 10% glucose at 50mL/hr.

Recheck blood glucose level after 30 minutes.

- Document episode in patient notes and review possible cause to avoid recurrence.
- Monitor BGL more frequently (every 2-6 hours) for next 24 hours.
- Do not withhold usual insulin or oral hypoglycaemic agents, consider reduction in dose.
- Consider referral to Endocrinologist and / or Diabetes Education.

"AMR-3"

						Nursing and Midwifery						
Course Name	Responsible Department	Method	Timing	Course Duration (Minutes)	Frequency	Nurse Managers Hospital Coordinators	Clinically working Nurses	Paediatric caring Nurses and Midwives	Newborn caring Nurses and Midwives	Nurses and Midwives not involved in direct patient care	Outreach Nurses	Lisa Thurin Centre Nurses
Cabrini Orientation Seminar	People and Culture	Workday Learning	Orientation (first 3 months)	180	Once	✓	✓	✓	✓	✓	✓	✓
Local workplace Induction	Coordinated by manager	Face-to-face	Orientation (first week)	0	Once	✓	✓	✓	✓	✓	✓	✓
Our Ethic of Care	Mission and Identity	Workday Learning	Orientation (first 6 weeks)	20	Once	✓	✓	✓	✓	✓	✓	✓
Child Safety Awareness	Child Safe Working Group	Workday Learning	Orientation (first 6 weeks)	15	Once	✓	✓	✓	✓	✓	✓	✓
Patient Experience at Cabrini	Patient Experience	Workday Learning	Orientation (first 6 weeks)	15	Once	✓	✓	✓	✓	✓	✓	✓
Managing Emergencies	Work Health and Safety	Workday Learning	Orientation (first week)	20	Annual	✓	✓	✓	✓	✓	✓	✓
Introduction to Work Health Safety and Safe Moves (eLearning)	Work Health and Safety	Workday Learning	Orientation (first week)	30	Once	✓	✓	✓	✓	✓	✓	✓
Bullying and Harassment in the Workplace (Employees)	People and Culture	Workday Learning	Orientation (first week)	30	Biennial	×	✓	✓	✓	✓	✓	✓
Bullying and Harassment in the Workplace (Managers)	People and Culture	Workday Learning	Orientation (first week)	30	Biennial	✓	×	×	×	×	×	×
Sexual Harassment in the Workplace (Employees)	People and Culture	Workday Learning	Orientation (first week)	30	Biennial	×	✓	✓	✓	✓	✓	✓
Sexual Harassment in the Workplace (Managers)	People and Culture	Workday Learning	Orientation (first week)	30	Biennial	✓	×	×	×	×	×	×
Privacy Awareness at Cabrini	People and Culture	Workday Learning	Orientation (first week)	30	Once	✓	✓	✓	✓	✓	✓	✓
Cyber Security – Modules 1-4	IT	Workday Learning	Orientation (first week)	60	Once	✓	✓	✓	✓	✓	✓	✓
Hand Hygiene Australia	People and Culture	Workday Learning	Orientation (first week)	30	Annual	✓	✓	✓	✓	✓	✓	✓
Safe Moves — Comprehensive (Equipment)	Work Health and Safety	Face-to-face	Orientation (first 6 weeks)	120	Once + 4 year	✓	✓	✓	✓	×	×	×
Safe Moves - Dynamic Risk Assessment	Work Health and Safety	Face-to-face	Orientation (first 6 weeks)	120	Once + 4 year	✓	✓	✓	✓	×	×	×
Occupational Violence and Aggression Management	Work Health and Safety	Workday Learning	First Three Months	30	Once	✓	×	×	×	×	✓	✓
Cyber Security – Annual Refresher - Comprehensive)	IT	Workday Learning	After 6-12 months	20	Annual	✓	×	×	×	×	✓	×
Cyber Security – Annual Refresher (Essential)	IT	Face-to-face & Workday Learning (Quiz)	After 6-12 months	15	Annual	×	✓	✓	✓	✓	×	✓
Fraud & Corruption	People and Culture	Workday Learning	First Three Months	20	Once	✓	×	×	×	×	×	×
Medication Administration Safety	Clinical Education	Workday Learning	Orientation (first week)	30	Annual	✓	✓	✓	✓	×	×	×
Paediatric Administration Safety	Clinical Education	Workday Learning	Orientation (first week)	30	Annual	×	×	✓	×	×	×	×
Lisa Thurin Medication Administration Safety	Clinical Education	Workday Learning	Orientation (first week)	30	Annual	×	×	×	×	✓	✓	✓
Omnicell — Orientation	Medchart Team/Pharmacy	Workday Learning	Orientation (first week)	60	Once	✓	✓	✓	✓	×	×	✓
PAS Ward - Clinical	PAS Team	Workday Learning	Orientation (first week)	30	Once	✓	✓	✓	✓	✓	×	✓
PAS Introduction - Non Clinical	PAS Team	Workday Learning	Orientation (first week)	30	Once	×	×	×	×	×	×	×
MedChart (eMM) Nurses Program (incl. Discharge Summary)	Medchart Team/Pharmacy	Workday Learning	Orientation (first week)	120	Once	✓	✓	✓	✓	×	×	✓
Basic Life Support — Adult	Clinical Education	Workday Learning & ward RQI cart	Orientation (first week)	45	Annual	✓	✓	✓	✓	✓	✓	✓
Basic Life Support — Paediatric	Clinical Education	Workday Learning & ward RQI cart	Orientation (first week)	45	Annual	×	×	✓	×	×	×	×
Basic Life Support — Newborn	Clinical Education	Workday Learning & ward RQI cart	Orientation (first week)	45	Annual	×	×	×	✓	×	×	×
Anaphylaxis	Clinical Education	Workday Learning	First Three Months	30	Annual	✓	✓	✓	✓	✓	✓	✓
Bloodsafe - Clinical Transfusion Practice (exlcudes @ Home Nurses)	Clinical Education	Workday Learning	First Three Months	120	Once	✓	✓	✓	✓	×	×	×
Bloodsafe - Clinical Transfusion Practice (Refresher)	Clinical Education	Workday Learning	First Three Months	60	Every 2 years	✓	✓	✓	✓	×	×	×
Bloodsafe - Obstetric Blood Management	Clinical Education	Workday Learning	First Three Months	60	Every 2 years	×	×	×	✓	×	×	×
Bloodsafe - Critical Bleeding (ICU, ED, Periop Only)	Clinical Education	Workday Learning	First Three Months	180	Every 3 years	×	✓	×	×	×	×	×
Bloodsafe - Refresher												
Aseptic Technique	Clinical Education	Workday Learning	First Three Months	60	Triennial	✓	✓	✓	✓	×	✓	✓
Infection Prevention and Control	Clinical Education	Workday Learning	Orientation (first 6 weeks)	45	Triennial	✓	✓	✓	✓	✓	✓	✓

FAIR WORK COMMISSION

Matter No: AM2024/11

Application by Australian Nursing and Midwifery Federation

WITNESS STATEMENT OF EMMA PROSSER

DATED 26 MAY 2026

I, Emma Prosser, of [redacted], say as follows.

BACKGROUND

1. This statement is made from my own knowledge and belief, unless otherwise stated. Where statements are not made from my knowledge, they are made to the best of my knowledge, information and belief and I have set out the sources of my knowledge, information and belief.

2. At the time of making this statement, I am the Acting General Manager of Clinical Governance (Hospitals) at Uniting Care (**Uniting**); I have been on secondment in this role for 3.5 months. My substantive role is Director of Clinical Services at Buderim Private Hospital, a position I have held for approximately 3 years.

3. Prior to my employment at Uniting, I had:

   (a) 9 years' experience as Director of Clinical Services (QLD and NSW);

   (b) 5 years' experience as Assistant Director of Clinical Services (QLD);

   (c) 3 years' experience as a Nurse Unit Manager (QLD); and

Lodged by: Catholic Health Australia	**Telephone:** Nigel Ward – [redacted] Alana Rafter – [redacted]
Address for service: Australian Business Lawyers & Advisors Level 7, 8 Chifley Square, SYDNEY NSW 2000	**Email:** Nigel.Ward@ablawyers.com.au Alana.Rafter@ablawyers.com.au

(d) 6 years' experience as a specialist Urology Nurse Practitioner (**NP**) (in the United Kingdom).

4. I hold a Higher National Diploma in Nursing Studies and a Bachelor of Science (Honours) in Clinical Practice (Cancer Care). I obtained both of these qualifications from the University of Surrey in the United Kingdom.

5. In my current role as Acting General Manager of Clinical Governance (Hospitals), I oversee clinical governance across four acute hospitals within Uniting:

(a) The Wesley Hospital (**Wesley**), 451 Coronation Dr, Auchenflower QLD 4066;

(b) St Andrew's War Memorial Hospital (**St Andrew's**), 457 Wickham Ter, Spring Hill QLD 4001;

(c) St Stephen's Hospital Harvey Bay (**St Stephen's**), 1 Medical Pl, Urraween QLD 4655; and

(d) Buderim Private Hospital (**Buderim**), 12 Elsa Wilson Dr, Buderim QLD 4556.

6. I am based out of head office but work across all four hospitals, providing governance oversight at a group level. My primary responsibilities include:

(a) oversight of accreditation and licensing requirements;

(b) incident management; and

(c) the management of complaints, including serious and significant complaints.

7. I am also responsible for regulatory reporting to external bodies, and for the development and implementation of policies and procedures to support safe clinical practice.

8. In my role, I contribute to executive decision-making in relation to clinical risk, quality and safety, and broader governance matters affecting hospital operations.

9. As part of this role, I have oversight across a range of clinical environments, including medical, surgical, emergency, intensive care, maternity and rehabilitation services.

UNITING

10. While each hospital provides broadly similar acute healthcare services, there are differences in their size, service mix and subspecialties.

Hospital and Specialities

11. All four hospitals provide acute medical, surgical services and generally include inpatient rehabilitation. Some of the additional specialities and units include but are not limited to:

    (a) Emergency departments:

        (i) Wesley;

        (ii) St Andrew's; and

        (iii) Buderim.

    (b) Intensive care units (**ICU**):

        (i) Wesley;

        (ii) St Andrew's; and

        (iii) Buderim.

    (c) Inpatient maternity services:

        (i) Wesley; and

        (ii) Buderim.

    (d) Inpatient paediatric services:

        (i) Wesley; and

        (ii) St Andrew's

12. Each hospitals' licence to operate specifies the level of service provision for each speciality under the Clinical Services Capability Framework (QLD)

Patients

Medical wards

13. In my experience, patients admitted to a medical ward, commonly include chronic medical patients with frequent admissions to the same facility over time.

14. Patients with acute medical issues, such an infection, who will receive treatment and are subsequently discharged.

15. Some patients may, unfortunately, require end of life care during their admission

Surgical wards

16. Patients may be admitted for:

    (a) elective surgery; or

    (b) emergency / unplanned surgery (e.g. trauma or acute surgery).

17. Patients presenting for elective surgery are often clinically stable on admission with the expectation they would recover post-procedure and be discharged.

Rehabilitation

18. Patients in rehabilitation commonly include:

    (a) orthopaedic patients;

    (b) patients following a prolonged ICU admission; or

    (c) patients experiencing medically deconditioning.

Demographic

19. Patient demographics may differ between locations. For example, in my experience, regional areas such as Buderim, may have a slightly older population compared to metropolitan hospitals, although this can change over time.

Nursing Employees

20. Across the hospital network, Uniting employs (based on workforce data provided to me through HR reporting as at 21 May 2026):

    (a) Registered Nurses (**RNs**): 3,661;

    (b) Enrolled Nurses (**ENs**): 318; and

    (c) Assistants in Nursing (**AINs**): 159.

21. Although not employed, Uniting also has student ENs and RNs on site periodically as part of clinically placement from the local training institutes.

22. Uniting do not currently employ NPs.

23. The composition of nursing staff varies by department and is influenced by the clinical acuity and care requirements of the patient cohort. For example, in departments such as ICU there are typically a higher proportion of RNs, based on clinical acuity and care requirements. In lower acuity settings such as rehabilitation there may be a comparatively higher portion of ENs.

WORK PERFORMED BY ENROLLED NURSES AT UNITING

Handover

24. At the start of a shift, ENs will participate in a bedside handover that is typically provided by an RN. During the handover, they will go into the room of the patient and talk about:

    (a) the patient's condition;

    (b) what has been the challenges for the patient on that given day or the given shift;

    (c) what their goals of care are;

    (d) what the patient has scheduled for the rest of the day;

    (e) what the treatment plan is;

    (f) any family dynamics that may need to be taken into consideration; and

(g) discharge plans including potential allied health referrals

Team Based Work

25. In my experience, ENs will work as part of a team under the direction and supervision of an RN.

26. The RN is responsible for allocation of patient's and determining the distribution of tasks within the team, considering factors such as patient complexity, staff experience and competency.

27. ENs and AINs undertake delegated tasks and provide direct patient care in collaboration with the RN.

28. Accountability for overall patient care remains with the RN. Although EN's contribute actively to the delivery of care within their scope of practice.

Tasks

29. The following tasks are typically performed by an EN:

(a) Assisting with activities of daily living;

(b) attending to personal hygiene needs;

(c) administering medications where appropriately endorsed and within scope of practice;

(d) undertaking clinical observations, and reporting findings to the RN;

(e) performing wound care and basic clinical procedures (subject to competency assessment); and

(f) documenting care provided within the patient's medical record.

30. Some aspects of care are time based (such as medications or observations), while others are completed based on clinical need and workflow.

31. The core tasks performed by ENs remain broadly consistent over time. In my experience, what I have observed overall is that nursing clinical judgement changes over time as an EN gets exposed to repetitive clinical situations and their confidence to interpret these increases.

Patient Engagement

32. An EN will directly engage with patients and families. This may include:

    (a) supporting emotional wellbeing;

    (b) undertaking routine rounding;

    (c) providing clinical handover in conjunction with the RN; and

    (d) supporting patient's care goals and established care plans.

33. ENs are expected to escalate any concerns to the RN or relevant senior clinician on duty.

Observations and Responding to Patient Deterioration

34. Both ENs and RNs use structured observation tools such as the Queensland Adult Deterioration Detections System (**Q-ADDS**), to identify and respond to patient clinical deterioration

A COPY OF THE Q-ADDS OBSERVATION CHART IS ANNEXED AND MARKED "EP-1".

35. Where deterioration is identified, escalation may include notifying the RN, seeking a medical review or initiating a Medical Emergency Response Team (**MERT**) call.

36. In my experience, during a MERT response, the RN typically assumes a leading clinical role, with EN's providing support within their scope of practice.

Responding to a Fall

37. Where a fall is identified, ENs typically undertake an initial assessment and seek assistance, including activating a staff assist if required.

38. The RN will attend and undertake or coordinate further clinical assessment and determine whether escalation, including a MERT call is required.

SKILL DEVELOPMENT OF AN ENROLLED NURSE

Graduate Program Year

39. The skillset of a EN in their first 12 months can vary due to factors such as:

    (a) the individual; and

    (b) prior experience and exposure.

40. ENs are generally provided with structured support program during this period, which may be adjusted based on individual needs.

Two Years Experience as an EN

41. Over time, ENs generally develop increased confidence and familiarity within their clinical environment and scope, particularly where they remain in the same speciality areas.

42. Where ENs move between clinical areas, they may require additional support as they adapt to that new environment.

Five Years Experience as an EN

43. ENs continue to work within a supervised model of care where RN oversight is maintained.

44. While ENs may contribute more actively to care planning and clinical discussions with experience, the accountability framework does not materially change.

Development of Clinical Judgement

45. In my experience, ENs may develop improved clinical judgement overtime through repeated exposure to clinical scenarios.

46. This may include recognising subtle clinical changes or anticipating patient needs; however, structured systems and processes remain in place to support consistent care delivery across all experience levels.

TRAINING AND SUPPORT AT UNITING

Graduate Program and Initial Support

47. ENs entering practice are typically supported through a structured graduate program, which may include rotations across different clinical areas.

48. During orientation to new clinical areas, ENs may be provided with supernumerary time to support transition into practice and consolidate skills.

49. The level of support provided may vary depending on individual needs.

Mandatory Training

50. All nursing staff are required to complete mandatory training, including areas such as basic life support, manual handling and infection prevention practices.

51. This training is delivered through a combination of online and in-person formats.

Continuing Professional Development

52. Nurses are required to complete continuing professional development (**CPD**) to maintain registration.

53. CPD activities may include internal education sessions, external courses or conferences.

54. CPD requirement is generally separate from mandatory training requirements.

Further Education provided by Uniting

55. Hospitals provide additional education opportunities, including ward-based teaching, study days and support from the clinical education teams.

56. Our hospitals have dedicated clinical educators who are attached to wards or specialties, such as medical or surgical units. These educators play an important role in supporting the ongoing development of staff.

57. Participation in training is guided by scope of practice and clinical relevance to the staff member’s role.

NURSE PRACTITIONERS

58. Uniting does not currently employ NPs. My experience with NP's is based on previous roles.

Qualifications and Scope of Practice

59. NPs are RNs who have completed advanced education and training typically at a master's level, and are registered with Australian Health Practitioner Regulation Agency as an NP

60. This extended scope may include, prescribing medications and making certain clinical decisions within their speciality area.

61. In the private hospital setting, in my experience, NPs are typically attached to a particular specialty and develop a high level of expertise in that area. While they may have the ability to prescribe and make decisions, they would generally do so only within the field in which they are experienced.

Level of Autonomy

62. During their training, NPs work under supervision. However, once qualified, they generally work with a high degree of independence and autonomy in their role.

63. In my experience, they can manage aspects of patient care within their scope and can operate in a relatively independent capacity.

Role Within the Hospital Setting

64. In the private hospital setting, in my experience, patients typically remain under the care of a specialist medical practitioner, even where a NP is involved in aspects of care

Signed:



Emma Prosser
Dated: 26 May 2026

UC008100

DO NOT WRITE IN THIS BINDING MARGIN

Adult

			Date																			
			Time																			
Respiratory Rate (breaths / min) Measure for a full minute	E	≥36																				E
	4	31–35	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
	2	25–30																				2
	1	21–24																				1
	0	17–20																				0
		13–16																				
	1	9–12																				1
	E	≤8																				E
O_2 Saturation (%)	0	≥98																				0
		95–97																				
	1	90–94																				1
	2	85–89																				2
	4	≤84	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Oxygen* (L / min *or* % delivered) **If on HFNP record % delivered*	E	15	≥60%																			E
	4	>11–14	>50–59%	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
	2	>5–11	>40–50%																			2
	1	2–5	28–40%																			1
	0	<2	<28%																			0
FM Face mask **HF** High flow **HFNP** High flow nasal prongs **NIV** Non invasive — **NP** Nasal prongs **NRM** Non re-breather **RA** Room air **T** Tracheostomy			Mode																			
			Actual FiO_2 on Device Screen																			
			High Flow L/min on Device Screen																			

		Actual BP	180s	170s	160s	150s	140s	130s	120s	110s	100s	90s	80s	
Blood Pressure (mmHg) Score systolic BP	≥200	≥200	4	4	4	4	4	4	4	4	4	4	4	Score current systolic BP using the circled column
	190s	190s	0	0	1	1	1	2	2	3	3	4	4	
	180s	180s	0	0	0	0	1	1	2	2	3	3	4	
	170s	170s	0	0	0	0	1	1	2	2	3	3	3	
	160s	160s	1	0	0	0	0	0	1	1	2	2	2	
	150s	150s	1	1	0	0	0	0	0	1	1	2	2	
	140s	140s	1	1	1	0	0	0	0	0	1	1	1	
	130s	130s	2	1	1	0	0	0	0	0	0	0	1	
	120s	120s	2	2	1	1	0	0	0	0	0	0	0	
	110s	110s	2	2	2	1	1	0	0	0	0	0	0	
	100s	100s	3	3	2	2	2	1	1	0	0	0	0	
	90s	90s	3	3	3	2	2	2	2	1	1	0	0	
	80s	80s			4	4	4	4	4	4	4	1	0	
	70s	70s				EMERGENCY CALL								
	60s	60s												

Systolic BP score																						
Heart Rate (beats / min)	E	≥160																				E
	4	150s	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
	4	140s	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
	3	130s																				3
	2	120s																				2
		110s																				
	1	100s																				1
	0	90s																				0
		80s																				
		70s																				
		60s																				
		50s																				
	2	40s																				2
	E	30s																				E
Temperature (°C)	2	≥39.5																				2
		38.5–39.4																				
	1	38–38.4																				1
	0	37.5–37.9																				0
		37–37.4																				
		36.1–36.9																				
	1	35.1–36																				1
	2	34.1–35																				2
	4	≤34	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Consciousness If necessary, wake patient before scoring	0	**A**lert																				0
	1	**V**oice																				1
	4	New confusion / agitation	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
	E	**P**ain																				E
		Unresponsive																				
Modifications in Use		**M**																				
TOTAL *Q*-ADDS SCORE																						
Notification (most senior position, see legend on page 3)																						
Interventions (e.g. 'A')																						
Weight (kg)																						
Bowels																						
Initials																						

Score Legend

0	Score 0
1	Score 1
2	Score 2
3	Score 3
4	Score 4
E	EMERGENCY call

(Affix identification label here)

URN:

Family name:

Given name(s):

Address:

Date of birth: Sex: ☐ M ☐ F ☐ I

Indicate which systolic BP scoring preference is in use (Usual or Default). If the Usual systolic BP is selected, write the Usual systolic BP in the space provided:

☐ **Usual** systolic BP: ..... mmHg

☐ **Default** systolic BP: 120mmHg

Name:

Signature:

Designation: Date:

Target Systolic BP (VMP / RMO ONLY):

mmHg

Name:

Signature:

Designation: Date:

Circle the column showing the patient's Usual / Default / Target systolic BP

Emergency call if:

- Airway threat
- Respiratory or cardiac arrest
- *Q*-ADDS Score ≥8
- Any observation in a purple area (**E**)
- O_2 saturation <90% without response to oxygen
- New, repeated or prolonged seizure
- Sedation score of 3 (severe)
- You are concerned about the patient but they do not fit the above criteria

Escalation and Observation Monitoring Plan

Q-ADDS Score	Observations (min. frequency)	Notify	Escalate (if no review)	Intra-hospital Escort
0	8 hourly	• **Could it be Sepsis?**		
1–3	4 hourly	• Team Leader or follow local process • **Could it be Sepsis?**		
4–5	1 hourly	• Team Leader • VMP review within 30 minutes • **Could it be Sepsis?**	• If no review after 30 minutes, initiate RMO review or Emergency Call	Nurse
6–7	½ hourly	• Team Leader • VMP/RMO review within 30 minutes • **Could it be Sepsis?**	• If no review after 30 minutes, or if concerned, initiate Emergency Call • Notify VMP and HNM/AHC	Nurse
≥8 or E	10 minutely	• Initiate Emergency Call • **Could it be Sepsis?**	• Notify VMP	Nurse and Medical Officer

Notification Legend

Document the letter(s) in the *Notification* row on page 2 in appropriate time column.

N	Nil Required
TL	Team Leader
RMO	Resident Medical Officer
VMP	Visiting Medical Practitioner
E	Emergency Call

Interventions Relating to observations from page 2 or the Pain at Rest Table on page 4

If an intervention is administered, record here and note letter in *Interventions* row on page 2 in appropriate time column.

A

B

C

D

E

F

G

H

Queensland Adult Deterioration Detection System (*Q*-ADDS)
For tertiary and secondary facilities SW150 v8.00 04/2020
© State of Queensland (Queensland Health) 2025
Copyright and disclaimer: www.health.qld.gov.au/clinical-practice/guidelines-procedures/patient-safety
Contact: PSQ_Comms@health.qld.gov.au

Queensland Government

UnitingCare

Queensland Adult Deterioration Detection System (Q-ADDS)

For tertiary and secondary facilities

Facility: .....

(Affix identification label here)

URN:

Family name:

Given name(s):

Address:

Date of birth: Sex: ☐ M ☐ F ☐ I

General Instructions

» You must record all observations including Pain, Functional Activity Scale and Sedation scores (p4) at a frequency appropriate to the patient's clinical condition.
» You must calculate a *Total Q-ADDS Score* for each set of observations and record it in the Total Q-ADDS Score box, even if the score is zero (Respiratory Rate + O_2 Saturation + O_2 Flow Rate + Blood Pressure + Heart Rate + Temperature + Consciousness + New Confusion / Agitation).
» A Target systolic BP can be documented in the appropriate box on page 3 by the treating VMP. The Target systolic BP will supersede the Usual systolic BP.
» If there is no Target systolic BP the nurse admitting the patient should determine the patient's Usual systolic BP and record it in the appropriate box on page 3. If the Nurse is unable to determine the patient's usual BP tick the "Default systolic BP: 120mmHg" box on page 3.
» When graphing observations, place a dot (•) in the appropriate box and join to the preceding dot (e.g.). For blood pressure, use the symbols indicated ( ). You must write any observation outside the range of the graph as a number.
» Modifications must be assessed and rewritten by a VMP/RMO with each new observation chart.

Modifications for Patients with Chronic Abnormal Physiology

» Modifications can ONLY be made on the basis of chronic abnormal physiology. That is, physiological parameters that are usual for the patient at home.
» Modifications must be authorised by the VMP or RMO.
» NB: document the letter "M" in the row above the Total Q-ADDS Score on page 2 to indicate modifications in use.

Diagnosis which justifies modification (e.g. chronic obstructive pulmonary disease):

.....

Authorised by (VMP / RMO):

Doctor's name (please print):

Designation: Signature:

Date: Time:

Write the acceptable range (will score zero) below:

Respiratory Rate	to	breaths / min
O_2 Saturation	to	%
O_2 Flow Rate	to	L / min or %
Heart Rate	to	beats / min
Consciousness (AVPU)		☐ No score (use local Neurology form)

Scoring note: for observations outside the modified range, revert to the original score on Q-ADDS. *For example:* if an O_2 saturation of 90–94% is tolerated (score of zero), and the O_2 saturation falls to 89%, it would score 2. NB: document the letter 'M' in the row above the Total Q-ADDS Score on page 2 to indicate modifications in use.

Does this patient require a Goal of Care or Acute Resuscitation Plan (ARP)? If *Yes*, please complete their resuscitation plan / goal of care. If the patient no longer requires ongoing vital sign monitoring, document this in the progress notes, and consider a palliative care consultation.

Temporary Modifications Do not modify the scores for patients with suspected sepsis

» Temporary modifications can only be made to ***ONE*** vital sign at a time.
» Each modification will last a ***maximum of 6 hours***.
» Modifications must be authorised by the VMP or RMO.
» The VMP/RMO must document a detailed management plan in the case notes.
» **Nursing staff are advised to use clinical judgement to escalate to an RMO or an Emergency Call if they remain concerned about the patient's condition, regardless of the changes documented on the form**.
» Document the Letter "M" in the row above the Total Q-ADDS Score on page 2 to indicate modifications in use.
» In the post anaesthetic care unit (PACU) ONLY - **ONE** set of temporary modifications can be made by the anaesthetist via phone order.

Temporary Modification 1 Write the acceptable range (will score zero)			**Temporary Modification 2** Write the acceptable range (will score zero)			**Temporary Modification 3** Write the acceptable range (will score zero)		
Respiratory Rate	to	breaths / min (can NOT be modified >36bpm)	Respiratory Rate	to	breaths / min (can NOT be modified >36bpm)	Respiratory Rate	to	breaths / min (can NOT be modified >36bpm)
O_2 Saturation	to	%	O_2 Saturation	to	%	O_2 Saturation	to	%
Oxygen Flow	to	L / min or %	Oxygen Flow	to	L / min or %	Oxygen Flow	to	L / min or %
Systolic BP	to	mmHg (can NOT be modified <80mmHg)	Systolic BP	to	mmHg (can NOT be modified <80mmHg)	Systolic BP	to	mmHg (can NOT be modified <80mmHg)
Heart Rate	to	beats / min	Heart Rate	to	beats / min	Heart Rate	to	beats / min
Temperature	to	°C	Temperature	to	°C	Temperature	to	°C
Consciousness (AVPU)		☐ No score (use local Neurology form)	Consciousness (AVPU)		☐ No score (use local Neurology form)	Consciousness (AVPU)		☐ No score (use local Neurology form)
Prescribed Observation Frequency (min. of hourly obs for duration of modification period):			**Prescribed Observation Frequency** (min. of hourly obs for duration of modification period):			**Prescribed Observation Frequency** (min. of hourly obs for duration of modification period):		
Modifying DR (or RN in PACU): ☐ Phone order			**Modifying DR:**			**Modifying DR:**		
Authorising Doctor Name and Designation:			**Authorising Doctor** Name and Designation:			**Authorising Doctor** Name and Designation:		
Rationale for modification:			**Rationale for modification:**			**Rationale for modification:**		
Start Date:	Time:		**Start** Date:	Time:		**Start** Date:	Time:	
Cease Date:	Time:		**Cease** Date:	Time:		**Cease** Date:	Time:	

Q-ADDS TERTIARY AND SECONDARY 081.00

Pain and Sedation Assessment

- If the patient reports any level of chest pain, please follow local chest pain procedure
- If you are concerned about the patient's pain but they do not fit the below criteria notify Medical Officer
- If documenting pain and sedation on a PCA/Epidural Monitoring form, this section does not need to be completed

(Affix identification label here)

URN:

Family name:

Given name(s):

Address:

Date of birth: Sex: ☐ M ☐ F ☐ I

Date																			
Time																			
Acute Pain Score at Rest (for patients with chronic pain follow individual management plan)																			
Severe	10																		
	9																		
	8																		
	7																		
Moderate	6																		
	5																		
	4																		
Mild	3																		
	2																		
	1																		
None	0																		
Functional Activity Scale (FAS) Score (perform during cough / movement)																			
Activity severely limited by pain	C																		
Activity mild to moderately limited by pain	B																		
Activity unlimited by pain	A																		
Interventions (document on page 3 e.g. 'B')																			

**** If scores conflict, follow the highest score***

☐ • Notify team leader • Administer analgesia • Notify medical officer to review if no improvement within 30 minutes of administering analgesia

☐ • Administer analgesia • Consider team leader / medical officer review if no improvement within 60 minutes of analgesia

☐ • Consider simple analgesia

Sedation Score (for patients receiving potentially sedating medication)		
Patient **must** be woken to assess sedation score Note: **DO NOT** add the Sedation Score to the Q-ADDS Score. Follow actions below.	0	
	1	
	2	
	3	
0 = Awake		• Continue to monitor patient's Q-ADDS, Sedation and Pain Score in accordance with individual monitoring plan
1 = Mild (easy to rouse, able to keep eyes open for 10 secs)		• Increase monitoring of Q-ADDS, Sedation and Pain score • Recheck Sedation score before administering potentially sedating medication
2 = Moderate (rouseable, but unable to keep eyes open for 10 secs)		• Ensure patient receives oxygen and monitor oxygen saturation • Withhold additional sedating medication (until medical review) • Notify team leader • Notify medical officer to review within 15 minutes (remain with patient until review) • Monitor Q-ADDS, Sedation and Pain score (minimum 15 minutely) • If concerned, initiate Emergency Response
3 = Severe (difficult to rouse or un-rouseable)		• Initiate Emergency Response • Ensure patient receives oxygen and monitor oxygen saturation • Determine need for reversal agent (naloxone, flumazenil)

Additional Observations

Height (cm):	**Date**																		
	Time																		
24 hour fluid balance																			
Passed urine																			

DO NOT WRITE IN THIS BINDING MARGIN

FAIR WORK COMMISSION

Matter No: AM2024/11

Application by Australian Nursing and Midwifery Federation

WITNESS STATEMENT OF CLAIRE BAILEY

DATED 28 MAY 2026

INTRODUCTION

1. I am the Head of Workplace Relations at Ageing Australia. I have held this role since April 2023.

2. I prepare this statement on behalf of Ageing Australia.

3. I have worked at Ageing Australia since September 2022. My initial job title was "Workplace Relations Manager".

4. Immediately prior to my role at Ageing Australia, I was the Manager Employment Relations at Leading Age Services Australia (**LASA**). LASA was a national peak body for aged care providers. In that role I performed very similar duties to my current role at Ageing Australia. I worked at LASA between January 2020 and September 2022.

5. I have over 20 years' experience working in employment and industrial relations.

6. In my current role at Ageing Australia, my responsibilities include:

   (a) day-to-day communications with our members about industrial relations and employment matters relevant to the aged care sector;

   (b) overseeing the running of the employment relations advisory service;

   (c) managing all matters that Ageing Australia is involved with before the Fair Work Commission (**FWC**) – most recently Ageing Australia appeared as:

Lodged by: Ageing Australia	**Telephone:** Nigel Ward – [redacted]; Alana Rafter – [redacted]
Address for service: Australian Business Lawyers & Advisors Level 7, 8 Chifley Square, SYDNEY NSW 2000	**Email:** Nigel.Ward@ablawyers.com.au Alana.Rafter@ablawyers.com.au

(i) an interested party in the Aged Care Work Value Case, Nurses Work Value Case (aged care), the Gender-based Undervaluation – Priority Awards proceedings (re: Social, Community, Home Care and Disability Services Industry Award 2010 (**SCHADS Award**) and Health Professionals and Support Services Award 2020 (**HPSS Award**)) and the Vehicle Allowance proceedings (AM2026/10); and

(ii) an intervenor in the first Supported Bargaining Authorisation application for the aged care sector;

(d) providing educational resources and assistance to members including:

(i) through the running of the Workplace Relations Special Interest Group amongst members of Ageing Australia, which is scheduled every second month to discuss employment-related issues in aged care; and

(ii) providing information to members about new developments in employment for the aged care sector (e.g. implementation of the Aged Care Work Value Case decisions and the upcoming Annual Wage Review decision);

(e) communications with various stakeholders and government departments in relation to industrial relations and employment matters, including the Fair Work Ombudsman, unions (including both national and state-based branches) and the Department of Health, Disability and Ageing (**DoHDA**); and

(f) overseeing and managing the workload allocated to the workplace relations team, which currently consists of two people in addition to myself – the work performed by the team includes the provision of advice and support to members on employment related matters and consulting services including enterprise bargaining assistance for members.

7. This statement is made from my own knowledge and belief, unless otherwise stated. Where statements are not made from my own knowledge, they are made to the best of my knowledge, information and belief.

8. I have not used generative artificial intelligence to prepare this statement.

AGEING AUSTRALIA

9. Ageing Australia is the national peak body for aged care, representing providers of retirement living, seniors housing, residential care, home care and community services.

10. We advocate for our members, providing expert advice, resources and tailored services to ensure they deliver exceptional care to older Australians.

11. As at May 2026, Ageing Australia has approximately 1,004 members in all states and territories in Australia.

Nurses Work Value Case

12. Ageing Australia previously appeared in the Nurses Work Value proceedings in relation to AM2021/63, which concerned an application filed by the ANMF to vary the *Nurses Award 2020* in relation to nursing employees working in aged care.

13. Upon the finalisation of those proceedings on 6 December 2024, Ageing Australia ceased to appear in the Nurses Work Value proceedings.

14. As all subsequent listings for directions and conferences concerned AM2024/11, Ageing Australia did not have involvement in the proceedings between December 2024 and October 2025.

15. On 24 October 2025, Ageing Australia was served a copy of the ANMF Position Document for AM2024/11. I have read that proposal.

16. If successful, the ANMF Proposal would alter the pay and classification structure for both enrolled nurses (**ENs**) and nurse practitioners (**NPs**) working in aged care. Specifically, it would:

(a) establish two new pay points for ENs working in aged care after working for 4 years and 6 years, respectively which would increase wage rates for current and future employees; and

(b) increase the minimum award rate of NPs working in aged care by 15.6% for both first and second year NPs.

17. On 14 November 2025, Ageing Australia filed submissions opposing the re-opening of the aged care proceedings in AM2024/11.

18. Ageing Australia maintains it is entirely inappropriate that the ANMF be permitted to re-open issues that were subject to final determination in AM2021/63. As the ANMF continue to press those issues, Ageing Australia now appears in the AM2024/11.

FUNDING

19. The aged care sector is reliant on funding, and this was explored at length in Ageing Australia's submissions and evidence in the Aged Care Work Value Proceedings (including AM2021/63).

20. Unlike the work value increases that resulted from the Aged Care Work Value Proceedings (including AM2021/63), there is currently no guarantee that the Commonwealth will fund any increases associated with AM2024/11.

IMPACT OF THE ANMF APPLICATION

21. If the ANMF application in relation to aged care nurses is successful, the application would result in the following changes to ENs and NPs working in aged care:

(a) a new classification structure for ENs that providers will need to become familiar with;

(b) possible increases for ENs between 1.6% and 3.4% (with the extent of the impact subject to translation arrangements);

(c) increases for NPs of 15.6%.

22. Given that there has not been a commitment by the Commonwealth to increase funding to cover the cost increases arising from this matter, aged care providers would be forced to absorb these increased costs. Many aged care providers are financially stretched as it is with other cost increases that they have experienced in the last 12 months.

23. The financial strain on residential aged care providers is also reflected in the results of the most recent survey report published by StewartBrown, which refers to increased operating deficits (by comparing the December 2025 survey results to the December 2024 survey results).

A COPY OF THE STEWARTBROWN SURVEY REPORT FOR DECEMBER 2025 IS ANNEXED AND MARKED "CB-1".

24. To have providers then absorb further increases in costs arising from this matter, it would be putting further financial pressure on the sector.

25. The financial pressure would be felt by providers of all sizes if they employ ENs and/or NPs.

Providers will need opportunity to comment on proposed translation arrangements

26. The ANMF Proposal does not include any proposal regarding translation arrangements. Our members will want the opportunity to comment on any proposed translation arrangements prior to any final determination.

Providers will need time to Prepare

27. Although the impact (if successful) is limited to ENs and NPs working in aged care, providers in both residential aged care and home care still require time to ensure all essential preparatory steps and necessary communications are made and received prior to the operative date.

28. To successfully prepare and implement the new classification structures and wage rates for ENs and NPs, providers would need to:

    (a) if covered by the Nurses Award:

(i) classify all ENs and NPs against the new Award classification structure and compare the wage rates being paid already against the new wage rates;

(ii) inform each EN and NP in writing of their new Award classification and new wage rate;

(b) if covered by an enterprise agreement:

(i) map their enterprise agreement EN and NP classifications against the new Award classification structure and work out how this would impact the wage rates of individual ENs and NPs;

(ii) inform each EN and NP of their new wage rate;

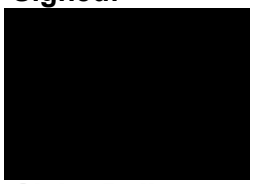
(c) budget for the cost implications from the increase in wage rates for employees;

(d) make changes to the payroll system to allow for the new Award classification structure and wage rates whether they are under the Award or an enterprise agreement. This would be done by internal payroll or by an external payroll provider which may incur more costs to the provider to make the changes necessary to set up the classifications and wage rates; and

(e) run checks on the payroll system to ensure that employees will be paid correctly from the operative date.

29. Providers would need no less than 3 months to prepare and implement the new classification structures and wage rates for their ENs and NPs. This work would be in addition to their normal BAU and it is likely that they would need to allocate additional resources to enable them to prepare and implement the changes necessary.

Signed:



Claire Bailey

Date: 28 May 2026

ά/ .πμέ

StewartBrown
Integrity + Quality + Clarity

Residential Aged Care Financial Performance Survey Report

Six months ending

31 December 2025

1,200
Aged care homes

100,648
Beds/places

The quarterly survey is the largest financial benchmark in the aged care sector and provides invaluable insights into the trends and drivers of financial performance at the sector level and at the aged care home or program level.

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https://www.stewartbrown.com.au/aged-care-articles/stewartbrown-aged-care-financial-performance-survey-analysis-report-december-2025

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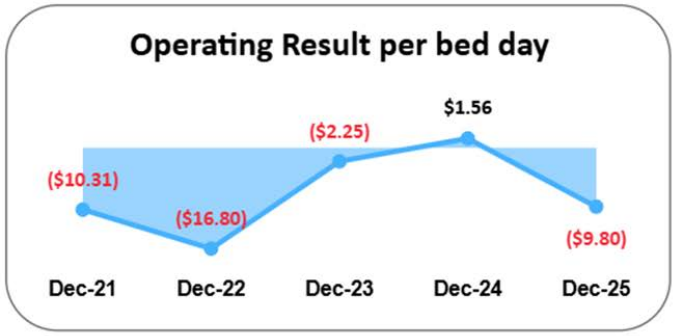
1. Dec-25 YTD Results Snapshots

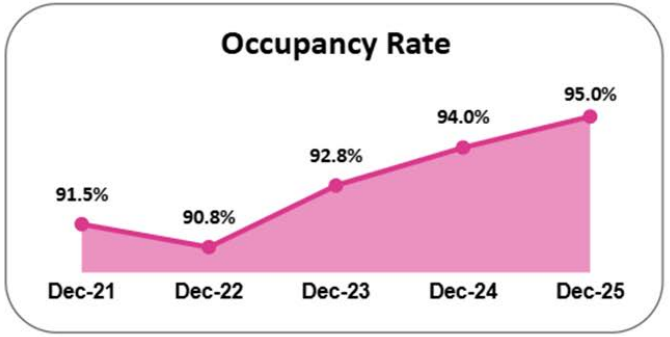
Registered Provider - Aggregate

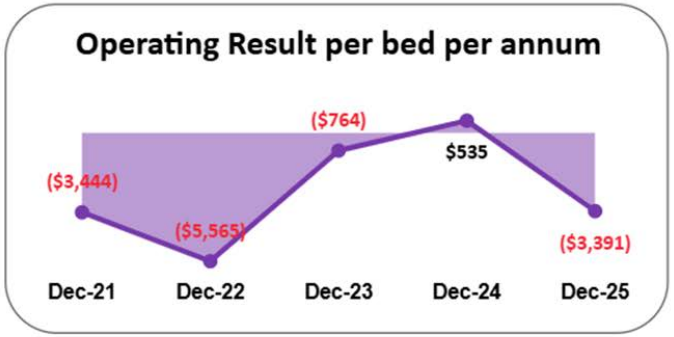
	Survey Average $'000s	1st Quartile $ '000s	Bottom Quartile $'000s	Revenue >$75M $'000s	Revenue $20M-$75M $'000s	Revenue $10M-$20M $'000s	Revenue <$10M $'000s
Operating Surplus / (Deficit)	($1,041)	$1,859	($4,011)	($4,148)	$34	$31	($9)
Average NPBT	$629	$2,891	($1,885)	$1,589	$612	$194	$107
Operating EBITDA	$582	$2,444	($2,888)	$1,609	$539	$91	$76
EBITDA	$2,252	$3,476	($763)	$7,346	$1,116	$254	$192
NPBT Return on Assets	0.39%	4.60%	(1.18%)	0.33%	0.66%	0.52%	0.70%
Operating Surplus Return on Assets	(0.65%)	2.95%	(2.50%)	(0.86%)	0.04%	0.08%	(0.06%)
Cash & Financial Assets % of Debt	31.56%	44.62%	25.95%	27.27%	35.73%	59.02%	94.42%

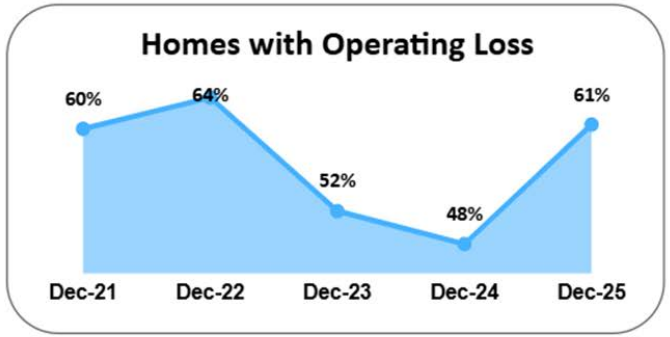
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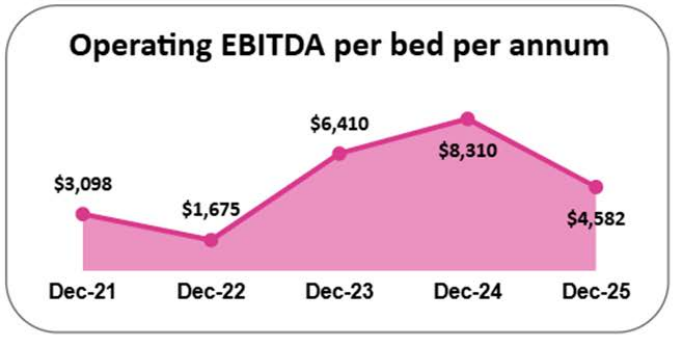
Residential Aged Care

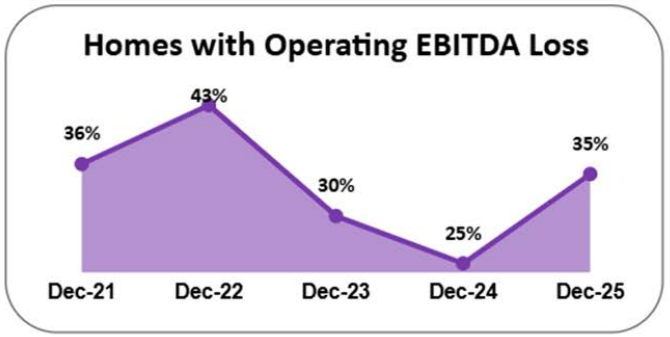












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Dec-25 YTD Financial Performance Analysis

Registered Provider (Organisation) Results

Net Profit Before Tax (NPBT)	**Outcome**	The average result (NPBT) per Registered Provider for Dec-25 YTD was a **$0.63 million surplus**. This is a reduction from the Dec-24 YTD average surplus of $2.1 million.
	Context	The NPBT was largely due to the net non-recurrent result being a surplus of $1.67 million (Dec-24 YTD $2.08 million), which includes fair value gain on financial and other assets, gains on acquisitions and non-recurrent grants. The recurrent operating result was an average deficit of $1.04 million (refer below).
Operating Result	**Outcome**	The average financial performance remains at unsustainable levels for many providers. The Dec-25 YTD results show that the average operating result per provider was a **deficit of $1.04 million** (Dec-24 YTD $0.05 million surplus).
	Context	This result indicates that the operations of the registered provider organisations continue to have an under-recovery of the cost of the capital employed. Whilst revenue increased due to the higher AN-ACC subsidy and other supplements, this did not meet the rising staffing expenditures and costs linked to meeting regulatory requirements.
Operating EBITDA	**Outcome**	The average operating EBITDA (cash) result for Dec-25 YTD was a **surplus of $582,000** (compared to the Dec-24 EBITDA $1.84 million surplus), which represents 0.98% on operating revenue, and is not sufficient to maintain the standard of accommodation, everyday living services and care delivery.
	Context	As the operating result is in deficit, the depreciation and financing costs are not being recovered. The average property assets for each provider were $233 million, and the small EBITDA return creates a financial environment that may affect future investment in the sector from existing providers and institutional lenders.
Staff Costs as % of Operating Revenue	**Outcome**	Staff costs as a percentage of operating revenue increased to **72.53%** compared to the Dec-24 YTD level of 70.35%.
	Context	The increase in the ratio is related to increasing staff expenditure due to the Fair Work Commission (FWC) case decision to increase aged care workers' pay rates and the increase in direct care minutes across the sector to meet targets.
Depreciation Rate	**Outcome**	The average depreciation rate of **2.22%** (as a % of property assets) has **reduced** from Dec-24 (2.46%).
	Context	StewartBrown continues to consider that the depreciation rate is low and should be at least 4% per annum for buildings and 10% or higher for furniture and equipment.
Gearing Ratio	**Outcome**	Liquid cash assets (cash and cash equivalents + financial assets) as a percentage of debt (resident refundable loans + government debts + external debt) have **increased to 31.56%** at Dec-25 (from 29.94% at Dec-24) as a result of the non-recurrent surplus accumulated during the period, contributing to a higher cash balance.
	Context	With the residential prudential requirements, a significant proportion of the liquid cash assets is effectively quarantined under the prudential rules for permitted uses of RADs meaning gearing ratios and financing lines of credit are impacted.

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Residential Aged Care Results

Revenue	**Direct care**	Average direct care revenue (AN-ACC, supplements and other recurrent direct care income) was $314.58 pbd, an **increase of 7.82%** from Dec-24 ($291.77 pbd). This was due to price increases in AN-ACC funding on 1 March 2025 to fund the 5.75% National Wage Case pay increases and FWC decisions, in addition to the annual base price update on 1 October 2025.
	Everyday living	Everyday living revenue including the hotelling supplement was $89.66 pbd, an **increase of 12.62%** from Dec-24 ($79.62 pbd) mostly due to increase in hotelling supplement from 20 September 2025. Additionally, higher everyday living fees (HELF) (previously fees for additional or extra services) has increased slightly as providers consider introducing this to new and current residents.
	Accommodation	Accommodation revenue was $44.45 pbd, an **increase of 2.72%** from Dec-24 ($43.27 pbd). This was due to increases in the average MPIR and the accommodation supplement (indexed by CPI).
Expenses	**Direct care**	Direct care labour costs (RN/EN/PCW) averaged $248.65 pbd, which is an **increase of 13.68%** from Dec-24 ($218.73 pbd). Other direct care labour costs (care management/allied health/lifestyle costs excluding workers' compensation premium) averaged $19.82 pbd, an **increase of 5.22%** from Dec-24 ($18.84 pbd). Other direct care costs (excluding workers' compensation premium and overhead allocation) averaged $11.58 pbd, **a 22.56% increase from Dec-24** ($9.45 pbd).
	Everyday living	Everyday living costs before overhead allocation was $72.74 pbd, an **increase of 6.72%** from Dec-24 ($68.16 pbd).
	Catering	Catering expenditure averaged $44.64 pbd, an **increase of 6.21%** from Dec-24 ($42.03 pbd).
	Administration	Administration costs averaged $58.24 pbd, an **increase of 10.07%** from Dec-24 ($52.91 pbd). This was due to rises in corporate recharges and staff costs likely resulting from increases in quality, reporting and compliance requirements.
	Accommodation	Accommodation expenditure before overheads **averaged $40.63 pbd** (depreciation and right of use expenses $23.05 pbd) compared to Dec-24 ($38.91 pbd).
Operating Result	**Direct care margin**	Direct care margin for Dec-25 decreased by $12.93 pbd to a **surplus of $6.15 pbd** (including administration) from the Dec-24 margin of $19.08 pbd surplus as increase in direct care staffing costs exceeding increase in AN-ACC revenue. .
	Everyday living margin	Everyday living margin **improved to a deficit of $2.66 pbd** (including administration) (from the Dec-24 deficit of $6.33 pbd). The increase in revenue was not sufficient to fund the increase in labour costs and indexation on non-labour expenses.
	Accom margin	Accommodation margin (including administration) was a **deficit of $13.30 pbd** (Dec-24 deficit $11.19 pbd).
	Overall result	Operating result was a **deficit of $9.80 pbd** (Dec-24 operating surplus $1.56 pbd).
	Operating EBITDA	Operating EBITDA **averaged $4,582 pbpa** (Dec-24 EBITDA $8,310 pbpa), which remains significantly lower than the operating EBITDA of $20,000 - $22,000 pbpa required to encourage ongoing investment in the sector.
Additional Trends	**Direct care minutes**	Direct care minutes (RN/EN/PCW) was **221.68 minutes per resident per day** (Dec-24 212.08 minutes). Direct care minutes for the Dec-25 quarter included **44.06 RN minutes and 9.85 EN minutes pbd**.
	Occupancy	Occupancy for mature homes **increased to 95.0%** (Dec-24 94.0%) *Noting that occupancy is based on actual available beds.*
	Supported ratio	Supported resident ratio **increased slightly to 46.3%** (Dec-24 45.9%).
	RADs	Average full RAD received during Dec-25 YTD was **$563,199** (Dec-24 $505,242), which represents an **11.5% increase** and reflects providers increasing accommodation pricing with the accommodation price cap at $750,000 from 1 January 2025. Proportion of full RADs received for non-supported residents was 31.1%, full DAPs was 45.6% and Combinations (RAD/DAP) was 23.3%. It is important to note residents who are yet to decide the payment methods will be reported as DAP payers.

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2. Executive Summary

The *Aged Care Financial Performance Survey* (Survey) **Organisation and Residential** Sector Report for the six months ending December 2025 (Dec-25) provides an overview of the financial performance of the aged care sector in Australia.

Survey Overview

The Survey is derived from detailed granular financial and non-financial data submitted each quarter by aged care providers. A specialist survey team collect and analyse the data to benchmark key performance indicators (KPIs) from:

1. All participating registered providers against comparable providers
2. All participating residential aged care homes against comparable homes

Information and insights from the Survey are used by participating providers to identify business improvement measures to support their financial sustainability, ensuring quality aged care services remain both accessible and affordable.

Since the Survey was first established in 1995 it has become the most relied upon financial performance benchmark for the Australian aged care sector. Refer to overview in *Figure 1*.

Survey Metrics

The Dec-25 Survey uses data and information from:

- 176 registered providers consolidated results
- 1,200 residential aged care homes (representing 46% of the sector)

Data Management

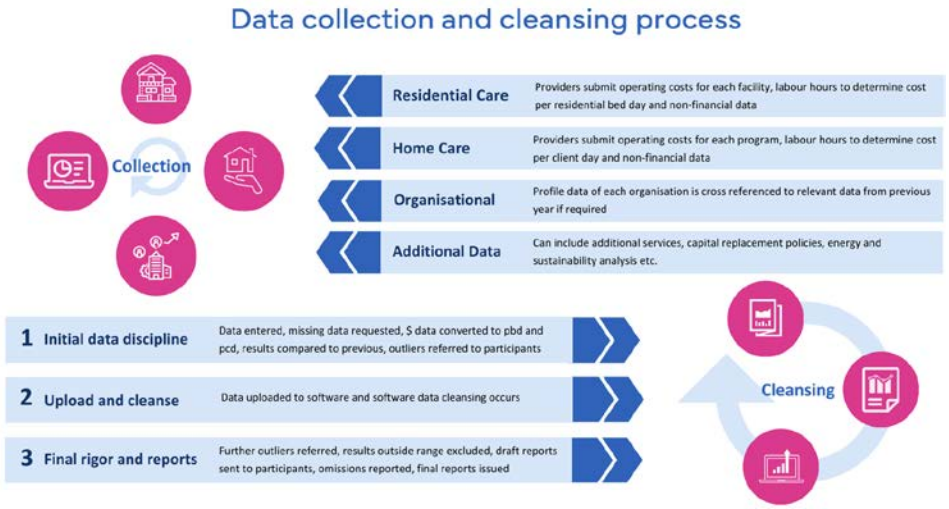
A secure and rigorous multi-stage process underpins the collection and cleansing of all provider data to ensure integrity of results produced across individual provider reports and reports for the sector. Refer to overview in *Figure 2*.

Refer also to the *Glossary*, which provides a further breakdown of the processes and explanations for key terms and metrics used throughout this Survey report.

Figure 1: Overview of Aged Care Sector Financial Performance Survey



Figure 2: Overview of data collection and cleansing process



Note – Home Care data will be reported separately in StewartBrown's *Support at Home Survey*

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Commentary

The six months to December 2025 signalled a pivotal phase for Australia's aged care sector, marked by significant legislative, funding, and workforce reforms.

The commencement of the new Aged Care Act 2024 (Act) on 1 November 2025 sets the stage for a new regulatory framework and environment aimed at improving care and operational transparency.

For providers, Dec-25 represents a transition quarter where reform settings moved from design to live implementation.

Structural Reforms in Aged Care

Operationally, key structural changes became active during the quarter with the commencement of the *Act:* This includes:

- Transition to a Single Assessment System, centralising access and eligibility
- Movement towards individualised funding allocations with residential care places allocated to individuals
- New Support at Home program *(NB: StewartBrown will be releasing a separate report for Support at Home 6 months to December 2025)*
- Co-contributions arrangement for non-clinical care for both residential care and support at home for new residents
- Accommodation payment arrangements for new residents entering residential aged care homes
- Regulatory model and associated obligations
- Strengthened Aged Care Quality Standards

For providers, this has resulted in increased compliance burdens and reporting complexity.

Workforce and Wage Adjustments

Over the six months to December 2025, workforce reforms and wage adjustments have significantly impacted direct care labour costs.

Key drivers included phased FWC award wage increases for nurses and personal care workers (PCW), with the second stage for nurses commencing from 1 October 2025 and the third stage scheduled for August 2026.

Other aged care workers also received wage increases from October 2025, further contributing to sector-wide cost escalation. Higher base wages led to increased superannuation, leave liabilities, and penalty rates, compounding the rise in direct care expenses.

Additionally, ongoing workforce reforms, including mandated care minutes and heightened staffing expectations, necessitated increased staffing levels and a more skilled workforce, resulting in higher total paid hours and further cost growth.

Funding and Pricing Changes

Although this quarter has seen the rollout of user-contributed non-clinical and daily living services, it is still too early to determine the implications and full impact of this structural shift towards a more mixed funding model; noting that while the source of the funding might change from taxpayer to resident the amount of funding should not be impacted.

From 1 October 2025, the Australian National Aged Care Classification (AN-ACC) price increased from $282.44 to $295.64 per day. In theory, this uplift incorporated the funding for the FWC award rate increase decisions, the annual wage review for all aged care workers, and the replacement of the Aged Care Outbreak Management Support Supplement, which ended 30 September 2025. In reality, cost escalation from wages outpaced AN-ACC funding growth, driving pressure on direct care margins.

Adjustments in the National Weighted Activity Unit (NWAU) for the new AN-ACC price impact the Base Care Tariff (BCT) component for the Modified Monash Model (MM) MM2-MM5 homes, and variable components. Generally, these changes increased the NWAU for residents in lower care classes and decreased it for those in higher care classes.

Non-specialised homes in MM1 areas that do not meet their care minutes targets may face funding reductions from April 2026, potentially losing up to $33.41 per bed day (pbd) based on the current AN-ACC price of $295.64.

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A more thorough analysis of the comparison between actual direct care minutes and target direct care minutes and the potential impact on the care minutes supplement is provided in subsequent sections of the Survey Report.

Hotel Services, Supplements and Higher Everyday Living Fees

The Independent Health and Aged Care Pricing Authority (IHACPA) identified in the Residential Aged Care Pricing Advice 2025-26 estimates that the gap between hotel services revenue and expenses is **$6.24 per bed day** (pbd) across all homes for the 2025-26 financial year, and **$12.48** pbd for those homes not offering additional or extra services. To better align with these costs, the hotelling supplement increased from $15.60 pbd to $22.15 pbd from 20 September 2025.

From November 2025, new residents with sufficient financial means are required to pay the hotelling supplement themselves. Although marginal impact would be expected in this quarter, this change is expected to reduce Government expenditure by $500 million per annum once fully transitioned.

The introduction of Higher Everyday Living Fees (HELF) has formalised the additional or extra services offering. Providers are now better positioned to differentiate offerings through enhanced lifestyle and other services and introduce or expand HELF programs and revenue streams. Existing arrangements can be grandfathered until 31 October 2026.

Not all homes offer these services, and as shown over several periods in the data, the everyday living margin differs significantly between homes that do and those that do not. With the increase in the hotelling supplement, homes that do provide additional services reported a slight surplus. However, the everyday living margin is a deficit for homes that do not provide additional and extra services.

The Dec-25 data shows that more homes are now adopting additional/extra services (HELF) to help alleviate the losses being incurred in this area.

Accommodation Payments and Indexation

Changes to accommodation settings, particularly around Refundable Accommodation Deposits (RADs) are a key financial lever for providers.

From 1 November 2025, providers are able to retain a small portion of each new Refundable Accommodation Deposit (RAD) and Refundable Accommodation Contribution (RAC) at an annualised rate of 2% capped at five years.

The RAD/RAC retention amount will be calculated daily based on the refundable deposit balance on the day, which is expected to be diminishing during the stay in the majority of cases. Providers will be able to index new Daily Accommodation Payments (DAP) in accordance with the Consumer Price Index rate twice a year.

The Government's Accommodation Pricing Review in response to *Recommendation 14* of the Aged Care Taskforce Final Report is in progress. The review is legislated to be tabled at Parliament by 1 July 2026.

Looking Forward to 12 months ending June 2026

These reforms deliver substantial benefits, such as enhanced care standards, fairer wages, and improved alignment of hotel service funding, but the full impact of many of the revenue reforms will take several years to reach maturity. However, the reforms also impose notable increases in administrative and reporting burdens. Over the six months to December 2025, providers were challenged to adapt to new compliance obligations, manage escalating workforce and operational costs, and address shifts in funding mechanisms. Throughout this period, the sector concentrated on maintaining quality care while striving for financial sustainability amid these sweeping changes.

As the sector moves beyond initial implementation, the focus will shift from transition to stabilisation and optimisation.

Impacts on the funding streams are forecast in subsequent sections of this report. Financial investability needs to be achieved from all service areas of a residential aged care home.

Financial Results Overview

Summary

The average **registered provider** operating result for Dec-25 YTD was a **deficit of $1,041,000** (Dec-24 YTD: $49,000) with employee expenses increasing at a greater rate than revenue.

The Dec-25 average operating result for **residential aged care homes** was an **operating deficit of $9.80** pbd (YTD Sept-25 $7.14 pbd deficit and YTD Dec-24 $1.56 pbd surplus). This represents an **operating deficit of $3,391 per bed per annum (pbpa)**, compared to the Dec-24 operating surplus of $535 pbpa. The result is for mature homes, which exclude outliers.

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For Dec-25, 61% of aged care homes operated at a loss (48% for Dec-24) and 35% operated at an EBITDA (cash loss) compared to 25% for Dec-24.

The direct care margin has reduced significantly over the last 12 months as the average care minutes delivered by each home have increased. The Dec-25 Survey direct care margin is significantly lower at $6.15 pbd compared to Dec-24 at $19.08 pbd.

Direct care staffing levels delivered to residents continued to increase. On average, Survey participants recorded Registered Nurse (RN) minutes of 44.06 pbd and total direct care minutes of 221.68 pbd (including 9.85 Enrolled Nurse (EN) minutes) for the Dec-25 quarter.

This is an increase from the Dec-24 quarter average of 41.23 for RN minutes and 212.08 for total direct care minutes.

Compared to Dec-24 there was a slight decrease in agency usage and in overtime proportion for direct care minutes. Agency usage is 4.0% for Dec-25 compared to 4.8% for Dec-24. Overtime is 2.0% (Dec-24: 2.1%).

The sector continues to make significant losses through the delivery of everyday living and accommodation services.

Everyday living margin whilst still at a deficit of $2.66 for Dec-25 improved from the Dec-24 deficit of $6.33. Accommodation deficit increased from $11.19 pbd at Dec-24 to $13.30 pbd. Whilst the new *Act* included additional funding streams for these services the data does not yet provide any insights into how this translates to margins.

Occupancy* continues to improve as demand outpaces supply and was 95.0% of available beds for mature homes for Dec-25 compared to 94.0% for Dec-24. The average number of available places per home has remained at 83 to 84 since the Sep-24 Survey.

**The Survey reports on beds (places) that are actually available to be filled by residents, rather than using approved places as the denominator, which includes offline beds. This is due to a large number of places not being available for use due to: insufficient staffing, refurbishment, new builds and/or sanctions or approved places having been allocated but never utilised.*

Residential Aged Care

Direct Care Margin (Quarter to Date)

The direct care margin for the Dec-25 quarter is $1.57 pbd. This is a significant decrease from the Sep-25 direct care margin of $11.84 pbd. Direct care margin as a percentage of direct care revenue has fallen from 3.8% to 0.5%.

Direct care subsidy and supplements for Dec-25 QTD averaged $317.54 pbd, which is an increase from Sep-25 average of $309.96 pbd. The weighted average AN-ACC starting price from 1 October 2025 is $295.64 per NWAU.

Direct care labour costs increased significantly by $18.30 pbd in the Dec-25 quarter partly due to increase in care minutes but mostly due to wage increases in other unlicenced nurses/ personal care staff as a result of the FWC increases from 1 October 2025.

Total direct care minutes across all homes on average increased in the Dec-25 quarter up to 223.54 per resident per day (Sep-25: 220.21). However, there are still a number of homes that are still moving towards their direct care minutes target. A detailed breakdown of the movement of the 1115 homes in the Dec-25 Survey from their results at Sep-25 is shown in *Table 1*.

Table 1: Direct care margin Dec-25 QTD vs Sep-25 QTD

Sector Average ($ per bed day)	QTD Sep-25	QTD Dec-25	Movement
Direct care revenue	$309.53	$318.40	$8.87
Total direct care labour costs	$239.89	$257.41	$17.52
*Direct care labour costs increase due to minutes increase**			*$3.95*
Direct care labour costs increase due to increase in hourly costs			*$13.57*
Other direct care expenditure	$38.52	$37.41	($1.11)
Administration - direct care overhead allocation	$21.19	$21.83	$0.64
Direct care expenditure	$299.76	$316.83	$17.08
Direct Care Result	$9.78	$1.57	($8.21)

** Calculated using QTD Dec-25 hourly rate*

The increase in direct care labour hourly costs accounts for more than 75% of the increase in direct care expenditure.

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Table 2: Change in direct care labour costs and hours including agency usage (QTD)

	Dec-24	Mar-25	FY25	Sep-25	Dec-25
Registered nurses (RN)	61.71	63.48	65.86	65.44	69.48
Enrolled nurses (EN)	11.55	11.42	10.80	11.33	11.75
Personal care staff	152.15	158.26	162.68	162.33	176.18
Total direct care labour costs	**$225.41**	**$233.16**	**$239.34**	**$239.10**	**$257.41**
Registered nurses minutes	41.81	42.31	43.70	43.92	44.24
Enrolled nurses minutes	10.53	9.93	9.00	9.90	9.65
Personal care staff minutes	161.77	162.94	164.47	166.39	169.65
Total direct care minutes	**214.11**	**215.18**	**217.18**	**220.21**	**223.54**
Agency RN costs	7.53	6.54	5.88	5.39	5.54
Agency EN costs	0.77	0.73	0.60	0.67	0.71
Agency personal care staff costs	7.84	8.04	8.36	7.50	7.33
Total agency costs	**$16.14**	**$15.32**	**$14.84**	**$13.56**	**$13.59**
Agency RN minutes	3.52	3.21	2.83	2.67	2.71
Agency EN minutes	0.62	0.40	0.41	0.44	0.46
Other agency direct care minutes	6.32	6.41	6.31	6.19	5.55
Total agency minutes	**10.46**	**10.02**	**9.54**	**9.30**	**8.72**
Agency RN minutes as % of total RN minutes	*8.4%*	*7.6%*	*6.5%*	*6.1%*	*6.1%*
Agency direct care staff minutes as % of total direct care labour minutes	*4.9%*	*4.7%*	*4.4%*	*4.2%*	*3.9%*
Internal RN hourly rate	84.91	87.38	88.04	87.36	**92.38**
Agency RN hourly rate	128.31	122.20	124.80	121.06	**122.53**

Table 2 shows that the Dec-25 quarter recorded an increase in RN minutes and the total direct care minutes compared to Sep-25 quarter.

In the Dec-25 quarter, the usage of agency for RNs stabilised at 6.1% of total RN usage. The average agency RN hourly rate slightly increased compared to Sep-25 and is still significantly higher than the internal RN hourly rate.

Average internal RN hourly rate for the quarter increased compared to Sep-25 level due to wage increases taking effect as well as slightly higher overtime usage.

Providers still need to maintain their recruitment efforts to meet their direct care minutes target, with one option being to replace agency staff with permanent employees.

The direct care margin at 0.5% of direct care revenue for Dec-25 quarter is inadequate for providers to attain an above-average Star Rating for staffing minutes. Such a rating would necessitate a significant increase in staff minutes beyond the current target.

This challenge is particularly acute given that reforms to everyday living and accommodation services, which currently operate at a deficit margin, have not yet been fully implemented to enable providers to meet their costs in those areas of operation.

Homes with Direct Care Margin Deficit

For the Dec-25 Survey, 470 out of 1,168 (40.2%) homes included in the Survey recorded a direct care margin deficit.

Compared to the homes that recorded a direct care margin surplus, these 470 homes, on average, recorded:

- Lower occupancy (94.2% compared to 95.6%)
- Lower direct care revenue ($310.90 pbd compared to $316.97 pbd)
- Higher total direct care minutes (226.76 pbd compared to 218.42 pbd)
- Higher RN minutes (44.99 pbd compared to 43.46 pbd)
- Higher agency usage in direct care minutes (4.8% compared to 3.6%)
- Higher hourly rates for internal direct care staff (4% higher for total direct care staff, and 6% higher for RN)
- Higher other direct care staff costs ($10.93 pbd variance)

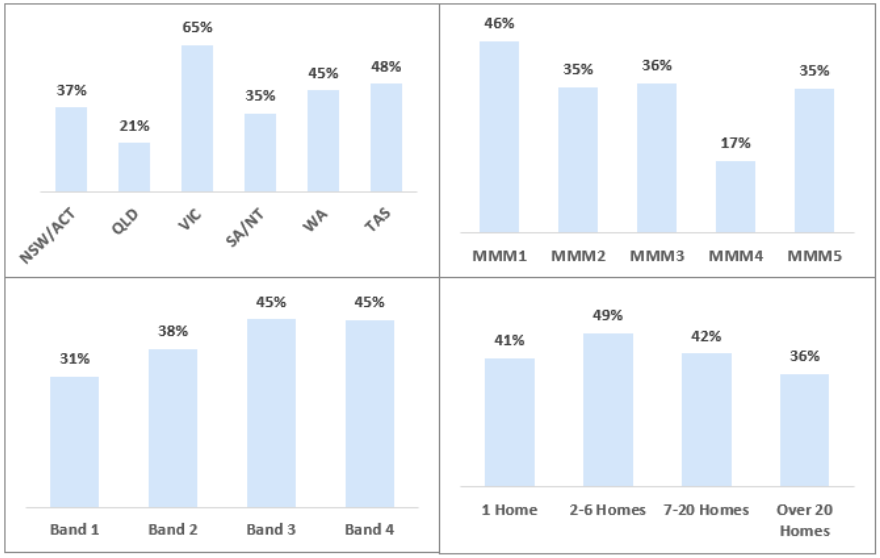
The resident mix also appears to have an impact on the ability to achieve a positive direct care margin. Homes in Bands 1 and 2 with higher direct care revenue streams (indicator of higher acuity) have a lower proportion of homes with a negative direct care margin than homes in Bands 3 and 4 with lower direct care revenue.

The percentage of homes with a direct care deficit is higher for homes located in Victoria compared to other states.

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By MM region, the percentage is highest for those homes located in MM1. MM4 by contrast has lower percentage of homes with direct care losses. The percentage of homes with direct care deficits is highest for providers with between 2-6 homes.

Figure 3: Profile of homes with direct care deficit



Change in the AN-ACC NWAU Weighting

The Government announced the change of the National Weighted Activity Unit (NWAU) weighting in both the Basic Care Tariff (BCT) and variable components from October 2025 when the new AN-ACC starting price came into effect.

Homes located in MM4 and MM5 locations will receive a higher AN-ACC funding for the BCT component due to the increase in the NWAU weighting, while homes in MM2 and MM3 locations will see a decrease in this component.

Table 3: Change in NWAU weighting for MM2 to MM5 homes.

MM Location	Current NWAU	New NWAU from 1 October 2025	*Change %*
MM2	0.55	0.53	*(3.6%)*
MM3	0.55	0.53	*(3.6%)*
MM4	0.57	0.58	*1.8%*
MM5	0.57	0.58	*1.8%*

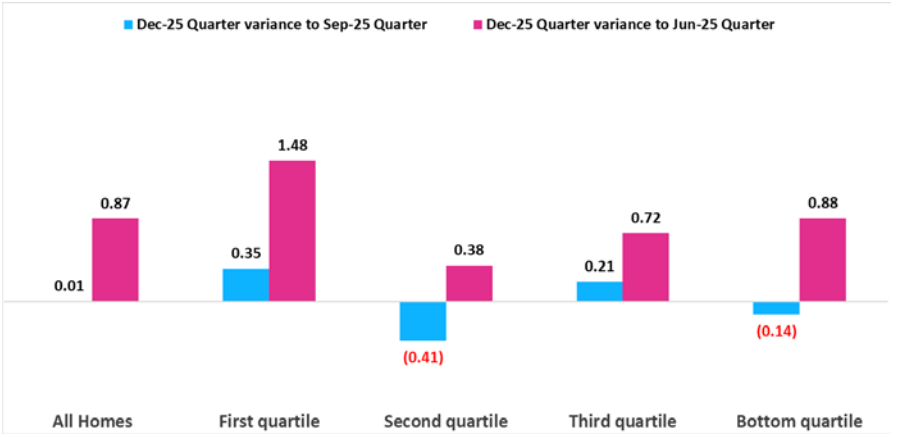
On average across all MM locations, the BCT NWAU weighting will be decreased by 0.5% for homes in FY25 Survey.

Care Staff Costs and Minutes Movement

Analysis has been performed comparing the Dec-25 quarter Survey results against the Sep-25 quarter and Jun-25 quarter financial results for selected labour categories providing direct care services.

Total other care labour (including care management, allied health and lifestyle) minutes across all homes increased across all quartiles and all homes compared to Jun-25. With smaller increases and some decreases observed in quartiles when compared to Sep-25 quarter.

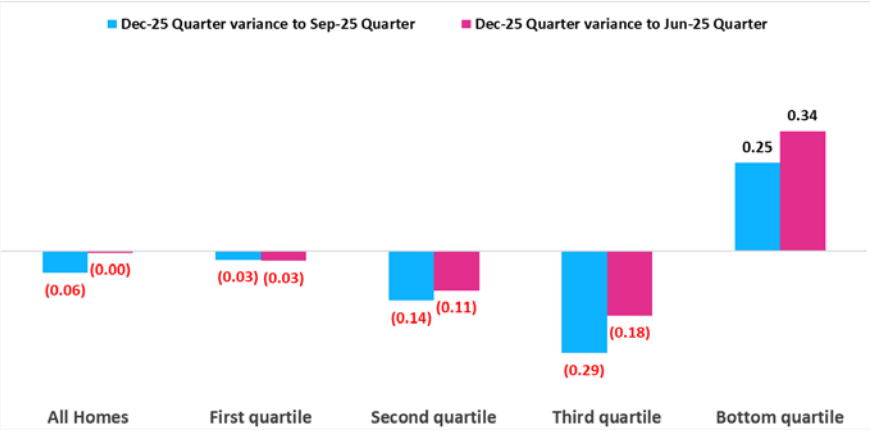
Figure 4: Other direct care labour minutes variance between periods



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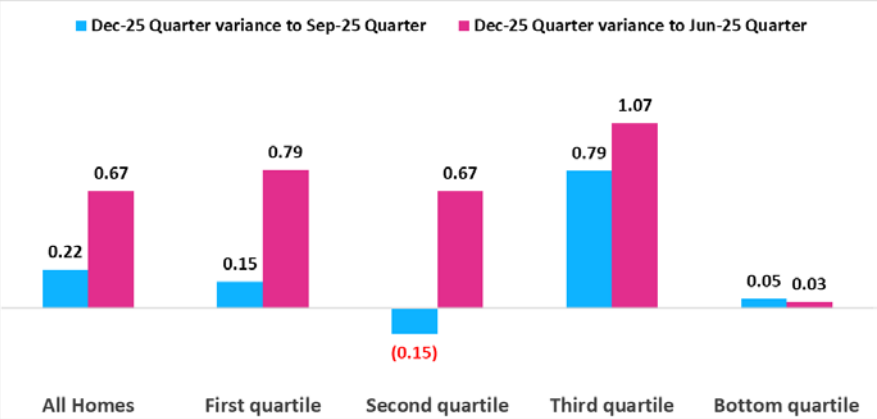
Allied health minutes decreased during the Dec-25 quarter for all quartiles apart from the bottom quartile.

Figure 5: Allied health minutes variance between periods



Lifestyle minutes for the Dec-25 quarter is higher than both the Sep-25 and Jun-25 quarters.

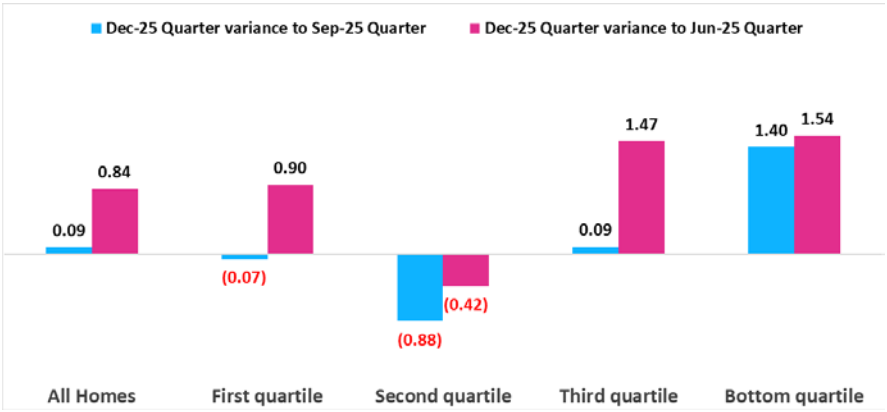
Figure 6: Lifestyle minutes variance between periods



EN minutes increased overall and, in most quartiles, (apart from the second quartile) in the Dec-25 quarter compared to the Sep-25 quarter.

However, they remain only slightly above the all-homes average for the Jun-25 quarter as providers adjust their staff mix to align with how many EN minutes can count towards RN minutes.

Figure 7: Enrolled nurses minutes variance between periods



Allied Health Analysis

Communication from providers, residents and allied health professionals with StewartBrown over several years suggests there is a significant concern as to whether the current funding for allied health is sufficient.

Allied health data is collected in different categories and calculated by the percentage of homes with certain allied health category usage. All homes included in the Survey reported allied health costs.

The majority of homes used physiotherapists, speech pathologists, podiatrists and dieticians.

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Figure 8: Allied health costs by category

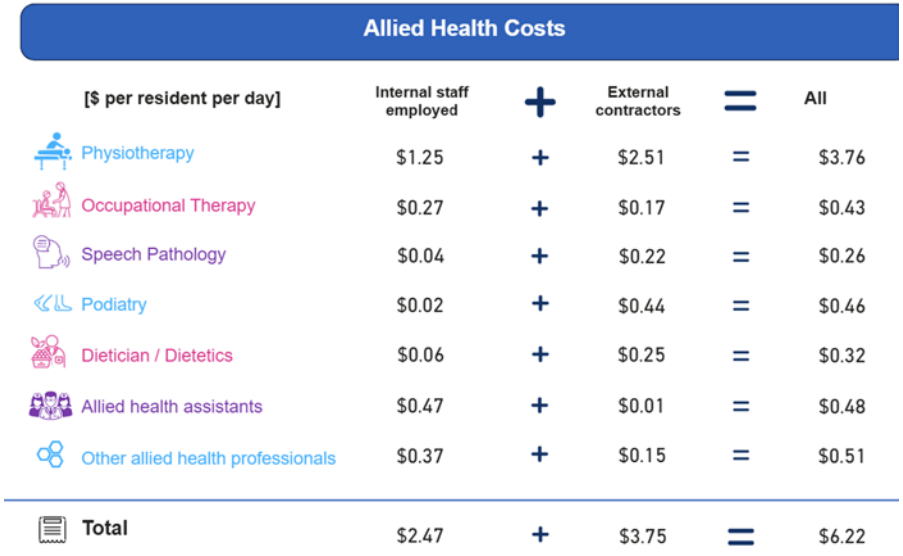
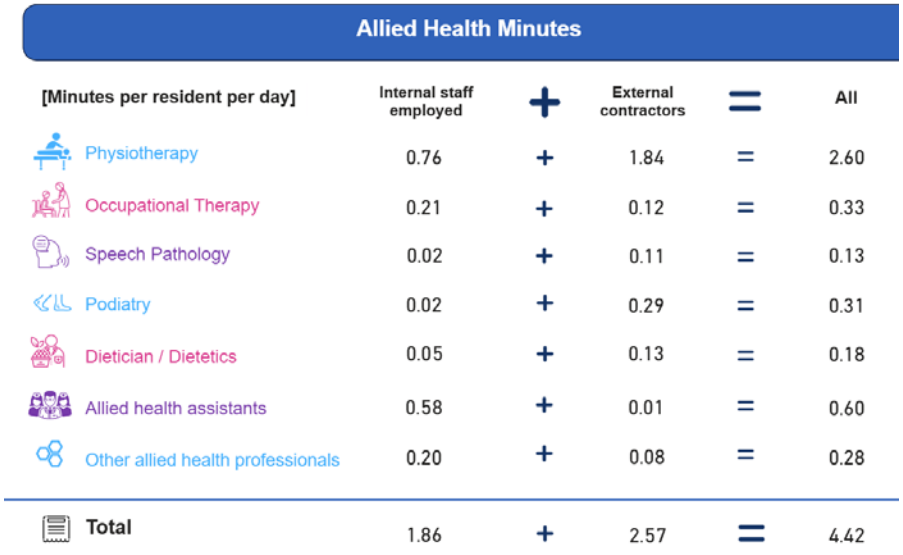


Figure 9: Allied health minutes by category



There is evidence that there is a decline in the access to, and therefore usage of, allied health services outside of major centres of population (MM1), particularly for those more specialised services.

Table 4: Percentage of allied health usage comparison by MM locations

Allied Health Usage %	ALL	MM1	MM2-3	MM4-7
Physiotherapist	98%	98%	97%	97%
Occupational Therapist	29%	33%	23%	22%
Speech Pathologist	84%	85%	81%	81%
Podiatrist	87%	87%	85%	89%
Dietician	87%	88%	85%	87%
Other allied health	47%	50%	44%	42%
Allied Health Assistants	18%	20%	14%	15%

Operating Result by MM

Operating results vary for homes located in different MM categories.

Aged care homes located in MM1 (metropolitan areas) comprise more than 64% of all homes in Australia. Historically, this cohort has delivered the strongest financial performance, supported by greater workforce availability and more flexible staffing arrangements as well as higher accommodation pricing and more homes offering additional services (now HELF).

However, as at Dec-25, MM1 homes are performing below the sector average with an Operating EBITDA of $4,438 pbpa, compared with the sector average Operating EBITDA of $4,582 pbpa.

This underperformance is driven by a direct care deficit of $1.90 pbd, which is $5.57 lower than the direct care margin for MM2 homes, the next closest MM category. MM1 homes are delivering more minutes of direct care on average yet receive far lower direct care revenue at $314.31 pbd compared to the next closest of $319.47 for MM2 homes. This continues the trends that became evident during FY25.

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Table 5: Dec-25 quarter operating result by MM locations ($ per bed day)

December 2025 Quarter	MM1 Homes	MM2 Homes	MM3 Homes	MM4 Homes	MM5 Homes
	$ pbd	$ pbd	$ pbd	$ pbd	$ pbd
Direct care revenue	**314.31**	**319.47**	**322.82**	**333.28**	**338.24**
Total direct care labour costs	256.89	259.36	259.41	253.50	260.22
Other care labour costs	26.53	25.92	26.30	27.72	30.19
Other direct care expenditure	10.97	9.57	10.90	11.40	11.28
Administration - direct care overhead allocation	21.83	20.96	21.96	21.66	23.27
Direct care expenditure	**316.21**	**315.81**	**318.58**	**314.29**	**324.96**
Direct care margin	**($1.90)**	**$3.67**	**$4.24**	**$18.99**	**$13.29**
Everyday living revenue	94.78	91.13	91.50	90.23	89.05
Everyday living expenditure	90.05	96.89	96.80	98.49	100.62
Everyday living margin	**$4.73**	**($5.77)**	**($5.30)**	**($8.26)**	**($11.57)**
Accommodation revenue	45.26	43.54	42.91	44.07	43.82
Accommodation expenditure	58.81	56.17	56.70	59.62	56.87
Accommodation margin	**($13.55)**	**($12.63)**	**($13.79)**	**($15.54)**	**($13.06)**
Operating result	**($10.72)**	**($14.73)**	**($14.85)**	**($4.81)**	**($11.34)**
Operating EBITDA per bed per annum	**4,438.83**	**2,709.51**	**2,292.03**	**6,489.23**	**2,569.37**
Occupancy	***95.7%***	***94.3%***	***94.2%***	***93.2%***	***94.1%***
Total direct care minutes per resident day	**225.20**	**219.91**	**221.22**	**218.60**	**219.79**

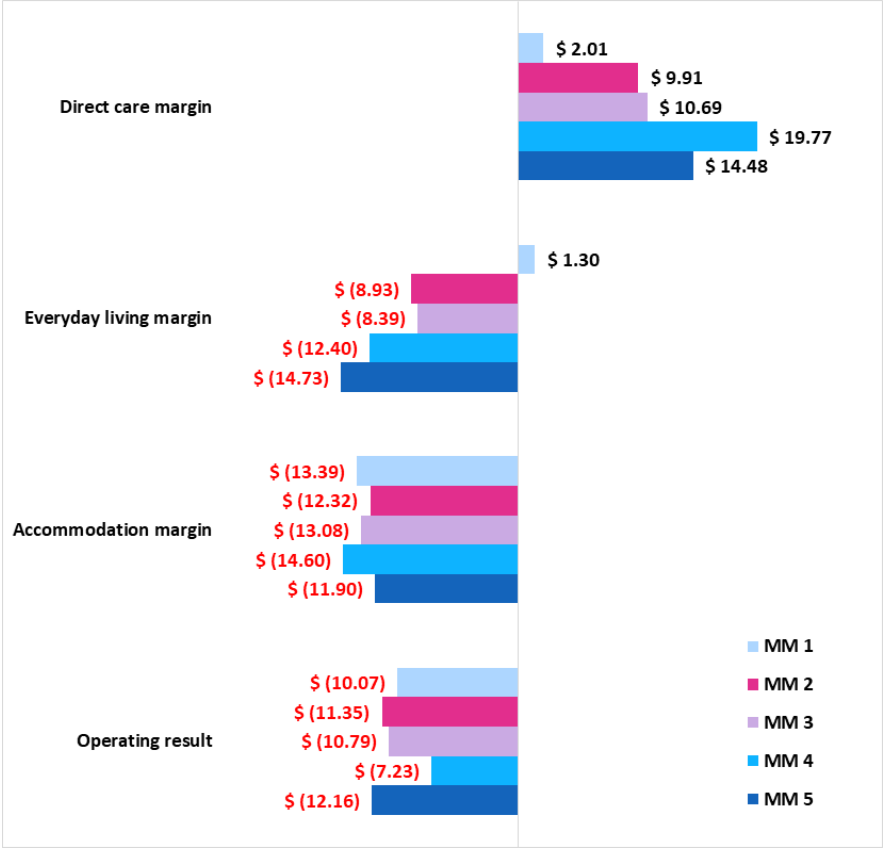
The main reason for this margin differential is that MM1 homes receive no Basic Care Tariff (BCT) loading within the AN-ACC funding, whereas other MM categories receive a higher BCT loading.

MM4 homes continue to achieve the highest operating result out of any other MM category, benefitting from their high direct care revenue and lower direct care minutes per resident per day. The higher direct care revenue for MM4 and MM5 reflects the Oct-25 BCT NWAU increase.

MM2 and MM3 homes, in contrast, have suffered from the reduction in their BCT NWAU, with lower direct care margins compared to Sep-25 margins of $16.91 and $19.69 respectively.

The margins of MM1 homes may decline further in FY26 once the policy for adjusting the care minute supplement comes into effect, whereby homes that do not meet care minute targets in MM1 locations will not receive the full supplement.

Figure 10: Dec-25 margin performance by MM location



Operating Result by Quartile

Quartile analysis is based on the ranking of operating result ($ pbd) for each aged care home and then banding them into the respective quartiles.

Average direct care minutes vary significantly by quartile. In FY23, when direct care minutes were not mandatory, first quartile homes on average recorded 36.28 pbd lower direct care minutes compared to bottom quartile homes. The gap reduced to 15.96 pbd for FY25 and in the Dec-25 quarter this gap has narrowed further to 10.79 minutes pbd as providers move towards meeting their target minutes.

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Additional analysis was conducted to estimate what the operating result for each quartile would be with the target average minutes being achieved (refer to *Table 6*). It is assumed that the staffing structure remains the same for this analysis. The impact of EN minutes counting towards RN minutes is not included for the purpose of this analysis.

Table 6: Operating result and adjusted operating result for target minutes

	All Homes	First Quartile	Second Quartile	Third Quartile	Fourth Quartile
Government subsidies - care	306.28	307.67	303.99	305.96	307.71
Staff Minutes					
Registered nurses	44.24	43.40	43.70	44.18	45.90
Enrolled and licensed nurses	9.65	8.32	8.81	9.73	12.07
Other unlicensed nurses/personal care staff	169.65	167.50	169.41	169.96	172.02
Imputed agency direct care minutes implied					
Total direct care minutes per resident day	**223.54**	**219.21**	**221.93**	**223.86**	**230.00**
Gap from target minutes (EN impact excluded for analysis purpose)					
Registered nurses	(0.24)	0.60	0.30	(0.18)	(1.90)
Other direct care labour	(8.30)	(4.81)	(7.22)	(8.69)	(13.10)
Additional costs					
Registered nurses	(0.38)	0.92	0.46	(0.28)	(3.09)
Other direct care labour	(8.62)	(4.89)	(7.42)	(9.10)	(13.96)
Additional costs - without restructuring	**0.00**	**0.92**	**0.46**	**0.00**	**0.00**
Potential costs saving from restructuring	**9.00**	**4.89**	**7.42**	**9.38**	**17.05**
Total additional costs after costs saving	**(9.00)**	**(3.97)**	**(6.96)**	**(9.38)**	**(17.05)**
Direct care margin	**$1.57**	**$23.55**	**$7.17**	**($2.36)**	**($24.92)**
Direct care margin after additional costs	**$1.57**	**$22.63**	**$6.71**	**($2.36)**	**($24.92)**
Direct care margin after additional costs	**$10.57**	**$27.52**	**$14.13**	**$7.02**	**($7.87)**
Everyday living margin	**0.83**	**11.57**	**3.82**	**(1.71)**	**(11.74)**
Accommodation margin	**(13.59)**	**(1.67)**	**(9.34)**	**(17.04)**	**(27.81)**
Operating result	**($11.19)**	**$33.45**	**$1.64**	**($21.10)**	**($64.47)**
Operating result after additional costs	**($11.19)**	**$32.53**	**$1.18**	**($21.10)**	**($64.47)**
Operating result after costs saving	**($2.19)**	**$37.42**	**$8.60**	**($11.73)**	**($47.42)**

Based on the analysis, homes in the first quartile might be able to save $3.97 pbd, while the fourth quartile might be able to save up to $17.05 pbd from restructuring staffing to bring their minutes down to the average target level of 215 minutes, including 44 RN minutes.

Taking this into account, the difference in operating result between the first quartile and fourth quartile would decrease from $97.92 pbd to $84.84 pbd. With similar AN-ACC revenue at around $307 pbd, this shows that the bottom quartile can improve through staff and roster management to deliver the target care minutes. However, the direct care minutes is not the single driver for the result difference. There is also a significant variance between the everyday living margin and the accommodation margin at $23.31 pbd and $26.14 pbd respectively.

Everyday Living

Everyday living includes hotel services (catering/cleaning/laundry), utilities and an administration cost allocation. The major revenue components comprise the Basic Daily Fee (BDF), hotelling supplement, and additional/extra services (now HELF) charged in some homes.

The BDF (calculated at 85% of the single pension) is the same for all residents, irrespective of financial means and acuity.

From 20 September 2025, the hotelling supplement increased from $15.60 per bed day (pbd) to $22.15 pbd. This $6.55 pbd increase better aligns the supplement with the average gap in hotel services costs across all residential aged care homes.

Fees for additional/ extra services include the HELF, with existing arrangements preserved for current residents until 31 October 2026.

The costs of providing everyday living services are greater than the revenue earned, and currently, the sector average everyday living margin is a $2.66 pbd deficit. The increase of $3.50 pbd since Sep-25 is due to the uplift in everyday living revenue resulting from the increase in hotelling supplement.

Table 7 provides a summary of the margin for homes that do not provide additional/extra services as compared to the homes that provide these services. This analysis is based on homes that **charge and provide** additional services. Other homes may still provide the services as part of their normal service offering, but do not have a separate charge as additional services.

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Table 7: Everyday living margin comparison

	All Homes	Homes with additional/extra services	Homes without additional/extra services	Difference
Basic daily fee - resident	64.60	64.56	64.76	(0.19)
Hotelling supplement - government	19.29	19.31	19.26	0.05
Fees for additional/extra services	5.78	10.07	-	10.07
Everyday living revenue	**$ 89.66**	**$ 93.94**	**$ 84.01**	**$ 9.93**
Hotel services expenditure	63.38	62.31	64.80	(2.49)
Utilities	9.36	9.01	9.83	(0.81)
Administration allocation	19.58	19.81	19.27	0.54
Everyday living expenditure	**$ 92.32**	**$ 91.13**	**$ 93.89**	**$ (2.76)**
Everyday living margin	**$ (2.66)**	**$ 2.81**	**$ (9.88)**	**$ 12.69**

The deficit for those without additional/ extra services is $9.88 pbd. The deficit is inclusive of the average $19.26 per resident per day hotelling supplement paid by the government.

Homes with additional/extra services recorded a surplus of $2.81 pbd. It is worth noting that homes which provide additional or extra services (i.e. revenue for additional services being over $1.00 pbd for this analysis) have increased from 33.7% in Dec-22 to 53.1% for Dec-25 Survey, which means more homes are now adopting additional/extra services (HELF) to help alleviate the losses being incurred in this area.

Additional services income has increased in uncertainty as homes roll out HELF to new and existing residents. Unfortunately, HELF has become one of the most contentious elements of the new *Act*, with media scrutiny focused on equity, transparency, and the risk of reclassifying core services as "extras", exposing a gap between policy intent and early provider implementation. This gap needs to be closed as HELF enables choice, flexibility and sustainability.

Adjusting fully for the new rate of hotelling supplement of $22.15 pbd without considering further indexation, homes without additional/extra services will still report an everyday living deficit of $6.98 pbd. The calculation for the hotelling supplement should be based on the revenue and expenses for the provision of the stipulated everyday living services and exclude the impact of the additional services.

The differential in everyday living margin for each MM category has been consistently noted in the StewartBrown survey. More remote areas recorded lower average HELF revenue, while higher everyday living expenditure.

There are differences in the cost of providing everyday living services within regions, with MM2 to MM7 having significantly higher costs than MM1, which also explains some of the cost differentials.

StewartBrown recommends that the hotelling supplement not be a broad-based amount but be adjusted depending on the geographic location of the residential aged care home to provide a more equitable basis.

Table 8: Everyday living margin by MM category

	MM1	MM2	MM3	MM4	MM5
Basic daily fee - resident	64.61	64.58	64.60	64.80	64.35
Hotelling supplement - government	19.27	19.28	19.35	19.37	19.22
Fees for additional/extra services	7.14	3.36	3.81	2.30	1.87
Everyday living revenue	**$ 91.02**	**$ 87.22**	**$ 87.76**	**$ 86.47**	**$ 85.44**
Hotel services expenditure	61.50	65.11	66.65	68.63	69.31
Utilities	8.70	11.83	9.90	10.75	10.10
Administration allocation	19.52	19.21	19.59	19.48	20.76
Everyday living expenditure	**$ 89.72**	**$ 96.15**	**$ 96.15**	**$ 98.87**	**$ 100.17**
Everyday living margin	**$ 1.30**	**$ (8.93)**	**$ (8.39)**	**$ (12.40)**	**$ (14.73)**

Hotel Services

Hotel services expenditure comprises of catering, cleaning and laundry, plus a small amount for other hotel services. Hotel services performance varies by MM region, reflecting differences in resident mix, pricing power and cost base. *Table 9* shows the breakdown of hotel services cost by MM region.

MM1 homes typically achieve higher everyday living revenue driven by greater uptake of additional services and capacity to charge higher accommodation and lifestyle fees, and benefit from flexible staffing arrangements for catering staff, resulting in lower total catering costs.

In contrast, MM2 and MM3 have a more moderate revenue but higher hotel service costs. This trend of lower revenue and higher costs continues for homes in more regional areas, as these homes generally have limited ability to charge for discretionary services and face higher supply and logistics costs, resulting in weaker hotel services performance overall.

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This is evident in the contract catering and catering labour costs - homes in MM4 and MM5 are limited in their ability to outsource catering to contractors, and as a result have higher in-house catering labour costs. The costs of these services are also generally fixed, and regional homes are often smaller than those in major centres, so the costs are spread over fewer residents and as a result are higher on a per bed day basis.

Table 9: Hotel services breakdown by MM classification

$ per bed day	MM1	MM2	MM3	MM4	MM5
Everyday living revenue	**91.02**	**87.22**	**87.76**	**86.47**	**85.44**
Catering labour costs	21.70	27.32	25.12	27.47	29.56
Consumables - food	13.79	16.03	13.98	15.04	15.41
Consumables - other	0.84	0.88	0.81	1.10	1.10
Contract catering	7.05	2.85	7.55	6.28	3.54
Income from sale of meals	(0.35)	(0.51)	(0.38)	(0.33)	(0.10)
Total Catering	**43.02**	**46.56**	**47.09**	**49.56**	**49.52**
Cleaning labour costs	7.09	9.38	8.49	8.94	9.66
Consumables	1.79	1.93	1.91	1.88	2.04
Contract cleaning	3.25	0.64	2.32	1.66	1.17
Total Cleaning	**12.14**	**11.95**	**12.72**	**12.48**	**12.87**
Laundry labour costs	2.73	3.81	3.21	3.65	3.45
Consumables	0.32	0.44	0.41	0.40	0.42
Contract laundry	2.13	1.12	1.83	1.21	1.67
Total Laundry	**5.18**	**5.37**	**5.45**	**5.26**	**5.54**
Total other hotel services	1.16	1.23	1.39	1.33	1.38
Hotel services expenditure	**61.50**	**65.11**	**66.65**	**68.63**	**69.31**
Hotel services expenditure as % of revenue	68%	75%	76%	79%	81%

Accommodation

Accommodation continues to be the deficit cost centre for an aged care home. The Dec-25 Survey recorded an average margin deficit of $13.30 pbd compared to a deficit of $11.19 pbd for Dec-24. Revenues relating to retentions will take some time before it contributes any significant improvement to the overall revenue base. Retentions only contributed $0.01 pbd to Dec-25 YTD accommodation revenues and contributed $0.03 pbd to the Dec-25 standalone quarter revenue stream.

While there has been an increase in the Maximum Permissible Interest Rate (MPIR) over recent years, which has seen the average MPIR (over a rolling 3-year period) increase from a low of 4.61% at Jun-22 to 7.87% for the Dec-25 quarter, overall accommodation revenue has only increased by an average of $1.18 pbd between Dec-24 and Dec-25 quarters. This includes a small increase of $0.68 pbd from DAP revenue.

Costs, before administration allocations, have increased by a total of $1.72 pbd spread across all items. Additionally, administration overheads have increased by $1.57 pbd over the same period.

Revenue increases are not keeping pace with increases in accommodation costs.

The proportion of non-supported residents choosing the DAP as the method of payment increased from 43% in the Dec-24 quarter to 45.6% in the Dec-25 quarter. This may be in response to a mixture of falling MPIR and the introduction of a retention on RADs, however it is too early to see if this will be a lasting trend.

The actual MPIR has been decreasing since Mar-25. It dropped from 8.42% for the Mar-25 quarter to 8.17% for the Jun-25 quarter. It has subsequently reduced to 7.78% for the Sep-25 quarter and 7.61% for the Dec-25 quarter.

Quarterly MPIR changes based on the underlying interest rates are not comparable to the actual cost of capital. The basis for setting the DAP needs to be more appropriate and less volatile to ensure greater revenue certainty for providers as well as incoming residents.

A review of how an MPIR is set and utilised in converting a RAD to a DAP is within the scope of the Accommodation Pricing Review, which should report soon.

Depreciation expense (building, non-building and right of use) represented $23.05 pbd. Whilst depreciation is a non-cash component (and excluded from EBITDA calculations), it is a crucial operating expense that must be recovered to fund ongoing maintenance, refurbishment, and eventual replacement of homes.

StewartBrown considers the sector underestimates building depreciation, with over 50% of homes being depreciated over 40 years (2.5% pa). Cognisant of the significant change in the resident acuity cohort over the last 10 years and noting that future residents will increasingly come from the next generation (known as “baby boomers”) with much more varied accommodation expectations, it could be considered that depreciating over 25 years (4% pa) is more realistic. It is also important to note that many homes depreciate based on cost, not a revalued building value or ultimate replacement value.

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Ensuring that there are sufficient funds available, or the ability to service debt for capital expenditure, is important because new residents typically prefer a more modern and up-to-date aged care home when given a choice. As a result, older or less appealing homes may struggle with lower occupancy rates, especially in highly competitive areas. This level of competition is likely to increase with the removal of the ACAR process.

Cost and funding for accommodation is one of the least understood components of residential aged care.

There is general confusion as to how accommodation fits into the Government's funding framework. Australia has a robust safety net for residents without the financial means, and this will continue.

Residents with financial means should reasonably be expected to make a fair contribution towards their accommodation costs. The new *Act* which allows for RAD retention, addresses this issue by creating a more balanced approach to funding accommodation in aged care homes.

The accommodation supplement for those with lower means remains an issue. The supplement is $70.94 pbd as a maximum at Dec-25 rate. At an MPIR of 8%, this is equivalent to an accommodation (RAD) price of $323,664, compared to the current maximum room price without approval being at $750,000.

A DAP based on an accommodation price of $650,000 (MPIR 8%) is $142.46 pbd compared to the supplement of $70.94 pbd. This significant differential places providers with a higher supported ratio into a disadvantaged financial position. Although it must be noted that the accommodation supplement is paid for by the taxpayer and should provide a cost recovery for providers as well as a reasonable margin, it is unlikely to match the amount that a DAP will return to a provider. Striking a balance is crucial to ensure that providers receive adequate funding for supported residents, promoting equitable access to residential aged care, while also making sure that taxpayer money is not used to cover accommodation expenses for individuals who can afford to pay for their housing.

The Accommodation Pricing Review includes a review of the accommodation supplement (as noted in Taskforce *Recommendation 14*).

Construction costs for a bed are currently estimated to be at least $500,000.

A reasonable return on accommodation is essential for a sustainable operation to upgrade, improve, refurbish or replace the residential bed to meet residents' needs and quality standards.

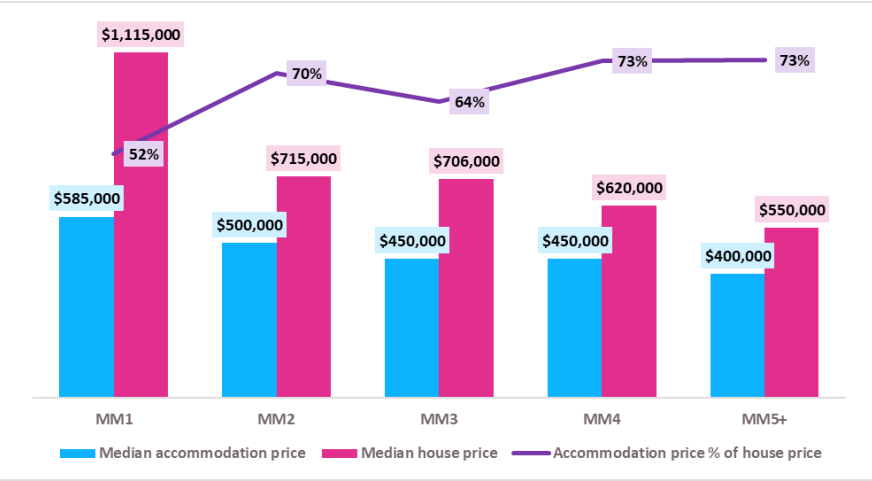
Providers need to understand the required accommodation revenue level needed to achieve the target return. Supported residents' proportion, payment preference mix, and accommodation price are the key drivers for accommodation revenue.

Currently when comparing median accommodation prices against median house prices, the result varies significantly by state and remoteness.

It is important for providers to conduct their own analysis to understand what accommodation pricing level is required for the necessary return on the fair value of their investment.

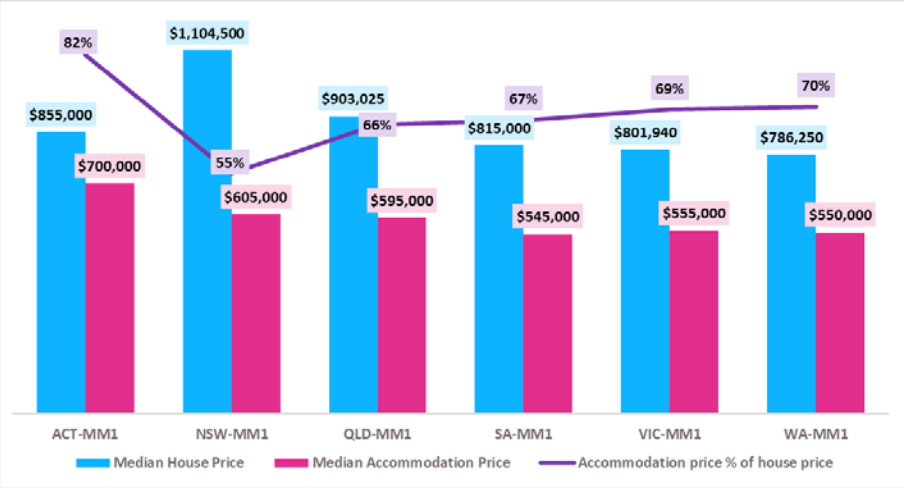
StewartBrown has developed a tool for providers to use to calculate the price required from a DAP to earn the desired overall return on the investment in accommodation it has made at the facility level. This tool will be available in late April 2026, and more information will be provided on our website once it is released.

Figure 11: Median accommodation price and house price by MM classification



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Figure 12: Median accommodation price and house price in MM1 area by state



RAD Price Movements

As part of the Government response to the Aged Care Taskforce recommendations the maximum RAD price was increased on 1 January 2025 to $750,000. Applications for a higher accommodation price have to be made to IHACPA. The maximum price is indexed by CPI annually on 1 July. At Dec-25 the maximum price now stands at $758,627.

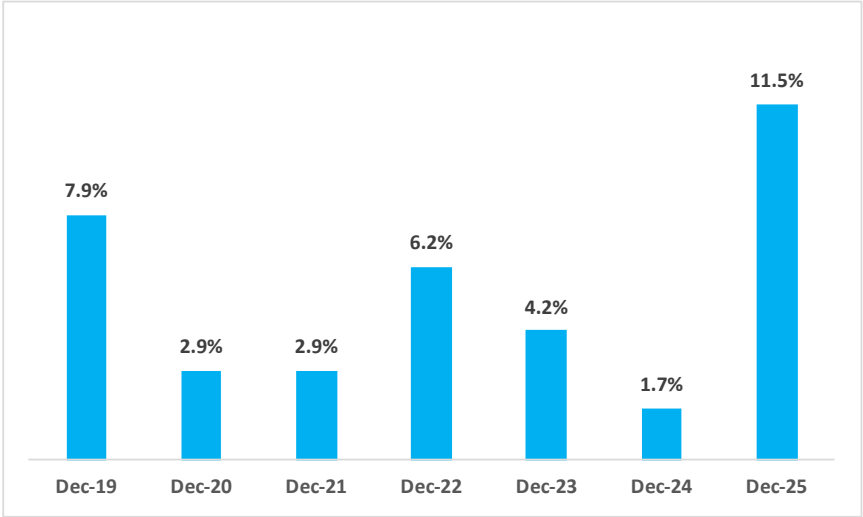
Traditionally, the annual increase in accommodation prices have not moved materially as shown in the following below where accommodation price is represented by the average amount of full RAD taken. There have been some years where prices have increased by a material amount, however, generally prices have tracked at or below CPI.

The movement in the year since the maximum price was increased to $750,000 has seen a marked increase in the prices that providers are setting of 11.5% (based on average RAD amount taken) compared with only a 1.7% increase in the prior year.

This indicates two things:

- There was a latent appetite to increase RAD prices above $550,000 but providers did not want to have to go through the approval process to do so, and
- Incoming residents are able to pay the higher accommodation price given that at the same time, occupancy rates have not declined but instead increased.

Figure 13: Annual movement in average full RAD taken across all homes in Survey



An analysis of published accommodation prices also reinforces that accommodation prices have risen significantly since the change to the maximum accommodation price to $750,000 and there remains key differences in accommodation prices in major centres compared to more regional areas as well as between states.

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Table 10: Movements in average published accommodation prices

	Jun-24	Dec-24	Jun-25	Dec-25	% change YoY
MM1	581,648	601,119	634,000	666,743	11%
MM2	463,166	485,574	513,684	535,660	10%
MM3	454,214	471,994	501,241	519,819	10%
MM4	425,266	442,944	471,488	493,983	12%
MM5+	409,909	426,341	445,340	465,208	9%

Those homes outside the major centres have average accommodation prices materially less than those homes in the major centres with the average price in homes in MM5 through MM7 averaging a full $200,000 less than the average for MM1 homes. This is for a variety of reasons including that house prices in those regions are also considerably less than in major centres. This will need to be considered in future policy decision making regarding capital support for regional areas so residents can have access to modern facilities that cost just as much, if not more, to construct in regional areas. It is also notable that there are similar increases in prices, not just at the average, but at the minimum and maximum prices as the following graphs show.

Figure 14: Increase in average minimum published accommodation price by State for period to Dec-25

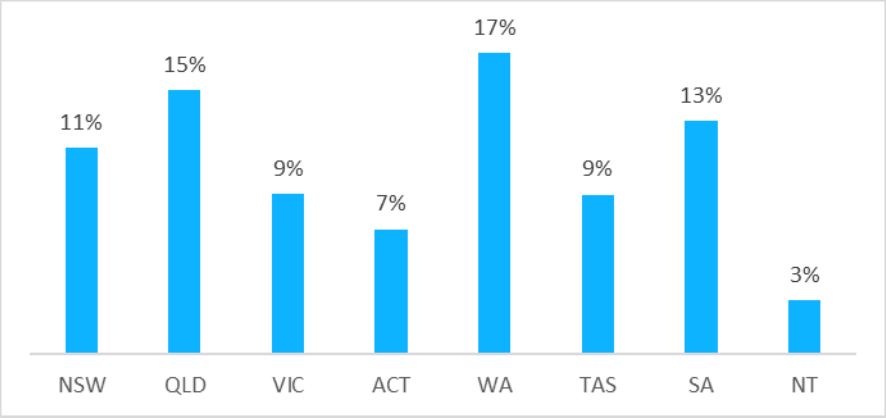


Figure 15: Increase in average maximum published accommodation price by State for period to Dec-25

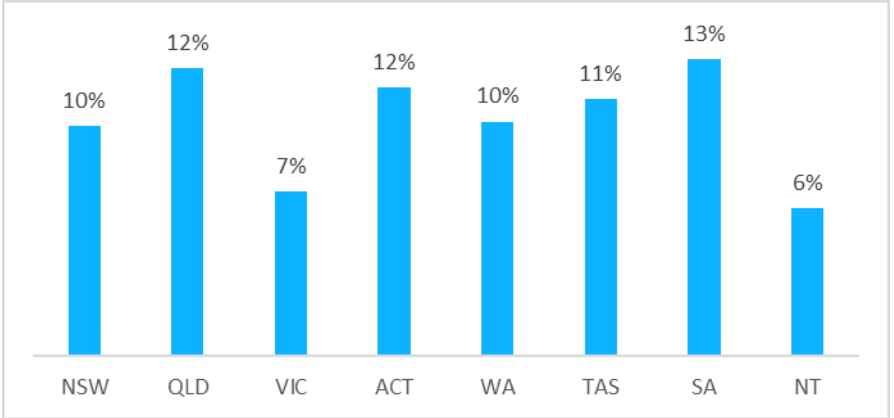
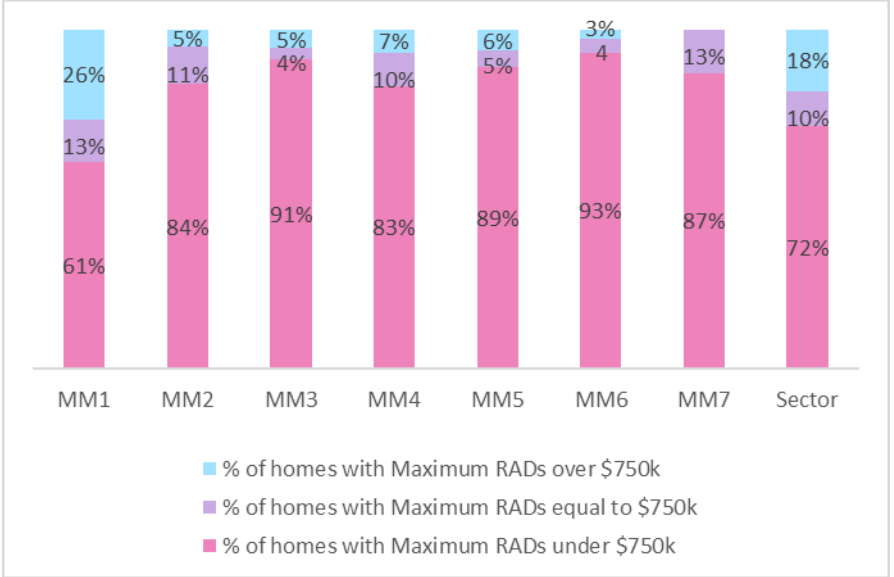


Figure 16: Percentage of homes with maximum RAD price under/over or at $750K by MM classification



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Outside of MM1 areas, the proportion of homes with a RAD price above the maximum remains small (*Figure 16*) but even in regional areas there is now a growing proportion of homes with RAD prices at the maximum price level, and this is expected to grow as the attention to accommodation pricing and strategies grows.

Accommodation revenue will become increasingly important to the sustainability of aged care homes. With the introduction of RAD retentions for new residents and as providers become more realistic in setting accommodation prices, accommodation revenues should grow. However, it will require providers to take some action in setting the daily fee, and subsequently RAD required to earn an adequate level of revenue and achieve sufficient return on their investment.

Economy of Scale

The sector has observed a number of mergers and acquisitions in the past few years. Some large for-profit providers like Opal, Regis and Estia had been active in this aspect as have some of the larger not-for-profit providers.

A common discussion point has been whether there is economy of scale in the residential aged care sector, and the following is an analysis of the QTD Dec-25 results based on the number of homes held by the provider (refer *Table 11*).

Based on the Dec-25 Quarter result, larger providers with 21+ homes have the highest operating result (albeit still a deficit) and the highest adjusted operating result compared to other groups.

Providers with 7-20 homes and providers with 21+ homes recorded the highest average RN minutes at 44.73 pbd.

Providers with 7-20 homes recorded the highest average total direct care minutes at 224.64 pbd for the quarter. Single home providers recorded the lowest RN minutes at 41.30 pbd.

If the operating result is adjusted to reflect the costs involved in meeting the minutes target for the quarter, providers with over 20 homes are still estimated to have the best operating result, compared to providers with 2-6 homes having the lowest operating result.

Based on the Dec-25 Survey, providers with over 20 homes have an everyday living surplus ($5.32 pbd) compared to the other size categories that comprise providers with deficits.

This performance difference might be attributed to larger providers being more likely to provide additional services, leveraging greater purchasing power to reduce costs of consumables, or negotiating more favourable contracts for outsourced services.

Providers with single homes recorded the highest accommodation margin deficit.

Table 11: Operating result for target minutes by provider size (Dec-25 quarter)

QTD Dec-25 Survey	Single Home	2-6 Homes	7-20 Homes	21+ Homes
	$ pbd	$ pbd	$ pbd	$ pbd
Direct care revenue	***318.34***	***313.71***	***321.00***	***318.36***
Direct care labour costs	250.24	250.18	257.78	260.57
Other care labour costs	35.25	32.22	28.34	22.68
Other direct care costs	31.87	33.28	35.30	30.97
Direct care expenditure	*317.36*	*315.69*	*321.41*	*314.21*
Direct care margin (A)	**$0.98**	**($1.98)**	**($0.41)**	**$4.15**
Everyday living margin	**($6.53)**	**($1.48)**	**($3.42)**	**$5.23**
Accommodation margin	**($18.46)**	**($13.85)**	**($12.77)**	**($13.39)**
Operating result (B)	**($24.01)**	**($17.31)**	**($16.60)**	**($4.01)**
Expenditure - administration (included above)	*54.01*	*58.19*	*64.89*	*56.31*
Staff Minutes				
Registered nurses	41.30	42.98	44.73	44.73
Enrolled and licensed nurses	14.58	10.10	11.24	7.90
Other unlicensed nurses/personal care staff	165.01	168.40	168.67	171.26
Total direct care minutes per resident day	**220.89**	**221.48**	**224.64**	**223.88**
Gap from target minutes (EN impact excluded for analysis purpose)				
Registered nurses	3.70	2.02	0.27	0.27
Other direct care labour	(9.59)	(8.50)	(9.91)	(9.15)
Additional costs				
Registered nurses	5.55	3.17	0.44	0.43
Other direct care labour	(9.98)	(8.63)	(10.17)	(9.64)
Additional costs - without restructuring (C)	**5.55**	**3.17**	**0.44**	**0.43**
Operating result after additional costs (B - C)	**($29.57)**	**($20.49)**	**($17.04)**	**($4.43)**
Potential costs saving from restructuring (D)	**9.98**	**8.63**	**10.17**	**9.64**
Total net additional costs (E = C - D)	**(4.43)**	**(5.46)**	**(9.74)**	**(9.22)**
Operating result after costs saving (B - E)	**($19.59)**	**($11.85)**	**($6.86)**	**$5.21**
Direct Care Margin after costs saving (A - E)	**$5.40**	**$3.48**	**$9.33**	**$13.36**

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3. Forecast Operating Results

Residential Aged Care

The financial impact of the reforms from the new *Act* has been modelled using two scenarios based on the Survey result of a deficit of $9.80 pbd.

The financial impact of EN staffing minutes counting towards the RN minutes target is excluded in this forecast.

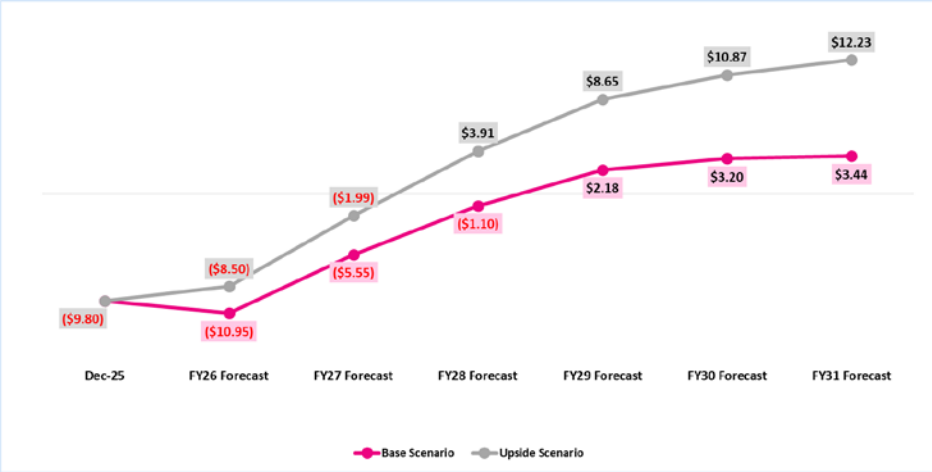
Base Scenario: Operating result based on reforms as announced

- The sector reached an average total direct care of 221 minutes including 44 of RN minutes
- Hotelling supplement is $22.15 per day (as per increase from 20 September 2025) and indexed based on this amount
- RAD retention of 2% pa to be phased in for new residents
- RAD pricing (accommodation price) to be increased by CPI each year
- DAP pricing to be based on 8% pa floor (MPIR)

Upside Scenario: Operating result based on reforms as announced with moderate accommodation price increase

- The sector reached an average total direct care of 221 minutes including 44 of RN minutes
- Hotelling supplement is $22.15 per day (as per increase from 20 September 2025) and indexed based on this amount
- RAD retention of 2% pa to be phased in for new residents
- RAD pricing (accommodation price) to be increased by 15% in FY26 and by 5% each year
- DAP pricing to be based on 8% pa floor (MPIR)

Figure 17: Projected Operating Results FY26 to FY31 ($ pbd)



With new Act commencing on 1 November 2025 and with average resident turnover of 35%, FY30 will be the first year to have the full financial impact of the reforms.

Projections for FY31 indicate varying levels of financial performance across different scenarios.

Base scenario assumes that the sector will average at 221 total direct care minutes (what was achieved in Dec-25 YTD) and accommodation pricing is indexed by CPI. Under these conditions, the forecast result for FY31 is an **operating surplus of $3.44 pbd.**

The **Upside Scenario** assumes the same direct care minutes as per the base scenario however, the accommodation pricing differs with a 15% RAD price increase in FY26 and 5% each year thereafter. These changes present a significantly improved result, projecting **an operating surplus of $12.23 pbd**.

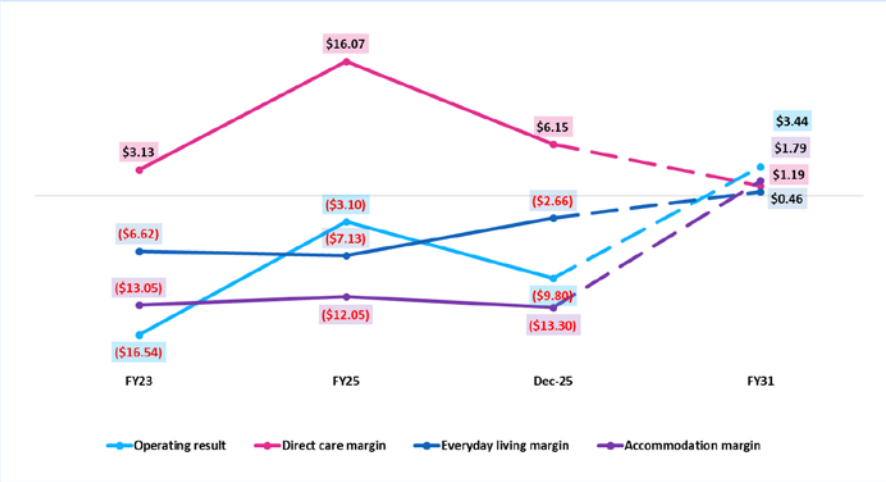
The forecasts based on Dec-25 results are significantly worse than what was previously forecast by StewartBrown due to the understated net impact of FWC changes in the previous quarter and the effect of the changes to the AN-ACC classification structures and BCT loading changes.

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It should be noted that the scenario forecasts do not include any increase other than CPI in the accommodation supplement, which remains significantly less than the equivalent DAP amount.

Figure 18: Forecast margin by cost centre for FY31 (Base Scenario)

The reforms are anticipated to improve everyday living and accommodation margins from a deficit over the next four years to a surplus.

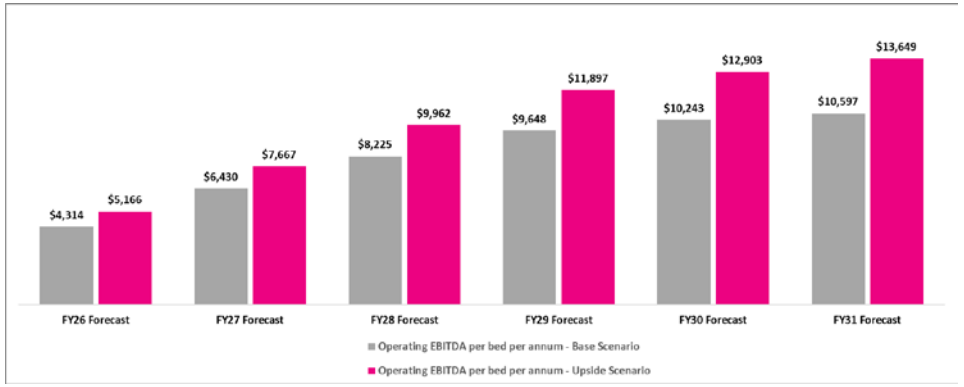


Operating EBITDA in FY31 is forecasted to range from $10,597 to $13,649 pbpa based on the scenarios. This is significantly lower than a sustainable EBITDA.

With a high capital requirement to meet increasing demand, and a lower effective life of buildings than commercial, residential and retirement villages, a sustainable EBITDA of between $20,000 to $22,000 pbpa would be considered a minimum level of an investable return.

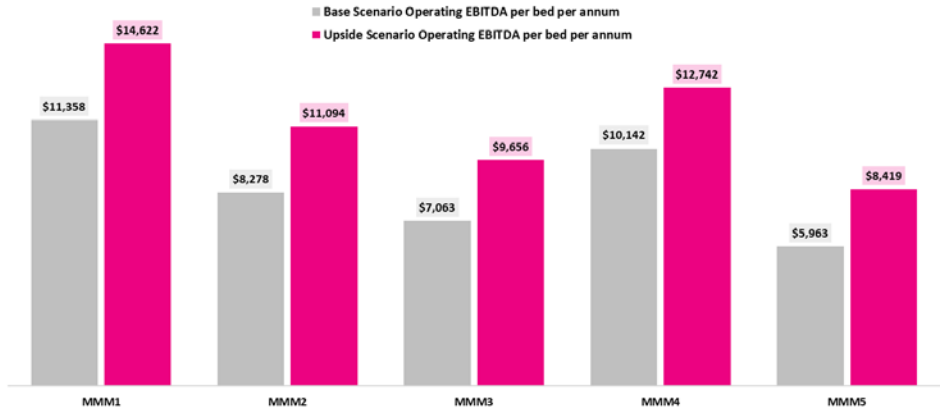
Even under the Upside Scenario, the forecast still doesn't reach the $20,000 EBITDA return, which should be considered the minimum level to attract new investment into the sector.

Figure 19: EBITDA forecast FY26 to FY31 ($ pbpa)



When considering the forecast EBITDA by MM location it highlights that additional funding will be required for across all regions to attract additional capital investment (refer *Figure 20*). However, MM1 and MM4 have the higher EBITDAs whilst MM5 has the lowest EBITDA.

Figure 20: EBITDA forecast by MM location for FY31 ($ pbpa)



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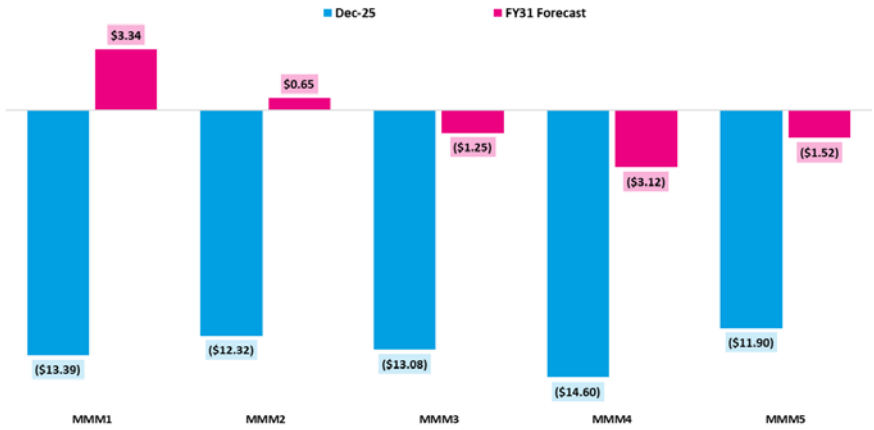
Accommodation Margin Forecast

54.2% of homes recorded over $10 pbd deficit in accommodation services in the YTD Dec-25 Survey.

Figure 20 shows the forecast accommodation margin by MM category based on **Base Scenario**. On average, homes in MM 1 and MM 2 locations are forecasted to have accommodation margin surplus in FY31 as a result of RAD retention, increased accommodation price and increased average MPIR for existing residents.

MM3 to MM5 still have accommodation margin deficits in FY31 with MM4 having the largest deficit.

Figure 21: Accommodation margin comparison - Dec-25 vs FY31 Forecast



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4. Financial Results – Key Metrics

Organisation (Registered Provider)

Trend Graph (average by provider)

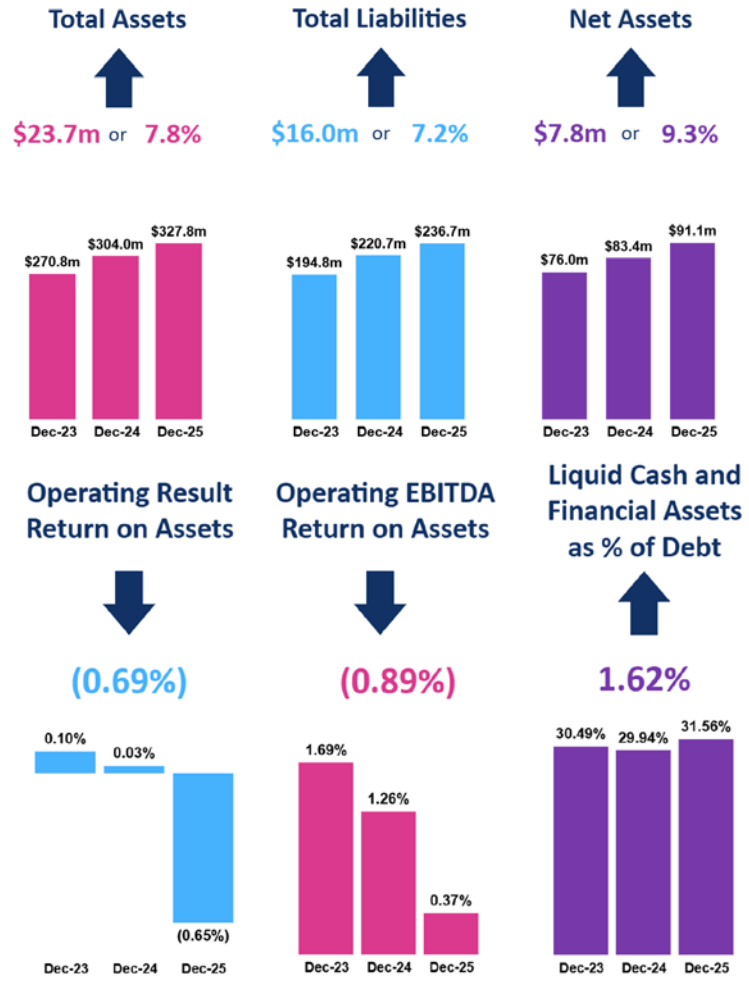


Table 12: Income & Expenditure Comparison (average by Registered Provider)

	Survey Dec-25 173 Providers *(6 months)* *(Average)*	Survey Dec-24 173 Providers *(6 months)* *(Average)*
Income & Expenditure	**$'000**	**$'000**
Operating Result		
Revenue		
Service revenue	57,943	54,791
Investment revenue	1,364	1,287
Total operating revenue	**59,307**	**56,078**
Expenses		
Employee expenses	43,015	39,451
Depreciation and amortisation	2,509	2,554
Depreciation on Right of Use Assets	205	198
Interest Expenses on Lease Liabilities	70	72
Finance costs	479	526
Other expenses	14,069	13,328
COVID-19 net impact	2	(99)
Total operating expenses	**60,348**	**56,028**
Operating surplus (deficit)	**(1,041)**	**49**
Non-recurrent income and expenses	1,670	2,078
Total surplus (deficit) (NPBT)	**629**	**2,128**
Operating EBITDA	**582**	**1,842**
EBITDA	**2,252**	**3,920**
Ratios		
NPBT return on assets (ROA)	*0.4%*	*1.5%*
Operating surplus return on assets (ROA)	*(0.7%)*	*0.0%*
Operating EBITDA return on assets	*0.4%*	*1.3%*
Operating surplus % of operating revenue	*(1.8%)*	*0.1%*
Employee expenses % of operating revenue	*72.5%*	*70.4%*
Depreciation as % of property assets	*2.2%*	*2.5%*

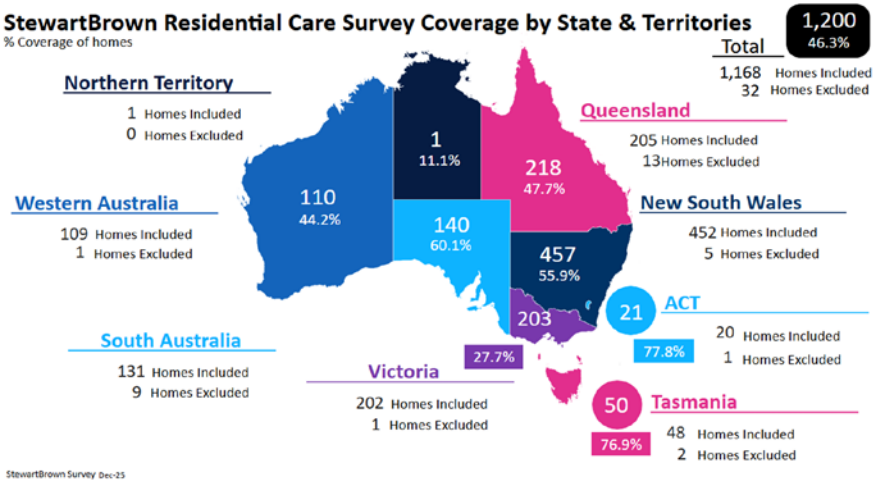
** EBITDA calculations exclude AASB 16 Leases accounting entries*

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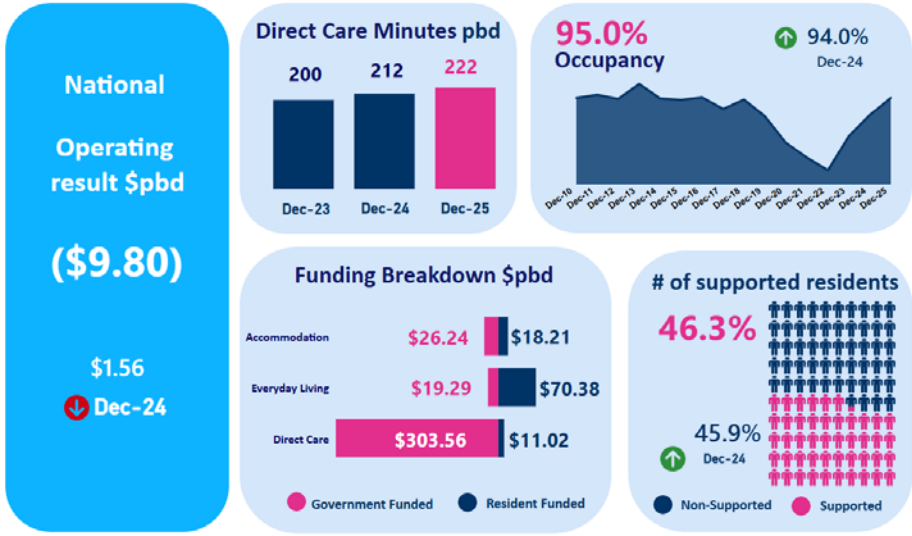
Table 13: Summary Equity (Balance Sheet) comparison

	Survey Dec-25 173 Providers *(Average)*	Survey Dec-24 173 Providers *(Average)*
Balance Sheet	**$'000**	**$'000**
Assets		
Cash and financial assets	62,806	56,193
Operating assets	22,432	20,007
Property assets	233,401	215,239
Right of use assets	3,339	3,414
Intangibles - other	5,803	9,158
Intangibles - bed licences	0	34
Total assets	**327,782**	**304,045**
Liabilities		
Refundable loans - residential	108,838	98,256
Refundable loans - retirement living	80,504	75,508
HCP unspent funds liability	590	774
Borrowings	8,821	12,222
Other liabilities	37,910	33,921
Total liabilities	**236,663**	**220,682**
Net assets	**91,119**	**83,363**
Net tangible assets	**85,316**	**74,171**
Ratios		
Net assets proportion % total assets	*27.8%*	*27.4%*
Property assets proportion % total assets	*71.2%*	*70.8%*
Cash + financial assets % refundable loans	*33.2%*	*32.3%*
Cash + financial assets % debt	*31.6%*	*29.9%*

Residential Aged Care



Dec-25 Results Snapshot



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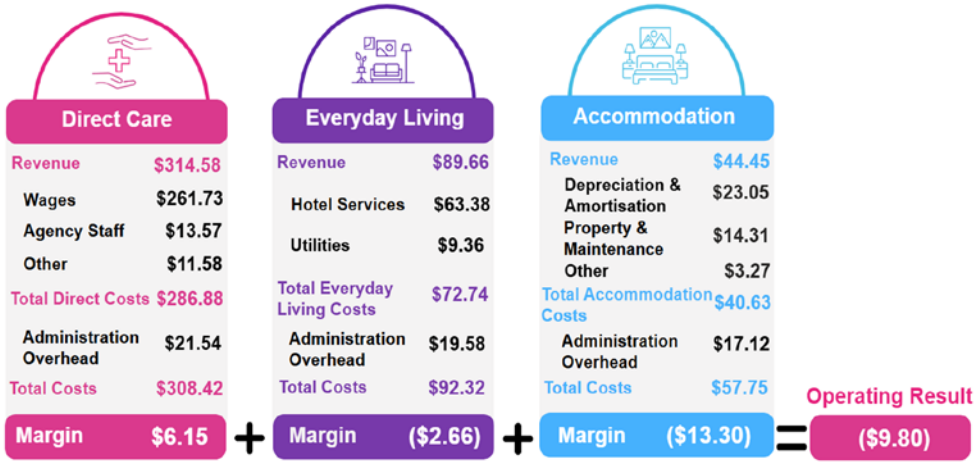
Table 14: Summary income and expenditure comparison ($ per bed day)

	Survey Dec-25 1,168 Homes	Survey Dec-24 1,140 Homes	Survey FY25 1,165 Homes
DIRECT CARE			
Revenue	$314.58	$291.77	$299.24
Expenditure			
Direct care labour costs	248.65	218.73	227.70
Other direct care labour costs	26.66	24.94	25.78
Other direct care costs	11.58	9.45	9.79
Administration	21.54	19.57	19.90
	$308.42	*$272.68*	*$283.17*
DIRECT CARE MARGIN (A)	**$6.15**	**$19.08**	**$16.07**
	2.0%	*6.5%*	*5.4%*
EVERYDAY LIVING			
Revenue	$89.66	$79.62	$80.84
Expenditure			
Catering	44.64	42.03	43.15
Cleaning	12.25	11.37	11.65
Laundry	5.26	4.88	5.06
Other hotel services expenses	0.06	0.11	0.07
Payroll tax	0.06	0.05	0.05
Overhead allocation (workcover & education)	1.11	1.06	1.08
Utilities	9.36	8.65	8.81
Administration	19.58	17.79	18.09
	$92.32	*$85.95*	*$87.97*
EVERYDAY LIVING MARGIN (B)	**($2.66)**	**($6.33)**	**($7.13)**
ACCOMMODATION			
Revenue			
Residents	18.21	17.53	17.74
Government	26.24	25.74	26.00
	$44.45	*$43.27*	*$43.74*
Expenditure			
Depreciation	23.05	22.66	22.89
Property maintenance	14.31	13.78	14.42
Property rental	1.15	0.90	1.03
Other	2.13	1.58	1.64
Administration	17.12	15.55	15.81
	$57.75	*$54.46*	*$55.78*
ACCOMMODATION MARGIN (C)	**($13.30)**	**($11.19)**	**($12.05)**
OPERATING RESULT ($ per bed day) *(A + B + C)*	**($9.80)**	**$1.56**	**($3.10)**
OPERATING RESULT ($ per bed per annum)	**($3,391)**	**$535**	**($1,068)**
EBITDA ($ per bed per annum)	**$4,582**	**$8,310**	**$6,817**

Table 15: Summary KPI results comparison

Summary KPI Results	Dec-25 1,168 Homes	Dec-24 1,140 Homes	Difference (YoY)	FY25 1,165 Homes
Operating Result ($pbd)	($9.80)	$1.56	($11.36)	($3.10)
Operating Result ($pbpa)	($3,391)	$535	($3,926)	($1,068)
EBITDA ($pbpa)	$4,582	$8,310	($3,728)	$6,817
Average Occupancy *(all homes)*	*94.9%*	*93.5%*	1.4%	93.5%
Average Occupancy *(mature homes)*	*95.0%*	*94.0%*	1.0%	94.4%
Average direct care revenue ($pbd)	$314.58	$291.77	$22.81	$299.24
Total direct care minutes per resident per day	221.68	212.08	9.60	214.04
Direct care expenditure % of direct care revenue	*98.0%*	*93.5%*	4.6%	94.6%
Supported Ratio %	*46.3%*	*45.9%*	0.4%	46.4%
Average Full RAD/Bond held	$490,966	$470,897	$20,069	$482,536
Average Full RAD taken during period	$563,199	$505,242	$57,957	$516,770

Figure 22: Residential operating result snapshot ($ per bed day)



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Modified Monash Model (MM) Analysis

Figure 23: Aged care homes making an operating loss by MM category

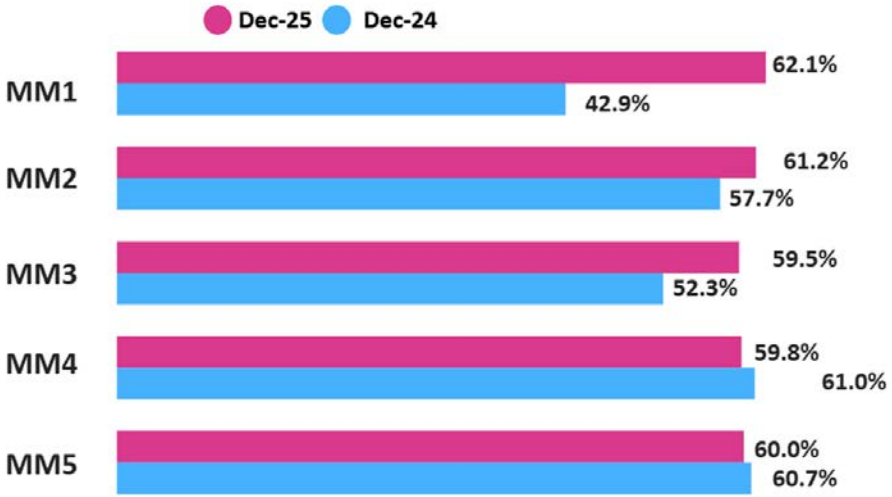
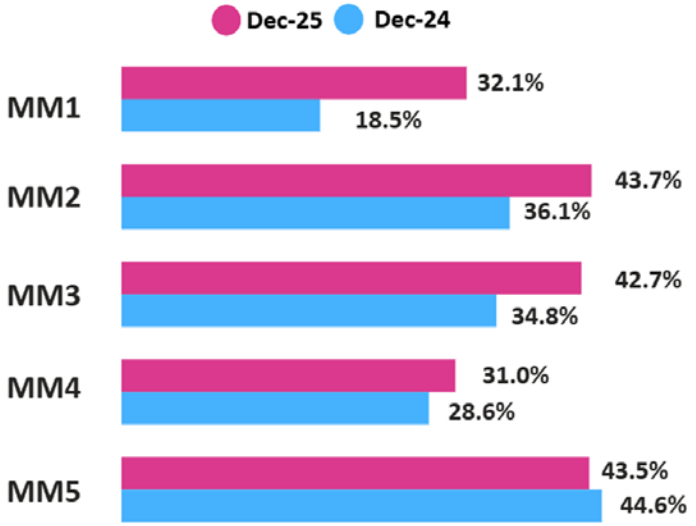


Figure 24: Aged care homes making an EBITDA (cash) loss by MM category



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Table 16: Summary KPI results by MM category

	MM 1	MM 2	MM 3	MM 4	MM 5
	723 Aged Care Homes	103 Aged Care Homes	131 Aged Care Homes	87 Aged Care Homes	115 Aged Care Homes
Operating Result $ per bed per annum	($3,515)	($3,911)	($3,691)	($2,400)	($4,108)
Operating EBITDA per bed per annum	$4,718	$3,842	$3,641	$5,583	$2,161
Average Direct Care Revenue per bed day	$309.74	$317.42	$319.75	$326.60	$331.34
Direct care expenditure as % of direct care revenue	99.3%	96.9%	96.7%	93.9%	95.6%
Catering costs as % of everyday living revenue	47.3%	53.4%	53.7%	57.3%	58.0%
	MM 1	MM 2	MM 3	MM 4	MM 5
	723 Aged Care Homes	103 Aged Care Homes	131 Aged Care Homes	87 Aged Care Homes	115 Aged Care Homes
Direct care minutes per resident per day	223.4	218.7	217.9	217.5	218.4
Supported resident ratio	46.5%	46.8%	45.7%	44.0%	46.4%
Average occupancy	95.6%	94.4%	94.2%	92.9%	93.7%
Average full accommodation deposit held	$531,643	$422,299	$398,132	$389,902	$376,883
Average full RAD taken during the period	$613,911	$480,852	$463,704	$436,641	$414,962

Figure 25: Operating result by MM classification ($ per bed day)

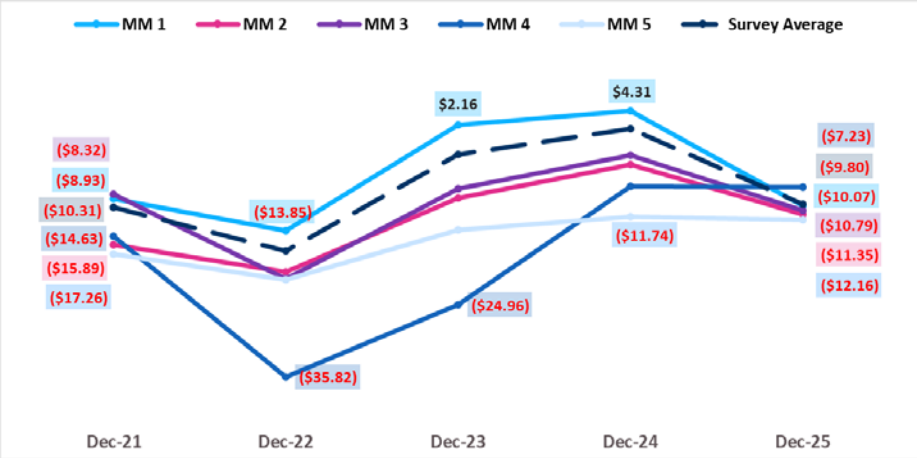
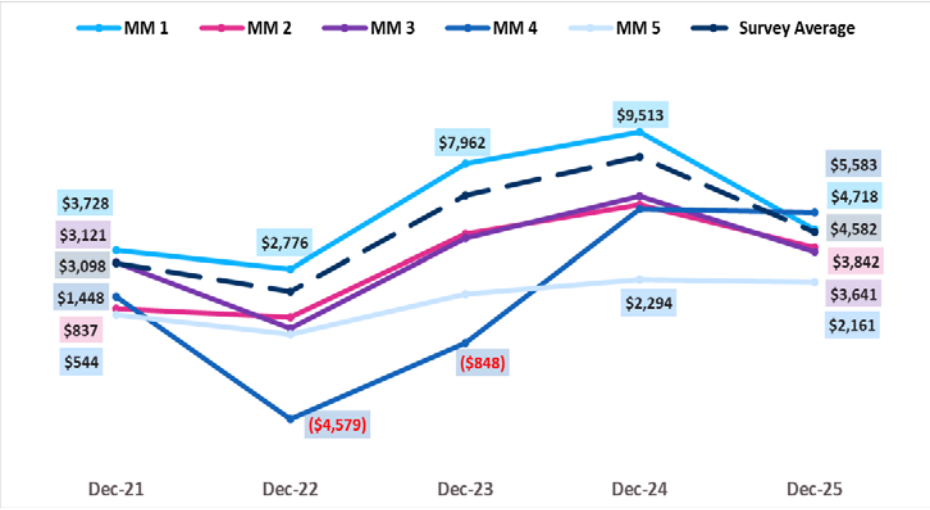


Figure 26: Operating EBITDA result by MM classification ($ per bed per annum)



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Figure 27: Everyday living margin by MM classification ($ per bed day)

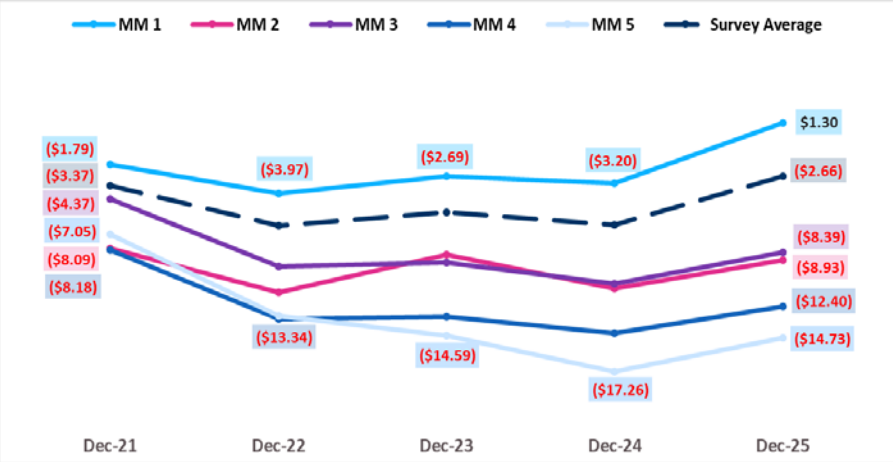
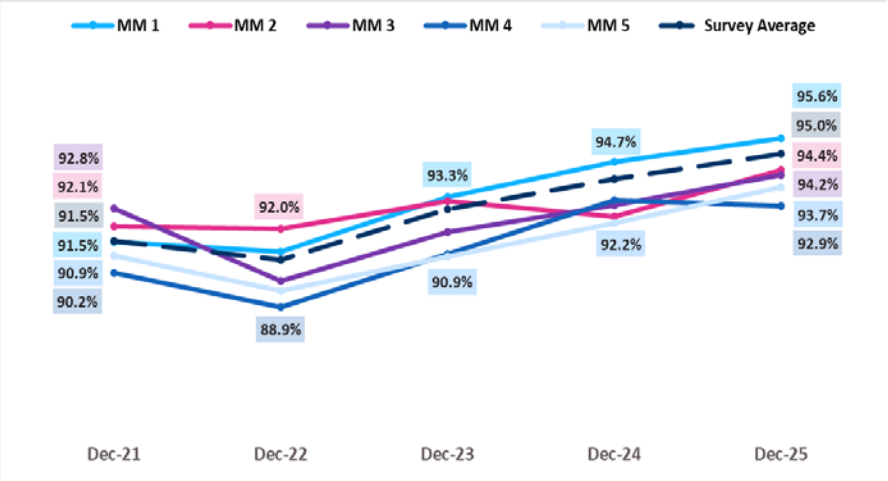


Figure 28: Occupancy percentage by MM classification



Direct Care Staffing Minutes (per resident per day)

Table 17: Direct care staffing metrics

	Survey Average			Survey Average
Staffing Category	**Dec-25**	**Dec-24**		**FY25**
Registered nurses	44.06	41.23	↑	42.23
Enrolled & licensed nurses	9.85	10.81	↓	10.01
Other unlicensed nurses & personal care staff	167.77	160.04	↑	161.80
Total Direct Care Minutes	**221.68**	**212.08**	↑	**214.04**
Care management	3.68	3.92	↓	3.88
Allied health	4.42	4.35	↑	4.50
Diversional/Lifestyle/Activities	7.51	7.04	↑	7.07
Total Care Minutes	**237.29**	**227.39**	↑	**229.50**

Table 18: Agency direct care staffing metrics

	Survey Average			Survey Average
Staffing Category	**Dec-25**	**Dec-24**		**FY25**
Agency - Registered nurses	2.70	3.46	↓	3.24
Agency - Enrolled & licensed nurses	0.44	0.58	↓	0.47
Agency - Other unlicensed nurses & personal care staff	5.83	6.15	↓	6.20
Imputed agency direct care minutes implied		0.00		0.00
Total Direct Care Agency Minutes	**8.96**	**10.19**	↓	**9.91**

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Figure 29: Direct care staff (RN/EN/PCW) trend (minutes per resident per day)

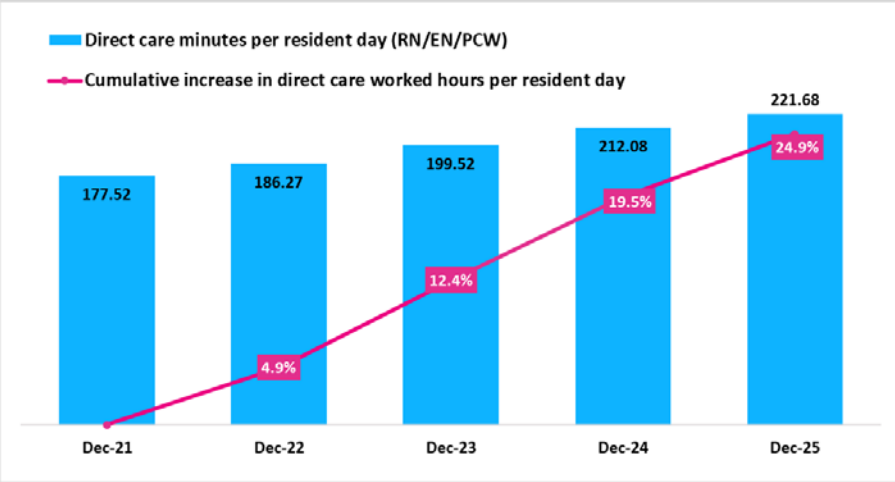
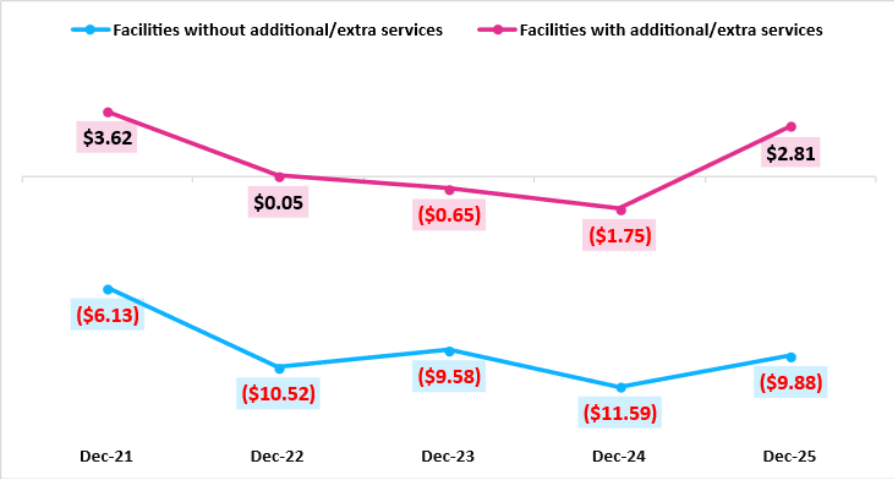


Figure 30: Everyday living margin trend for homes with/ without additional/ extra services fee

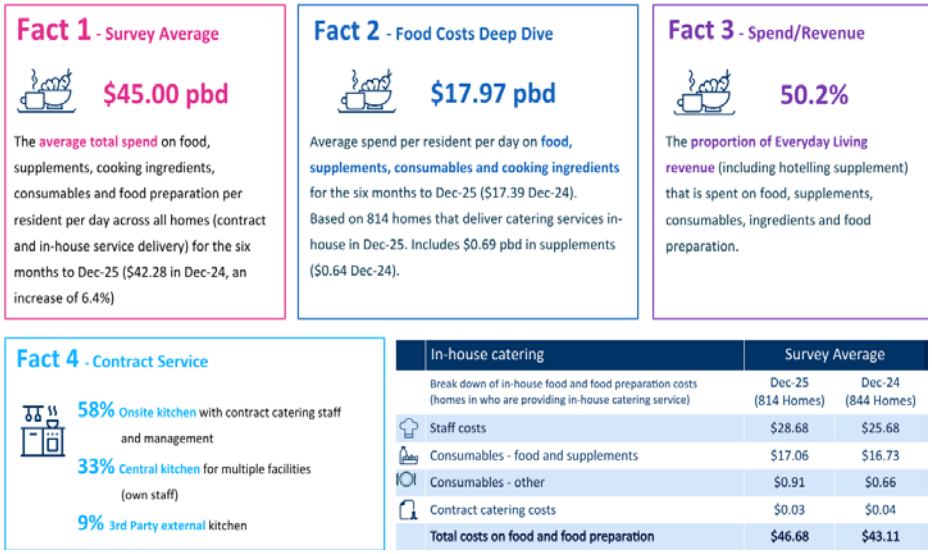


Everyday Living

Table 19: Everyday living revenue and expenses ($ pbd)

	Dec-25 *1,168 Homes*	Dec-24 *1,140 Homes*	YoY Movement	FY25 *1,165 Homes*	YoY Movement
Hotelling supplement - government	$19.29	$12.02		$12.56	$7.27
Basic daily fee - resident	$64.60	$62.83		$63.22	$1.77
Other resident income	$5.78	$4.77		$5.06	$1.01
Everyday Living revenue	**$89.66**	**$79.62**		**$80.84**	**$10.05**
Hotel services	$63.38	$59.51		$61.07	$3.87
Utilities	$9.36	$8.65		$8.81	$0.71
Everyday Living expenses	**$72.74**	**$68.16**		**$69.88**	**$4.58**
Administration overhead	$19.58	$17.79		$18.09	$1.79
Everyday Living margin	**($2.66)**	**($6.33)**		**($7.13)**	**$3.67**

Figure 31: Food and Preparation Costs in Aged Care



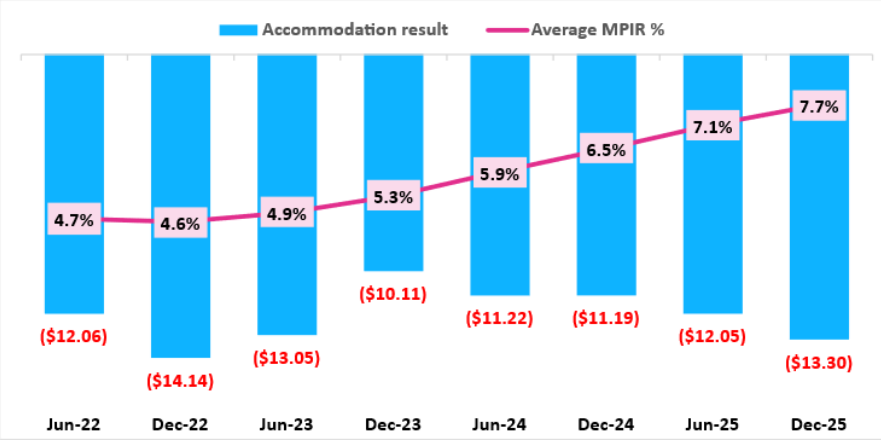
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Accommodation Analysis

Table 20: Accommodation revenue and expenses ($ pbd)

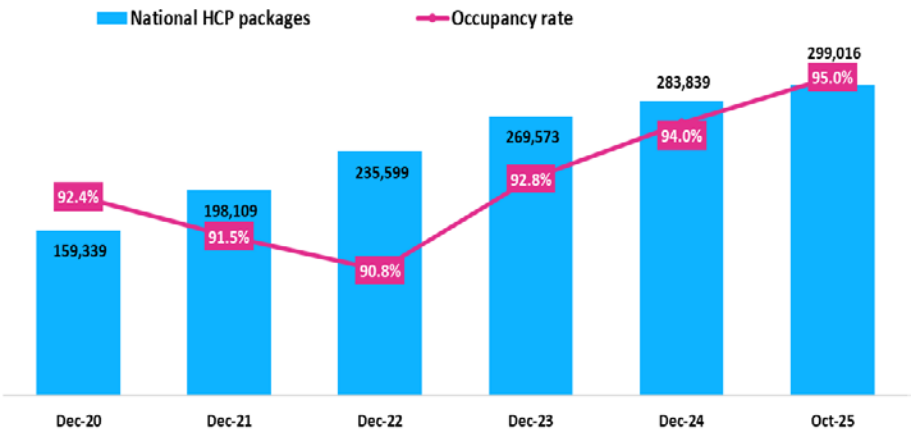
	Dec-25 *1,168 Homes*	Dec-24 *1,140 Homes*	YoY Movement	FY25 *1,165 Homes*	YoY *$ movement*
Accommodation revenue	**$44.45**	**$43.27**	↑	**$43.74**	**$1.18**
Accommodation expenses					
Depreciation	23.05	22.66	↑	22.89	0.39
Refurbishment	0.30	0.28	↑	0.34	0.02
Property maintenance	14.29	13.75	↑	14.39	0.54
Property rental	1.15	0.90	↑	1.03	0.25
Other accommodation costs	1.86	1.33	↑	1.33	0.52
Administration overhead	17.12	15.55	↑	15.81	1.57
Accommodation expenses	**$57.75**	**$54.46**	↑	**$55.78**	**$3.28**
Accommodation Margin ($ per bed day)	**($13.30)**	**($11.19)**	↓	**($12.05)**	**($2.10)**
Accommodation Margin ($ per bed pa)	**($4,600)**	**($3,841)**	↓	**($4,150)**	**($759)**
					-
Depreciation charge ($ per bed pa)	**$7,973**	**$7,775**	↑	**$7,885**	**$198**

Figure 32: Effect of MPIR % on accommodation margin ($ per bed day)



Occupancy

Figure 33: Residential occupancy comparison to home care packages



**Home care package Dec-25 number estimate based on Oct-25 amount*

Administration Costs

Table 21: Administration costs ($ pbd)

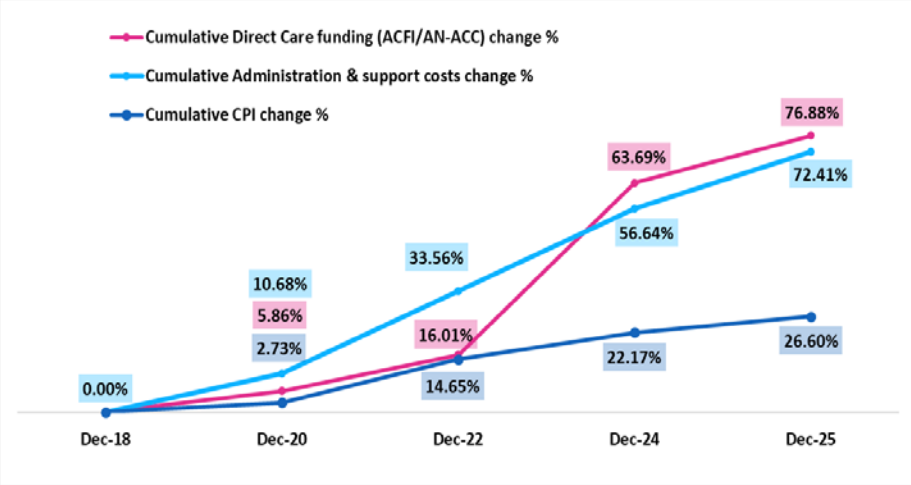
	Dec-25 *1,168 Homes*	Dec-24 *1,140 Homes*	YoY Movement	FY25 *1,165 Homes*	YoY Movement
Administration (corporate) recharges	38.94	34.44	↑	34.70	**$4.50**
Labour costs - administration (facility)	9.53	8.92	↑	9.09	**$0.60**
Other administration costs	7.44	7.33	↑	7.72	**$0.11**
Workers compensation	0.24	0.23	↑	0.23	**$0.01**
Payroll tax - administration staff	0.02	0.01	↑	0.01	**$0.00**
Fringe Benefits Tax	0.00	0.00	↑	0.01	**$0.00**
Quality & education - labour costs	0.04	0.05	↓	0.05	**($0.00)**
Quality and education - other	0.02	0.03	↓	0.02	**($0.01)**
Bad debts expense	0.03	0.00	↑	0.00	**$0.03**
Insurances	1.98	1.90	↑	1.97	**$0.08**
Total Administration Costs	**$58.24**	**$52.91**	↑	**$53.80**	**$5.33**

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Table 22: Administration costs by provider size ($ pbd)

	Provider Size: 1 Home	Provider Size: 2 to 6 Homes	Provider Size: 7 to 20 Homes	Provider Size: Over 20 Homes
Administration (corporate) recharges	8.99	33.68	45.50	40.97
Labour costs - administration (facility)	23.13	11.75	7.82	7.85
Other administration costs	16.59	9.94	7.40	5.20
Workers compensation	0.82	0.30	0.19	0.19
Payroll tax - administration staff	0.05	0.07	0.01	0.00
Fringe Benefits Tax	0.02	0.01	0.00	0.00
Quality & education - labour costs	0.19	0.07	0.06	0.01
Quality and education - other	0.07	0.03	0.01	0.02
Bad debts expense	0.00	-0.04	0.10	0.01
Insurances	3.38	2.49	1.61	1.83
Total Administration Costs	**$53.26**	**$58.32**	**$62.70**	**$56.08**

Figure 34: Administration costs increase % comparison



Agency Analysis

Figure 35: Agency direct care staff costs ($ per bed day)

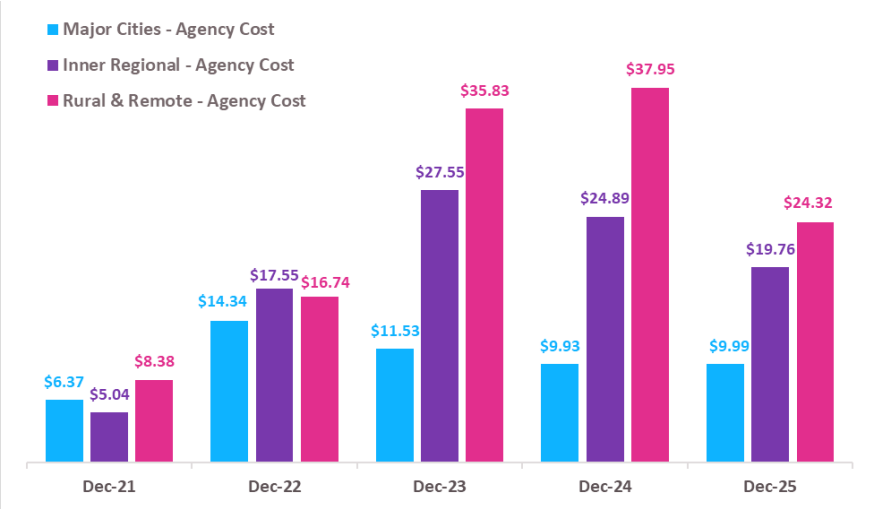
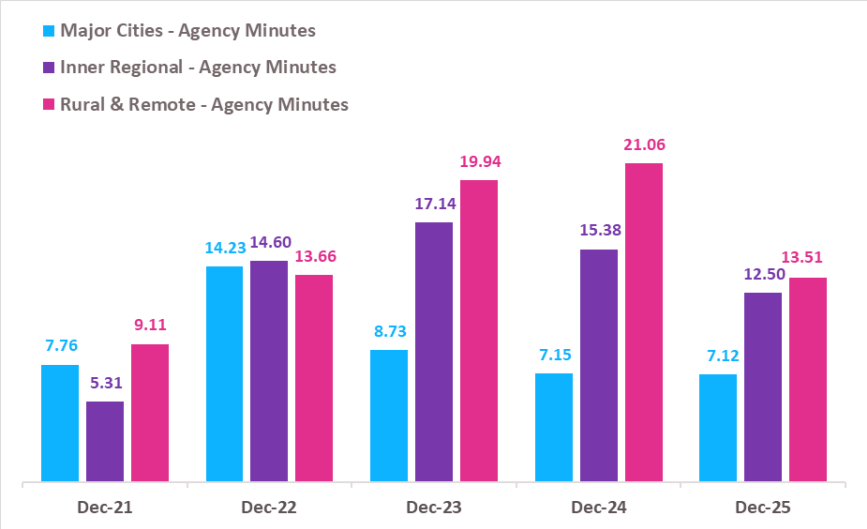
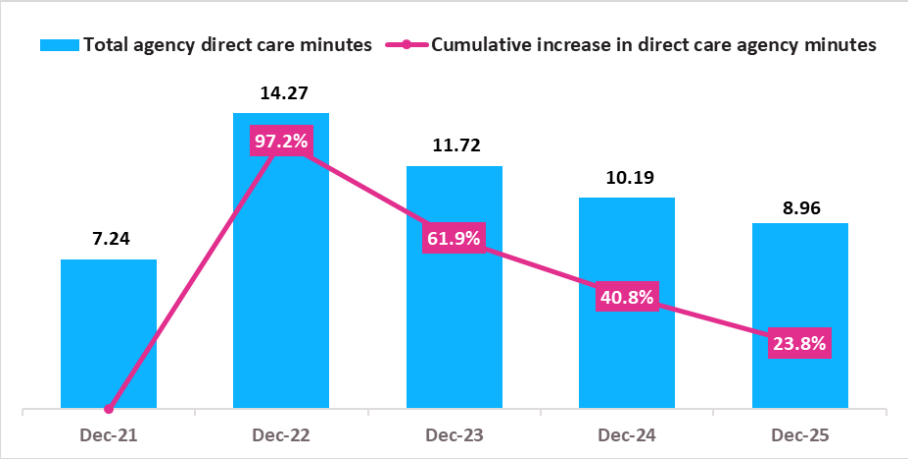


Figure 36: Agency direct care staff minutes (per resident per day)



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Figure 37: Agency direct care minutes accumulative trend



First 25% Trends

Figure 38: First 25% EBITDA result trend ($ per bed per annum)



Figure 39: First 25% Direct Care result ($ pbd) and direct care minutes trend

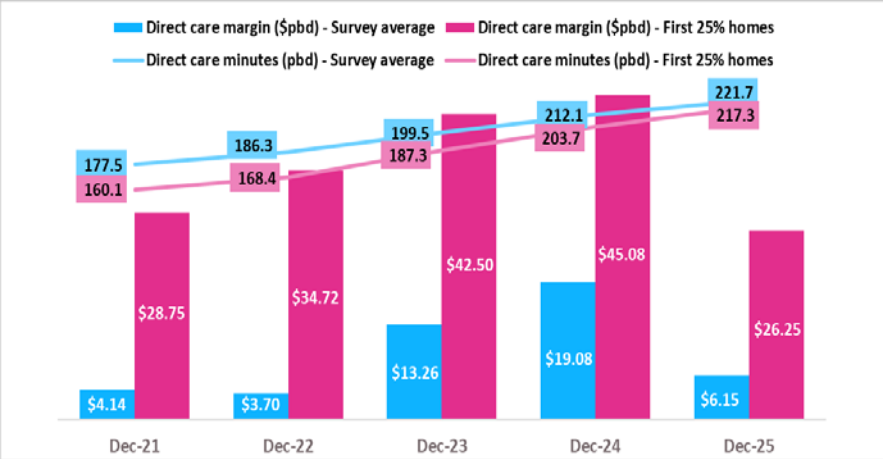


Table 23: First 25% direct care staffing metrics

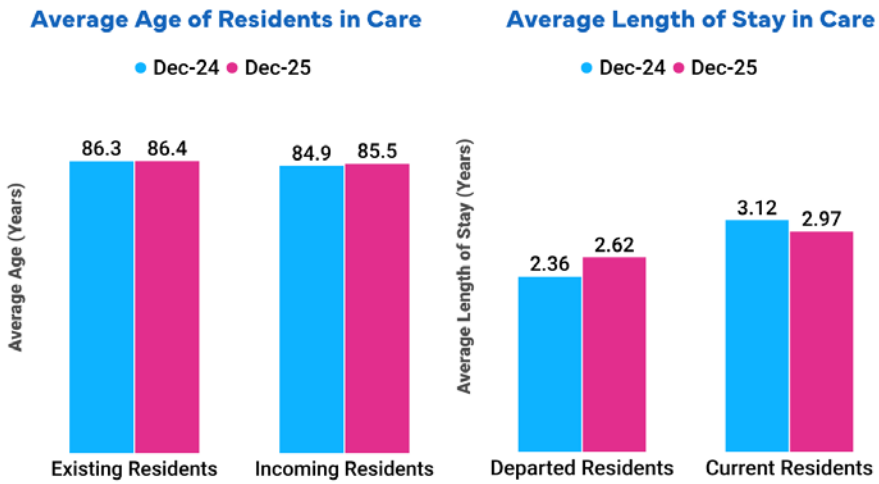
	Survey First 25%			Survey First 25%
Staffing Category	**Dec-25**	**Dec-24**		**FY25**
Registered nurses	43.04	39.74	↑	41.00
Enrolled & licensed nurses	8.91	9.41	↓	8.27
Other unlicensed nurses & personal care staff	165.34	154.56	↑	157.58
Imputed agency direct care minutes implied				
Total Direct Care Minutes	**217.29**	**203.70**	↑	**206.85**
Care management	3.37	3.86	↓	3.46
Allied health	3.48	3.42	↑	3.79
Diversional/Lifestyle/Activities	6.05	5.51	↑	5.61
Imputed agency other care minutes implied		0.00		
Total Care Minutes	**230.19**	**216.50**	↑	**219.71**

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Table 24: First 25% Agency direct care staffing metrics

Staffing Category	Survey First 25% Dec-25	Survey First 25% Dec-24		Survey First 25% FY25
Agency - Registered nurses	2.13	2.33	↓	2.28
Agency - Enrolled & licensed nurses	0.49	0.52	↓	0.38
Agency - Other unlicensed nurses & personal care staff	4.23	3.47	↑	3.79
Imputed agency direct care minutes implied				
Total Direct Care Agency Minutes	**6.85**	**6.32**	↑	**6.45**

Residential Demographic



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5. Appendix

StewartBrown Survey

Survey Outline

The StewartBrown *Aged Care Financial Performance Survey* (Survey) commenced in 1995 and has grown exponentially since that date. The use of the term "Survey" is probably a misnomer, as unlike many public surveys which have a limited data set, the StewartBrown Survey is subscription based, quarterly and very granular in respect of data covered and depth.

The Survey is primarily for the benefit of aged care providers in reviewing their financial performance and considerations of strategic direction on an individual aged care home (home) basis and home care package program basis.

Providers compare their performance of aged care homes using a number of metrics through a range of data attributes, including resident mix and acuity, staffing levels (cost and hours/minutes), geographic region, age of building, type of building, number of places (beds), accommodation pricing and administration costs. Home care has a similar range of metrics. The Survey participants utilise an interactive website with high level dashboards, business intelligence tools and the ability to drill down on all data fields as required.

A secondary benefit is that the aggregate of the data provides a significant level of trend data and detailed analysis as included in our Survey reports and now through independent analysis undertaken by the University of Technology (UTS Ageing Research Collaborative) which provides an additional level of academic rigour.

Each participant completes detailed data input forms for each quarter. Once received, the data undergoes a substantial cleansing and checking process (refer Glossary) which identifies all material variances, by comparison to previous quarters for each home and to equivalent benchmark homes. In this context, all variances identified through this automated cleansing process are followed up with the respective provider for comment and further amendment if required.

To join the Survey please email benchmark@stewartbrown.com.au

Survey Results Matrix

As noted above, the primary purpose of the Survey is for participating providers to benchmark individual aged care home and home care programs against similar de-identified comparators using a range of metrics. To ensure accurate and relevant benchmark comparisons, all outlier aged care homes and home care programs are excluded from the Survey results. Examples of outliers include:

- Homes/programs under sanction
- Homes with significant infectious disease outbreaks (such as COVID-19)
- Homes undergoing major refurbishment
- Newly built homes still in the ramping up stage
- Recently acquired homes/programs undergoing structural operation changes
- Homes/programs closed during the financial year (and reporting period)
- Homes with occupancy less than 80%.

For the purpose of the Survey analysis, all homes/programs included are referred to as being **mature**.

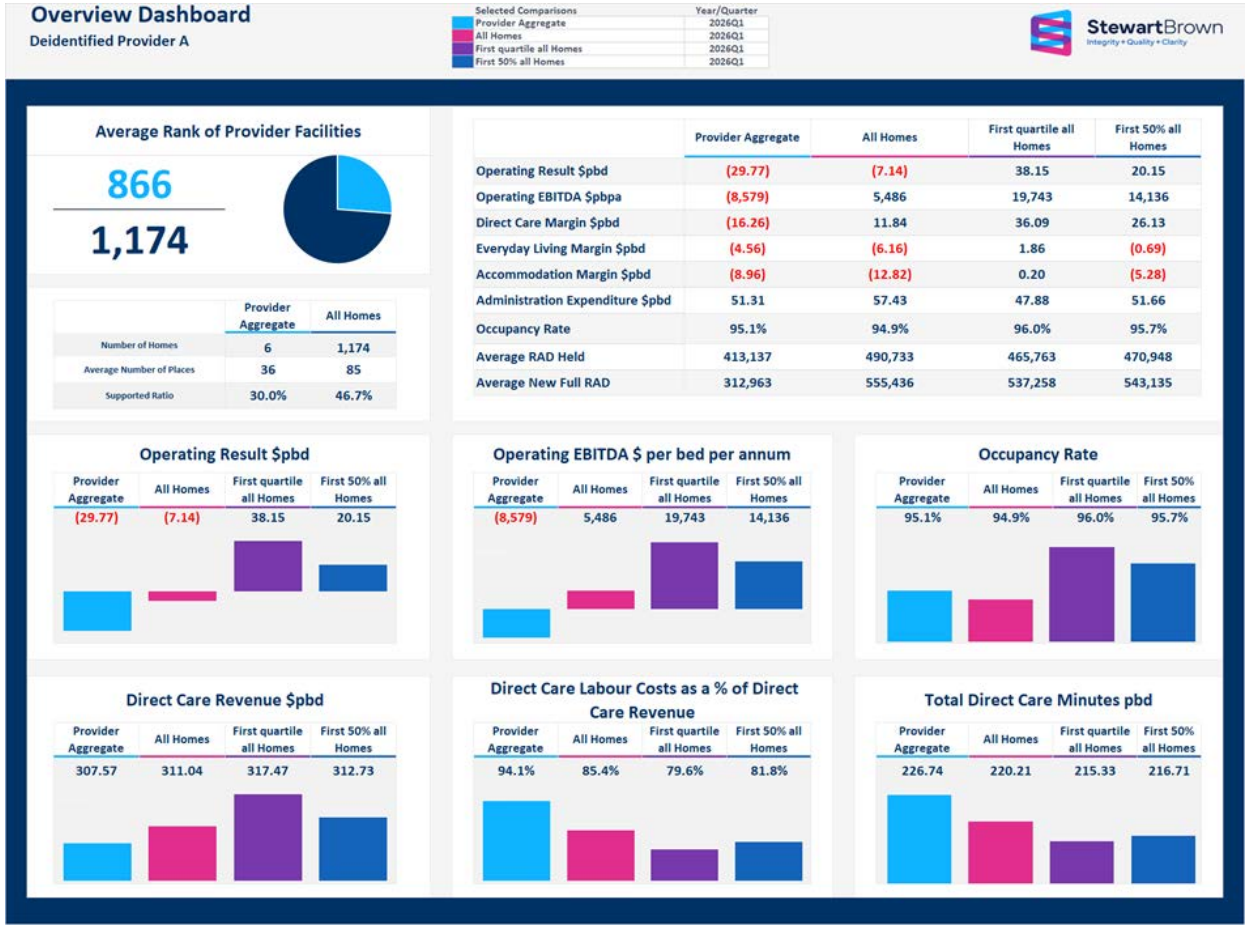
The *StewartBrown Retirement Village Financial Performance Survey* has also now been launched, incorporating the same granular analysis as the *StewartBrown Aged Care Financial Performance Survey*.

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Appendix 1: StewartBrown Sample Home Report *(individual home level)*

Interactive dashboard (provider aggregate and individual home level):

Facility Name/Benchmark	Report Link	Operating Result Rank	Operating Margin	Operating EBITDA $pbpa	Direct Care Margin	Everyday Living Margin	Accommodation Margin	Administration Expenditure	Occupancy Rate
All Homes			(7.14)	5,485.55	11.84	(6.16)	(12.82)	57.43	94.9%
Deitentified Provider Aggregate	Report	866 /1174	(29.77)	(8,578.69)	(16.26)	(4.56)	(8.96)	51.31	95.1%
Facility A	Report	844 /1174	16.53	6,760.12	(9.82)	10.23	16.13	41.95	96.2%
Facility B	Report	731 /1174	(18.30)	(4,198.04)	11.73	(11.51)	(18.52)	66.10	95.2%
Facility C	Report	1023 /1174	(50.63)	(15,632.70)	(30.15)	(6.80)	(13.68)	48.39	94.7%



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	Deidentified Provider (10 Homes) FY25 $pbd	All Homes (1,165 Homes) FY25 $pbd	First quartile all Homes (291 Homes) FY25 $pbd	Second quartile all Homes (292 Homes) FY25 $pbd	NSW Homes (455 Homes) FY25 $pbd
Summary Results					
Direct care					
Direct care revenue	295.38	299.24	302.55	296.58	300.49
Expenditure - direct care services	(260.77)	(263.27)	(246.05)	(258.45)	(263.42)
Administration - direct care overhead allocation	(19.72)	(19.90)	(16.39)	(19.11)	(20.65)
Direct care margin (A)	**$ 14.89**	**$ 16.07**	**$ 40.11**	**$ 19.02**	**$ 16.42**
Everyday living					
Everyday living revenue	82.11	80.84	80.63	81.16	82.34
Expenditure - hotel services	(60.04)	(61.07)	(56.97)	(58.15)	(60.53)
Expenditure - utilities	(8.21)	(8.81)	(8.61)	(8.42)	(8.49)
Administration - everyday living overhead allocation	(17.92)	(18.09)	(14.90)	(17.37)	(18.77)
Everyday living margin (B)	**$ (4.06)**	**$ (7.13)**	**$ 0.15**	**$ (2.78)**	**$ (5.45)**
Accommodation					
Accommodation revenue	43.77	43.74	46.81	43.90	44.21
Expenditure - accommodation services	(40.67)	(39.97)	(33.73)	(38.43)	(40.17)
Administration - accommodation overhead allocation	(15.67)	(15.81)	(13.03)	(15.18)	(16.41)
Accommodation margin (C)	**$ (12.56)**	**$ (12.05)**	**$ 0.05**	**$ (9.71)**	**$ (12.37)**
Operating result (A + B + C)	***$ (1.74)***	***$ (3.10)***	***$ 40.32***	***$ 6.53***	***$ (1.41)***
Operating result ($ per bed per annum)	***$ (602)***	***$ (1,068)***	***$ 14,039***	***$ 2,270***	***$ (486)***
Operating EBITDA ($ per bed day)	***$ 21.87***	***$ 19.79***	***$ 58.58***	***$ 29.03***	***$ 21.77***
Operating EBITDA ($ per bed per annum)	***$ 7,588***	***$ 6,817***	***$ 20,399***	***$ 10,097***	***$ 7,515***
Profile					
Number of places	700	97,600	24,430	26,518	37,430
Average number of places	70	84	84	91	82
Number of occupied days	24,287	33,622,416	8,507,026	9,223,289	12,921,142
Occupancy rate	95.1%	94.4%	95.4%	95.3%	94.6%
Supported ratio	46.4%	46.4%	50.0%	46.9%	45.4%

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	Deidentified Provider (10 Homes) FY25 $pbd	All Homes (1,165 Homes) FY25 $pbd	First quartile all Homes (291 Homes) FY25 $pbd	Second quartile all Homes (292 Homes) FY25 $pbd	NSW Homes (455 Homes) FY25 $pbd
KPI's					
Direct care revenue	295.38	299.24	302.55	296.58	300.49
Total operating revenue	421.26	423.82	429.99	421.63	427.03
Operating results as % of total operating revenue	(0.4%)	(0.7%)	9.4%	1.5%	(0.3%)
Direct care costs as % of direct care revenue	95.0%	94.6%	86.7%	93.6%	94.5%
Total direct care minutes per resident per day	214.93	214.04	206.85	212.20	213.57
Agency direct care staff minutes as % of total direct care labour	3.4%	4.6%	3.1%	4.3%	4.1%
Agency direct care staff costs as % of total direct care labour	4.6%	6.8%	4.8%	6.3%	6.5%
Overtime minutes as % of total direct care minutes	1.8%	2.1%	2.2%	2.2%	2.7%
Average full RAD taken	562,316	516,770	498,435	506,632	551,253
Average full RAD held	522,338	482,536	466,085	473,947	503,486
Expenses as % of total revenue					
Direct care (excl administration allocation)	61.9%	62.1%	57.2%	61.3%	61.7%
Hotel services (excl administration allocation)	14.3%	14.4%	13.2%	13.8%	14.2%
Utilities	1.9%	2.1%	2.0%	2.0%	2.0%
Accommodation (excl administration allocation)	9.7%	9.4%	7.8%	9.1%	9.4%
Administration services	12.7%	12.7%	10.3%	12.3%	13.1%
Total expenses as % of total revenue	**100.4%**	**100.7%**	**90.6%**	**98.5%**	**100.3%**
Staff costs as % of total revenue					
Direct care	59.5%	59.8%	55.3%	58.9%	59.2%
Everyday Living	7.5%	7.9%	7.5%	7.3%	6.7%
Accommodation	0.8%	0.8%	0.8%	0.8%	0.9%
Administration services	2.1%	2.2%	1.7%	2.1%	2.1%
Total staff costs as % of total revenue	**69.9%**	**70.8%**	**65.2%**	**69.1%**	**68.8%**
Staff costs					
Labour costs	286.49	292.10	272.70	284.61	284.82
Workers' compensation premium	7.17	7.42	6.47	6.48	8.46
Payroll tax	0.64	0.46	1.18	0.32	0.63
Fringe benefits tax	0.01	0.01	0.01	0.00	0.01
Total staff costs	***$ 294.31***	***$ 299.98***	***$ 280.36***	***$ 291.41***	***$ 293.92***
Quality, education and compliance	***$ 2.31***	***$ 2.26***	***$ 1.37***	***$ 2.55***	***$ 2.38***
Workers compensation expense as % of staff costs	***2.4%***	***2.5%***	***2.3%***	***2.2%***	***2.9%***

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Detailed Results

Direct care

	Deidentified Provider (10 Homes) FY25 $pbd	All Homes (1,165 Homes) FY25 $pbd	First quartile all Homes (291 Homes) FY25 $pbd	Second quartile all Homes (292 Homes) FY25 $pbd	NSW Homes (455 Homes) FY25 $pbd
Direct care revenue					
Government subsidies - care	283.71	288.80	292.69	285.97	289.44
Means-tested care fee	10.66	9.25	8.07	9.47	10.19
Direct care subsidy & supplements	***294.37***	***298.05***	***300.76***	***295.44***	***299.63***
Recurrent grants and other care	1.01	1.19	1.79	1.14	0.86
Non-recurrent operating care grants	-	-	-	-	-
Direct care revenue (A)	***295.38***	***299.24***	***302.55***	***296.58***	***300.49***
Direct care expenditure					
Care labour costs					
Registered nurses	60.75	62.30	58.31	60.65	62.63
Enrolled and licensed nurses *(registered with the NMBA)*	9.73	11.27	9.49	10.65	3.06
Other unlicensed nurses/personal care staff	155.04	154.13	147.02	152.83	160.20
FWC 15% leave entitlement increase	-	-	-	-	-
Total direct care labour costs	***225.52***	***227.70***	***214.83***	***224.13***	***225.89***
Care management	6.39	6.63	5.68	6.20	7.10
Allied health	6.26	6.26	5.58	6.20	6.06
Lifestyle/ Recreation/ Activities Officer /Diversional Therapy	5.99	6.24	5.06	5.97	5.88
Workers' compensation - care services	6.11	6.27	5.48	5.52	7.28
Payroll tax - care services	0.55	0.38	1.00	0.27	0.54
Total care labour costs	**250.83**	**253.48**	**237.63**	**248.30**	**252.76**
Medical, incontinence supplies & nutritional supplements	6.43	6.46	6.03	6.43	6.47
Chaplaincy / Pastoral care	0.81	0.76	0.59	0.88	1.12
Quality and education allocation to care services	1.97	1.91	1.16	2.17	2.05
Other resident services and consumables	1.87	1.79	1.68	1.78	1.93
Infection prevention and Covid-19	(1.14)	(1.13)	(1.04)	(1.11)	(0.90)
Expenditure - direct care services	***260.77***	**263.27**	**246.05**	**258.45**	**263.42**
Administration - direct care overhead allocation	*19.72*	19.90	16.39	19.11	20.65
Direct care expenditure (B)	***280.48***	**283.17**	**262.44**	**277.55**	**284.07**
Direct care margin (C = A - B)	**$ 14.89**	**$ 16.07**	**$ 40.11**	**$ 19.02**	**$ 16.42**
Total care labour costs as a % of direct care revenue	***84.9%***	***84.7%***	***78.5%***	***83.7%***	***84.1%***
Direct care expenditure as a % of direct care revenue	***95.0%***	***94.6%***	***86.7%***	***93.6%***	***94.5%***

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	Deidentified Provider (10 Homes) FY25 $pbd	All Homes (1,165 Homes) FY25 $pbd	First quartile all Homes (291 Homes) FY25 $pbd	Second quartile all Homes (292 Homes) FY25 $pbd	NSW Homes (455 Homes) FY25 $pbd
Everyday Living					
Everyday living revenue					
Basic daily fee - resident	63.26	63.22	63.16	63.14	63.14
Hotelling supplement – government	12.58	12.56	12.58	12.56	12.62
Fees for additional services and extra or optional service fees	6.27	5.06	4.89	5.46	6.57
Everyday living revenue (D)	***82.11***	***80.84***	***80.63***	***81.16***	***82.34***
Everyday living expenditure					
Hotel services					
Catering					
Labour costs	21.42	22.70	21.29	20.83	19.99
Consumables - food	14.12	14.26	14.57	14.17	14.15
Consumables - other	0.78	0.76	0.76	0.71	0.81
Contract catering	6.20	5.72	3.33	5.83	8.03
Income from sale of meals (usually a credit amount)	(0.31)	(0.29)	(0.25)	(0.33)	(0.19)
Total catering	***42.21***	***43.15***	***39.70***	***41.21***	***42.79***
Cleaning					
Labour costs	6.63	7.16	7.15	6.69	5.17
Consumables	1.80	1.78	1.73	1.65	1.68
Contract cleaning	3.25	2.71	2.51	2.71	4.89
Total cleaning	***11.68***	***11.65***	***11.39***	***11.05***	***11.75***
Laundry					
Labour costs	2.60	2.84	2.82	2.67	2.51
Consumables	0.48	0.48	0.54	0.51	0.61
Contract laundry	1.92	1.73	1.39	1.67	1.66
Total laundry	***4.99***	***5.06***	***4.75***	***4.85***	***4.78***
Workers' compensation - everyday living	0.77	0.83	0.74	0.69	0.82
Payroll tax - everyday living	0.07	0.05	0.14	0.03	0.06
Expenditure - quality and education (allocation to everyday living)	0.25	0.25	0.16	0.27	0.23
Other hotel services expenses	0.07	0.07	0.10	0.05	0.10
Total other hotel services	**1.16**	**1.21**	**1.14**	**1.04**	**1.21**
Expenditure - hotel services (X)	***60.04***	***61.07***	***56.97***	***58.15***	***60.53***

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	Deidentified Provider (10 Homes) FY25 $pbd	All Homes (1,165 Homes) FY25 $pbd	First quartile all Homes (291 Homes) FY25 $pbd	Second quartile all Homes (292 Homes) FY25 $pbd	NSW Homes (455 Homes) FY25 $pbd
Utilities					
Electricity	3.89	4.14	3.84	4.00	4.36
Gas	1.08	1.17	1.13	1.08	1.09
Rates	1.59	1.80	1.98	1.63	1.26
Rubbish removal	1.65	1.70	1.66	1.71	1.78
Expenditure - utilities (Y)	***8.21***	***8.81***	***8.61***	***8.42***	***8.49***
Expenditure - everyday living services (X + Y)	68.25	69.88	65.58	66.57	69.03
Administration - everyday living overhead allocation	17.92	18.09	14.90	17.37	18.77
Everyday living expenditure (E)	86.17	87.97	80.48	83.94	87.79
Everyday living margin (F = D - E)	**$ (4.06)**	**$ (7.13)**	**$ 0.15**	**$ (2.78)**	**$ (5.45)**
Accommodation					
Accommodation revenue					
Accommodation revenue - residents	18.17	17.74	16.59	17.44	18.14
Subsidy - Accommodation supplement	23.51	23.86	27.97	24.48	24.05
Subsidy - Respite supplement	2.09	2.14	2.25	1.98	2.02
Accommodation revenue (G)	43.77	43.74	46.81	43.90	44.21
Accommodation expenditure					
Labour costs - maintenance	3.11	3.47	3.33	3.30	3.71
Workers compensation - accommodation staff	0.08	0.09	0.08	0.08	0.11
Payroll tax - accommodation staff	0.01	0.01	0.01	0.00	0.01
Routine repairs & maintenance	10.56	10.53	9.99	9.85	10.57
Motor vehicle expenses	0.24	0.30	0.28	0.25	0.27
Quality, compliance and training external costs	0.03	0.03	0.02	0.03	0.03
Depreciation - building	13.68	13.57	10.65	12.48	14.29
Depreciation & amortisation - non building	7.87	7.75	6.79	6.98	8.62
Right of use assets - depreciation and finance cost	2.05	1.57	0.83	3.05	0.27
Rent - buildings (not captured by AASB 16)	1.29	1.03	0.46	0.82	0.31
Refurbishment	0.35	0.34	0.28	0.34	0.41
Bond/RAD interest expense	1.40	1.31	1.02	1.25	1.56
Expenditure - accommodation services	**40.67**	**39.97**	**33.73**	**38.43**	**40.17**
Administration - accommodation overhead allocation	*15.67*	*15.81*	*13.03*	*15.18*	*16.41*
Accommodation expenditure (H)	***56.34***	***55.78***	***46.75***	***53.61***	***56.58***
Accommodation margin (I = G - H)	**$ (12.56)**	**$ (12.05)**	**$ 0.05**	**$ (9.71)**	**$ (12.37)**

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	Deidentified Provider (10 Homes) FY25 $pbd	All Homes (1,165 Homes) FY25 $pbd	First quartile all Homes (291 Homes) FY25 $pbd	Second quartile all Homes (292 Homes) FY25 $pbd	NSW Homes (455 Homes) FY25 $pbd
Administration expenditure					
Administration recharges	35.64	34.70	29.39	33.89	38.91
Labour costs - administration	8.57	9.09	6.97	8.62	8.50
Other administration costs	6.90	7.72	6.20	7.03	6.31
Workers' compensation - other	0.21	0.23	0.17	0.20	0.25
Payroll tax - administration staff	0.02	0.01	0.03	0.01	0.02
Fringe Benefits Tax	0.01	0.01	0.01	0.00	0.01
Quality & education - labour costs	0.05	0.05	0.02	0.05	0.06
Quality & education - other	0.02	0.02	0.02	0.02	0.02
Insurances	1.89	1.97	1.53	1.84	1.75
Expenditure - administration	**53.30**	**53.80**	**44.32**	**51.66**	**55.82**
Direct care overhead allocation	(19.72)	(19.90)	(16.39)	(19.11)	(20.65)
Everyday living overhead allocation	(17.92)	(18.09)	(14.90)	(17.37)	(18.77)
Accommodation overhead allocation	(15.67)	(15.81)	(13.03)	(15.18)	(16.41)
Net administration after allocation (J)	-	**0.00**	**0.00**	-	**(0.00)**
Administration costs % of total revenue	***12.7%***	***12.7%***	***10.3%***	***12.3%***	***13.1%***
Operating result (K = C + F + I)	**$ (1.74)**	**$ (3.10)**	**$ 40.32**	**$ 6.53**	**$ (1.41)**
Operating result ($ per bed per annum)	***$ (602)***	***$ (1,068)***	***$ 14,039***	***$ 2,270***	***$ (486)***
Operating EBITDA ($ per bed day)	***$ 21.87***	***$ 19.79***	***$ 58.58***	***$ 29.03***	***$ 21.77***
Operating EBITDA ($ per bed per annum)	***$ 7,588***	***$ 6,817***	***$ 20,399***	***$ 10,097***	***$ 7,515***

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Detailed Staff Analysis

	Deidentified Provider (10 Homes) FY25 $pbd	All Homes (1,165 Homes) FY25 $pbd	First quartile all Homes (291 Homes) FY25 $pbd	Second quartile all Homes (292 Homes) FY25 $pbd	NSW Homes (455 Homes) FY25 $pbd
Staff Minutes Analysis (Normal + Overtime + Agency + Contract)					
Registered nurses	42.35	42.23	41.00	41.58	42.11
Enrolled and licensed nurses	8.75	10.01	8.27	9.55	2.64
Other unlicensed nurses/personal care staff	163.83	161.80	157.58	161.07	168.82
Total direct care minutes per resident day	***214.93***	***214.04***	***206.85***	***212.20***	***213.57***
Care management	3.74	3.88	3.46	3.90	4.13
Allied health	4.68	4.50	3.79	4.44	3.87
Lifestyle	6.75	7.07	5.61	6.93	6.82
Total care minutes per resident per day (A)	**230.10**	**229.50**	**219.71**	**227.47**	**228.40**
Hotel services - Catering	25.81	27.47	27.89	25.69	25.41
Hotel services - Cleaning	9.86	10.44	11.35	9.78	8.68
Hotel services - Laundry	3.90	4.14	4.35	4.11	3.89
Total Hotel services	**39.57**	**42.06**	**43.59**	**39.59**	**37.97**
Routine maintenance and accommodation	3.79	4.27	4.13	4.04	4.27
Administration	8.22	8.70	7.86	8.78	8.78
Quality and education	0.85	0.83	0.43	0.91	1.04
Total other staff minutes per resident per day	***52.43***	***55.86***	***56.01***	***53.32***	***52.06***
Total staff minutes	***282.53***	***285.36***	***275.72***	***280.80***	***280.46***
Total agency minutes (including imputed agency)	*10.38*	*13.33*	*10.47*	*12.04*	*11.55*
Agency & Overtime Analysis					
Agency costs - Registered nurses	3.87	6.98	4.80	6.06	6.34
Agency costs - Enrolled and licensed nurses	0.53	0.69	0.58	0.67	0.13
Agency costs - Other unlicensed nurses/personal care staff	5.89	7.87	4.87	7.35	8.12
Total agency direct care labour costs	**10.29**	**15.54**	**10.25**	**14.07**	**14.58**
Agency direct care staff costs as % of total direct care labour costs	4.6%	6.8%	4.8%	6.3%	6.5%
Agency minutes - Registered nurses	2.02	3.24	2.28	2.89	2.81
Agency minutes - Enrolled and licensed nurses	0.40	0.47	0.38	0.47	0.07
Agency minutes - Other unlicensed nurses/personal care staff	4.84	6.20	3.79	5.67	5.89
Total agency direct care minutes	**7.26**	**9.91**	**6.45**	**9.03**	**8.77**
Agency direct care staff minutes as % of total direct care labour minutes	3.4%	4.6%	3.1%	4.3%	4.1%
Overtime minutes - Registered nurses	0.78	0.81	0.72	0.85	1.04
Overtime minutes - Enrolled and licensed nurses	0.11	0.16	0.18	0.16	0.06
Overtime minutes - Other unlicensed nurses/personal care staff	3.06	3.46	3.57	3.58	4.62
Total overtime direct care minutes	**3.95**	**4.43**	**4.47**	**4.60**	**5.71**
Overtime direct care staff minutes as % of total direct care labour minutes	1.8%	2.1%	2.2%	2.2%	2.7%

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	Deidentified Provider (10 Homes) FY25 $pbd	All Homes (1,165 Homes) FY25 $pbd	First quartile all Homes (291 Homes) FY25 $pbd	Second quartile all Homes (292 Homes) FY25 $pbd	NSW Homes (455 Homes) FY25 $pbd
Accommodation Analytics					
Accommodation revenue					
Accommodation revenue	***43.77***	***43.74***	***46.81***	***43.90***	***44.21***
Imputed DAP (based on RAD holdings)	56.08	50.96	45.17	49.65	52.90
Benchmark accommodation revenue	***99.85***	***94.70***	***91.97***	***93.55***	***97.10***
Accommodation expenditure					
Depreciation/amortisation/rent	24.90	23.91	18.72	23.32	23.49
Other accommodation expenditure	15.77	16.06	15.01	15.11	16.68
Administration - accommodation overhead allocation	15.67	15.81	13.03	15.18	16.41
Accommodation expenditure	***56.34***	***55.78***	***46.75***	***53.61***	***56.58***
Benchmark accommodation result	**$ 43.52**	**$ 38.91**	**$ 45.22**	**$ 39.94**	**$ 40.53**
Accommodation Payment Analysis					
Incoming residents accommodation payment split					
Full RAD	38.3%	37.0%	37.0%	37.2%	35.0%
Full DAP	39.7%	40.6%	39.4%	39.6%	43.5%
Combination - Part RAD, Part DAP	22.0%	22.4%	23.6%	23.2%	21.5%
Total number of incoming RADs/DAPs/Combinations	14,136	21,548	4,957	5,735	7,982
Average incoming RAD (current financial year)					
Average of new FULL RADs / RACs	562,316	516,770	498,435	506,632	551,253
Average of new PART RADs / RACs	285,611	261,092	247,297	273,154	273,558
Average RAD/Bond held (as at reporting date)					
Average of FULL RADs/RACs held at reporting date	522,338	482,536	466,085	473,947	503,486
Average of PART RADs/RACs held at reporting date	280,673	258,987	246,427	260,591	272,420

Note: Accommodation pricing is as published on the My Aged Care website as at the end of current survey period
Market data listed supplied by Cotality RP Data as at the end of the current survey period

Default column definitions	
Column 1 - Provider Result	**the result for Provider's consolidated residential segment**
Column 2 - All Homes	**the sector average for all homes**
Column 3 - Results of 1st Quartile	**the average of the First 25% of Sector**
Column 4 - Results of 2nd Quartile	**the average of the 2nd quartile of Sector**
Column 5 - State Average	**the average across all homes in this State**

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6. Glossary

Accommodation Margin
Accommodation Margin is the net result of accommodation revenue (DAPs/DACs/Accommodation supplements) and expenses related to capital items such as depreciation, property rental and refurbishment costs. It includes an allocation of administration costs.

AN-ACC Direct Care Subsidy
From 1 October 2022 the Australian National Aged Care Classification (AN-ACC) replaced the previous Aged Care Funding Instrument (ACFI) funding model. Direct care revenue includes the subsidy received from the Commonwealth and the means-tested care fee component levied to the resident. Direct care revenue includes the additional care supplement subsidies and some specific grant (not capital) funding.

Administration Costs
Administration Costs includes the direct costs related to administration and support services and excludes the allocation of workers compensation and quality and education costs to direct care, everyday living and accommodation.

Although administration costs are unfunded specifically, each of the respective revenue streams requires a significant component. The allocation of the administration costs has been based on the average provider responses received from the FY23 *StewartBrown Corporate Administration Financial Survey*.

The allocation for each revenue stream is as follows:

- Direct care: 37.0%
- Everyday living: 33.6%
- Accommodation: 29.4%.

Aged Care Home
Individual discrete premises that a registered provider uses for residential aged care. "Aged Care Home" is the term approved at the Department of Health, Disability and Ageing; in some contexts, "home" is used, with an identical meaning.

Averages
For residential care all *averages* are calculated using the total of the raw data submitted for any line item and then dividing that total by the total occupied bed days for the aged care homes in the group. For example, the average for contract catering across all homes would be the total amount submitted for that line item divided by the total occupied bed days for all aged care homes in the Survey.

For home care all *averages* are calculated using the total of the raw data submitted for any line item and then dividing that total by the total client days for the programs in the group. For example, the average for sub-contracted and brokerage costs across all programs would be the total amount submitted for that line item divided by the total client days for all programs in the Survey.

***Average* by line item**
This measure is *averaged* across only those aged care homes that provide data for that line item. All other measures are *averaged* across all the homes in the particular group. The *average* by line item is particularly useful for line items such as contract catering, cleaning and laundry, property rental, extra service revenue and administration fees as these items are not included by everyone.

Basic Daily Fee (BDF)
The Basic Daily Fee (BDF) is a mandatory daily payment for all residential aged care residents in Australia, covering everyday living costs like meals, cleaning, and laundry. It is set at 85% of the single person rate of the basic age pension, adjusted every March and September.

Bed day
The number of days that a residential care place is occupied in the Survey period. Usually represents the days for which a direct care subsidy or equivalent respite subsidy has been received.

Benchmark
We consider the benchmark to be the average of the *First 25%* in the group of programs being examined. For example, if we are examining the results for aged care homes (homes) / programs in Band 4, then the benchmark would be the average of the *First 25%* of the aged care homes (homes) / programs in Band 4.

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Benchmark bands

Residential Care

For the purpose of benchmarking homes against each other, we sort homes into "benchmark groups (bands)" based on the levels of Government care subsidies + means-tested care fees received.

Based on Average Direct Care Subsidy & Supplements (including respite) ($ per bed day):

Band 1 - Over $324
Band 2 - Between $315 and $324
Band 3 - Between $306 and $315
Band 4 - Under $306

Direct Care Margin

The Direct Care (AN-ACC and formerly ACFI) Margin represents the net result from revenue and expenses directly associated with direct care. It includes AN-ACC (formerly ACFI) and Supplements (including means-tested care fee) revenue less total direct care expenditure. This includes an allocation of workers compensation, quality and education costs and administration costs.

Dollars per bed day

This is the common measure used to compare items across aged care homes (homes). The denominator used in this measure is the number of occupied bed days for any home (home) or group of homes (homes).

EBITDA – Provider and Home

This measure represents earnings before interest (including investment revenue), taxation, depreciation and amortisation. The calculation excludes interest (and investment) revenue as well as interest expense on borrowings.

EBITDA per bed per annum

Calculation of the aged care home (home) EBITDA for the financial year-to-date divided by the number of operational beds in the aged care home (home).

NPBT

Net Profit Before Tax is the total or net result including non-recurrent revenue and expenses.

Home

An aged care home is sometimes called a "home" for convenience. The Home Result is the result for each aged care home being considered. Often called Aged Care Home and abbreviated to ACH.

Everyday living margin

Revenue from the BDF, hotelling supplement and additional service fees including HELF less the costs of hotel services (catering, cleaning, laundry) and utilities (includes allocation of workers compensation premium and quality and education costs and administration costs to hotel services staff).

Higher Everyday Living Fee (HELF)

This is an optional fee for people who choose to receive higher quality everyday living services in permanent or respite residential aged care. The HELF replaces additional service fees and extra service fees.

Location - City

Aged care homes have been designated as being city based according to the designation by the Department of Health, Disability and Ageing in their listing of aged care services. Those that were designated as being a "Major City of Australia" have been designated City.

Location - Regional

Aged care homes have been designated as being regionally based according to the designation by the Department of Health, Disability and Ageing in their listing of aged care services. Those that were designated as being an "Inner Regional", "Outer Regional" or "Remote" have been designated as Regional.

Modified Monash Model (MM)

The Modified Monash Model (MM) measures remoteness and population size on a scale of Modified Monash (MM) categories MM 1 to MM 7. MM 1 is a major city, and MM 7 is very remote.

Non-recurrent revenue and expenses

Non-recurrent revenue and expense refers to income or costs that arise from one-off, irregular or infrequent events and are not expected to occur as part of the normal, ongoing operations of an aged care provider. These items are excluded from

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recurrent or underlying operating results to enable more meaningful assessment of sustainable financial performance and benchmarking. Non-recurrent revenue includes but is not limited to fair value gains, one-off government or capital grants, insurance recoveries and proceeds from legal settlements or asset sales. Non-recurrent expenses include but are not limited to impairments or write-downs, major rectification or remediation works outside normal maintenance, restructuring or redundancy costs, one-off legal or settlement expenses.

Operating Result - Aged Care Home (Home)
This is the combination of the direct care margin, everyday living margin and accommodation margin. It excludes all "provider revenue and expenditure" including fundraising revenue, revaluations, donations, capital grants and sundry revenue.

This measure is more consistent across the aged care homes (homes) because it excludes all those items which are generally allocated at the aged care home (home) level on an inconsistent and arbitrary basis depending on the policies of the individual provider

Operating Result - Provider
This is the total of service revenue and investment revenue less operating expenses at the provider level. It excludes any non-recurrent revenue and expenses.

Operating EBITDA - Aged Care Home (Home)
The starting point for this calculation is the Home Operating Result which is then adjusted to excludes interest (including investment revenue and any interest expense on borrowings), taxation, depreciation and amortisation.

Operating EBITDA - Provider
The starting point for this calculation is the Provider Operating Result which is then adjusted to excludes interest (including investment revenue and any interest expense on borrowings), taxation, depreciation and amortisation.

Quartiles - Residential Care
The Residential Care results are distributed for the Survey period from highest to lowest by Care Result. This is then divided into quartiles - the *First 25%* (the first quartile), second 25%, third 25%, fourth 25% and the average of each quartile is reported. The *First 25%* represents the quartile of homes with the highest Care Result.

Survey is the abbreviation used in relation to the StewartBrown *Aged Care Financial Performance Survey*.

Data Collection Process



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StewartBrown Contact Details

For further analysis of the information contained in the Survey report please contact our specialist analyst team

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FAIR WORK COMMISSION

Matter No: AM2024/11

Application by Australian Nursing and Midwifery Federation

WITNESS STATEMENT OF KATHARINE BASSETT

DATED 29 MAY 2026

I, Dr Katharine Bassett of [redacted], state as follows:

BACKGROUND

1. I am the Director of Health Policy at Catholic Health Australia (**CHA**).

2. In my role, I lead national health advocacy and reform initiatives, with a focus on equity, financial sustainability, and access to care.

3. My duties include:

   (a) identifying, developing, and articulating CHA's healthcare policy positions;

   (b) advocating for CHA's policy positions to relevant government departments, and advising on public policy positions relating to public and private hospital care, private health insurance, and health financing;

   (c) stakeholder engagement within the CHA membership, with other peak bodies in the health sector, and across federal, state and territory governments; and

   (d) representing the interests of CHA members on internal and external consultative committees and forums, including before tribunals, parliamentary committees and statutory bodies.

Lodged by: Catholic Health Australia	**Telephone:** Nigel Ward – [redacted]; Alana Rafter – [redacted]
Address for service: Australian Business Lawyers & Advisors Level 7, 8 Chifley Square, SYDNEY NSW 2000	**Email:** Nigel.Ward@ablawyers.com.au Alana.Rafter@ablawyers.com.au

4. Prior to my current role, I directed research and reform strategy at the Australian Medical Association as Manager – Research and Reform. In that role, I brought together subject matter experts, researchers, user experience specialists, media and communications advisors, and health economists to translate research and economic analysis into implementable solutions.

5. A key part of that work involved:

   (a) identifying and analysing issues in the health system;

   (b) developing practical and costed solutions to these issues; and

   (c) creating a platform for system and policy reform through advocacy and campaigns.

6. I hold a PhD in clinical immunology and genomics from the Australian National University, where I continue to be a visiting lecturer. I also hold a Bachelor of Medical Science (Honours).

7. This statement is made from my own knowledge and belief, unless otherwise stated. Where statements are not made from my knowledge, they are made to the best of my knowledge, information and belief and I have set out the sources of my knowledge, information and belief.

CATHOLIC HEALTH AUSTRALIA

8. CHA is the largest non-government provider grouping of health, community and aged care services in Australia.

9. CHA is the peak advocacy body representing the largest non-government group of health, aged and community care services in Australia. CHA advocates for an equitable, compassionate, best practice and secure health and aged care sector.

10. CHA’s head office is based in Canberra.

CATHOLIC HEALTH AUSTRALIA MEMBERSHIP

11. CHA has members based in every state and territory in Australia.

12. The membership of CHA currently covers:

    (a) 80 hospitals (including 17 public and 63 private); and

    (b) 350 aged care facilities.

13. Turning to the consumers of our members, CHA operates:

    (a) over 12,300 hospitals beds;

    (b) over 53,000 home care & support consumers;

    (c) over 27,000 residential aged care beds; and

    (d) over 7,000 independent living units.

14. CHA members include:

    (a) Catholic Archdiocese of Melbourne;

    (b) Catholic Archdiocese of Sydney;

    (c) Ballycara;

    (d) Cabrini Health;

    (e) Calvary Ministries;

    (f) Cardinal Stepinac Village;

    (g) Catholic Healthcare Ltd;

    (h) Catholic Homes Incorporated;

    (i) Catholic Religious Australia;

    (j) CatholicCare Central Queensland;

    (k) Centacare Brisbane;

(l) Daughters of Charity of St Vincent de Paul;

(m) Diocese of Lismore;

(n) Diocese of Port Pirie;

(o) Franciscan Missionaries of the Divine Motherhood;

(p) Franciscan Sisters of the Heart of Jesus;

(q) Little Sisters of the Poor;

(r) Mary Aikenhead Ministries;

(s) Mercy Ministries Companions;

(t) Mercy Partners;

(u) MercyCare Limited;

(v) Mount La Verna Retirement Village Inc;

(w) Ozcare;

(x) Scalabrini;;

(y) Sisters of St Paul De Chartres;

(z) Southern Cross Care (NSW & ACT);

(aa) Southern Cross Care (QLD) Inc;

(bb) Southern Cross Care (SA, VIC & NT) Inc;

(cc) Southern Cross Care (Tas) Inc;

(dd) Southern Cross Care (WA) Inc;

(ee) St John of God Health Care;

(ff) St Vincent de Paul Housing Australia;

(gg) St Vincent De Paul Queensland;

(hh) St Vincent De Paul Society;

(ii) Trustees of Catholic Aged Care Sydney; and

(jj) UnitingCare Qld Limited.

15. The membership of CHA provides approximately 10% of hospital and aged care services in Australia.

GENERAL ECONOMIC STATE OF THE INDUSTRY

16. The financial impact of the Application made by the Australian Nursing and Midwifery Federation (the **Application**), would most acutely be felt by those CHA members operating private hospitals, namely:

(a) Cabrini Health;

(b) Calvary (Little Company of Mary Health Care Limited);

(c) Canossa Private Hospital (operated by Ozcare, a division of St Vincent de Paul Society Queensland);

(d) Mater Misericordiae;

(e) St John of God Health Care;

(f) St Vincent's Health Australia and its subsidiaries;

(g) St Vincent's Lismore; and

(h) UnitingCare Queensland.

17. These members account for approximately 30 per cent of private hospital care delivered in Australia, which is around 63 hospitals.

18. CHA’s private hospital members derive their revenue principally from contracts with private health insurers, supplemented in some cases by limited State Government contracted services for public patients.

19. The annual indexation under most contracts with private health insurers is influenced by the annual private health insurance premium round process, in which proposed premium increases are submitted to the Commonwealth Government for approval.

20. In recent years, private health insurance premium increases have lagged growth in operating costs, and the indexation passed through from insurers to CHA members has in turn lagged the premium increase.

Labour Cost Exposure

21. For CHA's hospital-providing members, labour costs are the largest single operating cost, generally accounting for between 60 and 70 per cent of total operating expenses.

22. By way of example, Annual Information Statement data lodged with the Australian Charities and Not-for-Profits Commission (**ACNC**), which I accessed via the ACNC website, show that:

(a) in FY25, employee costs constituted approximately 63 per cent of Mater Misericordiae's;

A COPY OF THE MATER ANNUAL FINANCIAL REPORT IS ANNEXED AND MARKED "KB-1".

(b) 64 per cent of St John of God Health Care's;

A COPY OF THE ST JOHN OF GOD HEALTH CARE ANNUAL FINANCIAL REPORT IS ANNEXED AND MARKED "KB-2".

(c) 67 per cent of St Vincent's Health Australia's;

A COPY OF THE ST VINCENT'S HEALTH AUSTRALIA ANNUAL FINANCIAL REPORT IS ANNEXED AND MARKED "KB-3".

(d) 69 per cent of UnitingCare Queensland's; and

A COPY OF THE UNITINGCARE QUEENSLAND ANNUAL FINANCIAL REPORT IS ANNEXED AND MARKED "KB-4".

(e) 72 per cent of Calvary's.

A COPY OF THE CALVARY ANNUAL FINANCIAL REPORT IS ANNEXED AND MARKED "KB-5".

23. In aggregate, employee costs represented around 67 per cent of total operating expenses across CHA's hospital-providing members in FY25, and have remained within a narrow 65–68 per cent band every year since FY19, underscoring the structural, rather than cyclical, nature of labour-cost exposure in the sector.

24. The financial impact of the increases sought in this Application on individual CHA members will depend on a number of variables, including:

(a) the size and skill mix of the member's nursing workforce;

(b) the proportion of nurses paid at award rates as opposed to above-award rates under enterprise agreements;

(c) the relevant classification mix (in particular the proportion of senior nurses, enrolled nurses (**ENs**) and nurse practitioners (**NPs**); and

(d) the extent of state-based or facility-based shift loadings and allowances.

25. Based what I have observed in relation to labour costs, set out above, award and enterprise agreement wage growth in nursing is a significant and ongoing cost pressure on the financial sustainability of the private hospital sector in this context.

26. Award rate increases also typically influence subsequent enterprise agreement negotiations because award rates set the floor for, and operate as comparators in, those negotiations.

27. CHA has previously identified this issue to government, including in its submission on Private Health Reform Options, and has called on the Commonwealth to support enterprise agreement wage growth in private hospitals through targeted mechanisms (including

subsidies, grants, and incorporation of hospital cost pressures into the annual private health insurance premium round process).

A COPY OF THE CHA SUBMISSIONS: PRIVATE HEALTH REFORM OPTIONS IS ANNEXED AND MARKED "KB-6"

28. The financial position of CHA's hospital-providing members has been declining for several years, and the challenging operating environment has already resulted in a number of private hospital and service closures.

29. By way of example:

    (a) in 2024, Calvary withdrew from its arrangement with the Tasmanian Government to develop a private hospital co-located with Launceston General Hospital;

    (b) in 2024, St John of God Health Care closed its private maternity service at St John of God Bunbury Hospital;

    (c) in 2024, Mater Private Hospital Redland closed its private maternity services;

    (d) in 2023, St Vincent's ceased operating St Joseph's Hospital Auburn (NSW); and

    (e) in 2023, St Vincent's Private Day Surgery Lismore closed.

30. Based on the analysis above and on my engagement with CHA members, my view is that the phased increases sought in this Application will place real and material additional financial pressure on members, with a heightened risk of further service rationalisation and closures, particularly affecting rural and regional communities where the costs of service delivery are generally higher.

COST IMPACT FOR MEMBERS OF CHA

31. The increases sought by the ANMF would be incurred by CHA members in circumstances where, even before those increases, the financial position of the private hospital sector has been declining for several years.

32. In preparing this statement, I have reviewed the Annual Information Statement data and accompanying Annual Financial Reports lodged with the ACNC (accessible via https://www.acnc.gov.au/charity/charities) for the following CHA members:

(a) Cabrini Health Limited;

(b) Little Company of Mary Health Care Limited (Calvary);

(c) St Vincent de Paul Society Queensland (in respect of Canossa Private Hospital, operated by its Ozcare division);

(d) Mater Misericordiae Ltd;

(e) St John of God Health Care Inc.;

(f) St Vincent's Health Australia Limited and its subsidiaries;

(g) St Vincent's Health (Lismore); and

(h) UnitingCare Queensland.

33. I will refer to that group and the accompanying ACNC data in this statement as “the CHA membership ACNC data and reports”. Where my observations concern particular members or time periods that will be identified.

34. Annual Information Statement data and accompanying Annual Financial Reports lodged with the ACNC shows operating losses across CHA's major hospital-providing members, including:

(a) Calvary, which recorded an operating loss of $305.1 million in FY23, followed by further losses of $51.2 million in FY24 and $51.4 million in FY25. That is derived from a review of the following:

(i) Calvary annual information Statement for FY23 (annexed and marked **“KB-7”**);

(ii) Calvary Annual Financial Report for FY23 (annexed and marked **“KB-8”**);

(iii) Calvary Annual Information Statement for FY24 (annexed and marked **"KB-9"**);

(iv) Calvary Annual Financial Report for FY24 (annexed and marked **"KB-10"**);

(v) Calvary Annual Information Statement for FY25 (annexed and marked **"KB-11"**); and

(vi) Calvary Annual Financial Report for FY25 (annexed and marked **"KB-5"**).

(b) Mater Misericordiae, which has been in operating loss in every year since FY22, including losses of $105.6 million in FY23, $106.8 million in FY24, and $90.1 million in FY25. That is derived from a review of the following:

(i) Mater Misericordiae Annual Information Statement for FY22 is annexed and marked **"KB-12"**;

(ii) Mater Misericordiae Annual Financial Report for FY22 is annexed and marked **"KB-13"**;

(iii) Mater Misericordiae Annual Information Statement for FY23 is annexed and marked **"KB-14"**;

(iv) Mater Misericordiae Annual Financial Report for FY23 is annexed and marked **"KB-15"**;

(v) Mater Misericordiae Annual Information Statement for FY24 is annexed and marked **"KB-16"**;

(vi) Mater Misericordiae Annual Financial Report for FY24 is annexed and marked **"KB-17"**;

(vii) Mater Misericordiae Annual Information Statement for FY25 is annexed and marked **"KB-18"**; and

(viii) Mater Misericordiae Annual Financial Report for FY25 is annexed and marked **"KB-1"**.

(c) St Vincent's Health Australia, which recorded operating losses in four of the past five financial years, including $48.8 million in FY23 and $92.9 million in FY25 which is its largest deficit in the period. That is derived from a review of the following:

(i) St Vincent's Health Annual Information Statement for FY23 is annexed and marked **"KB-19"**;

(ii) St Vincent's Health Annual Financial Report for FY23 is annexed and marked **"KB-20"**;

(iii) St Vincent's Health Annual Information Statement for FY25 is annexed and marked **"KB-21"**; and

(iv) a copy of the St Vincent's Health Annual Financial Report for FY25 is annexed and marked **"KB-3"**.

(d) UnitingCare Queensland, which swung from a $19.6 million operating profit in FY22 to operating losses of $54.4 million in FY23 and $91.8 million in FY24. That is derived from a review of the following:

(i) Unitingcare Queensland Annual Information Statement for fy22 is annexed and marked **"KB-22"**;

(ii) Unitingcare Queensland Annual Financial Report for fy22 is annexed and marked **"KB-23"**;

(iii) Unitingcare Queensland Annual Information Statement for FY23 is annexed and marked **"KB-24"**;

(iv) Unitingcare Queensland Annual Financial Report for FY23 is annexed and marked **"KB-25"**;

(v) Unitingcare Queensland Annual Information Statement for FY24 is annexed and marked **"KB-26"**; and

(vi) Unitingcare Queensland Annual Financial Report for FY24 is annexed and marked “KB-27”.

(e) St John of God Health Care, which recorded an operating loss of $99.2 million in FY23 and further losses of $8.8 million and $24.7 million in FY22 and FY24 respectively. That is derived from a review of the following:

(i) St John of God Health Care’s Annual Information Statement for FY23 is annexed and marked **“KB-28”**;

(ii) St John of God Health Care’s Annual Financial Report for FY23 is annexed and marked **“KB-29”**;

(iii) St John of God Health Care’s Annual Information Statement for fy22 is annexed and marked **“KB-30”**;

(iv) St John of God Health Care’s Annual Financial Report for fy 22 is annexed and marked **“KB-31”**;

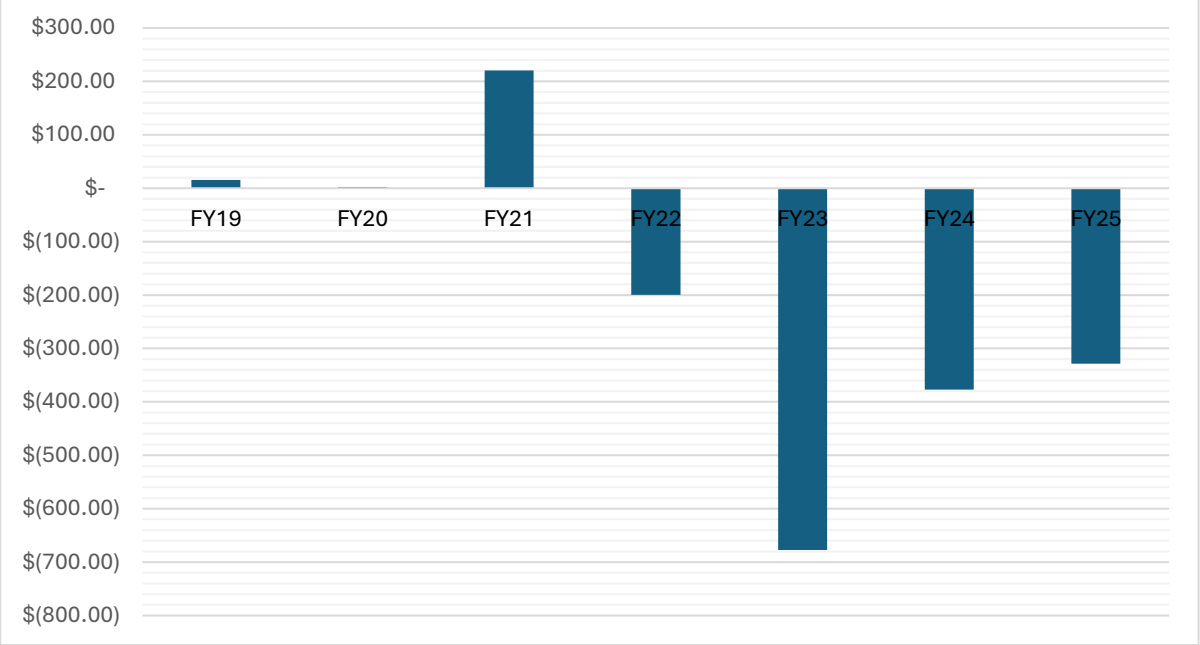
(v) St John of God Health Care’s Annual Information Statement for FY24 is annexed and marked **“KB-32”**; and

(vi) a copy of St John of God Health Care’s Annual Financial Report for FY24 is annexed and marked **“KB-33”**.

35. In aggregate, CHA's hospital-providing members have been in operating loss in every financial year since FY22, with cumulative operating deficits of approximately $1.58 billion across the four-year period FY22 to FY25 (see Figure 1 below).

36. Figure 1 was created using the aggregate figures derived from analysis of the CHA membership ACNC data and reports.

Figure 1: Net result ($m) for CHA members, FY19–FY25

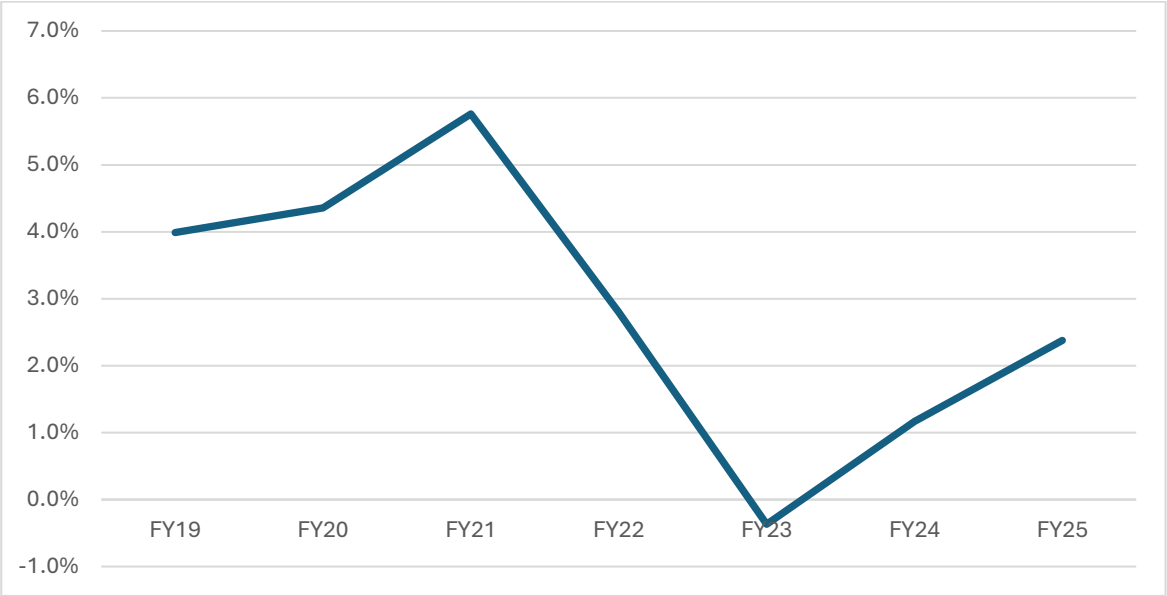


37. The trend is structural rather than cyclical: even excluding the heavily distorted FY23 result, the sector has averaged operating losses in excess of $200 million per year over FY22, FY24, and FY25.

38. The same trend is visible on a margin basis: across CHA's hospital-providing members, the underlying Earnings Before Interest, Taxes, Depreciation, and Amortization (**EBITDA**) margin (excluding identified one-off distortions) fell from 5.8 per cent in FY21 to negative 0.4 per cent in FY23, and has recovered only partially to 2.4 per cent in FY25, well below the levels recorded prior to the COVID-19 pandemic (see Figure 2 below).

39. Figure 2 was created using the EBITDA margin calculated as earnings before interest, tax, depreciation and amortisation, divided by total operating revenue and exclude one-off distortions and donations, derived from my analysis of the CHA membership ACNC data and reports.

Figure 2: Underlying EBITDA margin for CHA members, FY19–FY25



40. The following observations are derived from my analysis of the CHA membership ACNC data and reports:

(a) The financial pressure is also evident at the cash flow level. ACNC data shows that operating cash flow generated by CHA's hospital-providing members has declined from approximately $762 million in FY20 to approximately $400 million in FY25 - a reduction of approximately 47 per cent (by reference to my analysis of cash flow).

(b) Over the same period, capital expenditure has increased from approximately $600 million to approximately $959 million, reflecting the costs of equipment replacement, deferred maintenance, regulatory compliance and inflation in construction costs (by reference to my analysis of investing activities reported).

(c) Capital expenditure has exceeded operating cash flow in every financial year since FY22, with the gap widening to approximately $559 million in FY25 (by reference to my analysis of investing activities reported).

(d) That funding gap is being met from cash reserves and incremental borrowings, neither of which represents a sustainable source of working capital for the sector on a continuing basis.

(e) Cumulatively, the operating losses sustained since FY22 have also eroded the equity base of CHA's hospital-providing members from approximately $6.0 billion in FY21 to approximately $5.0 billion in FY25, a reduction of around $964 million (or 16 per cent) in the accumulated reserves available to absorb further losses (by reference to my analysis of total equity reported).

41. CHA members are also currently reporting significant annual increases (often more than 6 per cent) in non-employee related expenses such as medical and surgical supplies, utilities, maintenance and food, and these increases are not being met with corresponding increases in funding from private health insurers or government.

This trend is borne out in the ACNC data: across CHA's hospital-providing members, expenditure on supplies, consumables and purchased services grew from approximately $1.96 billion in FY19 to approximately $2.88 billion in FY25, representing a compound annual growth rate of approximately 6.7 per cent. That observation is derived from my analysis of the expenditure line items in the CHA membership ACNC data and reports.

42. This materially outpaces the rate of indexation passed through from private health insurers to CHA members over the same period.

43. In the absence of dedicated Commonwealth funding support, increases from the Application must be met from the members' existing revenue base.

44. These findings are consistent with the Department of Health, Disability and Ageing's own analysis of the financial pressures facing the private hospital sector, as outlined in its *Private Hospital Financial Viability Health Check – Summary* (October 2024) (see annexed and marked **"KB-34"**), which concluded that there has been a reduction in profitability across the sector over time as costs have risen faster than revenue.

OPERATIVE DATE

45. An operative date on or around 30 June 2026 would not, in my view, be feasible for CHA members.

46. That is insufficient lead time for members to update payroll systems, undertake reconciliation against above-award and preserved rates under any translation provisions, and communicate the changes to affected employees and their representatives.

47. Members would generally need to receive final orders sufficiently in advance to allow for payroll configuration and testing, reconciliation against enterprise agreement rates and any preserved minimum rates, and communications with employees and their unions.

48. In my experience, and consistent with industry practice in comparable award variation proceedings, CHA members would generally require a minimum lead time of three months between the publication of final orders (or marked-up determinations) and the operative date of any change, in order to:

    (a) configure and test payroll system updates to reflect the new rates and any new or amended classifications;

    (b) reconcile the new award rates against existing enterprise agreement rates and any preserved minimum rates (whether under a Schedule F-type translation provision or otherwise);

    (c) review enterprise agreement classifications against any revised Award classifications, which is particularly relevant in this matter given the proposal to introduce a new Introductory EN rate and revised EN progression points; and

    (d) communicate the changes to affected employees and their representatives.

49. If the variation were limited to a pay rate increase, with no associated change to the Award classification structure, the lead time required would be shorter, but in my view a period of at least four to six weeks would still be necessary to update payroll systems and rates tables, undertake the necessary reconciliation against above-award and enterprise

agreement rates, and communicate the changes to affected employees and their representatives.

PHASING

50. I have read the ANMF's Position Document of 24 October 2025, which proposes phasing of the increases over five equal annual instalments of 20 per cent each.

51. Phasing will provide members with greater capacity to plan for and absorb the increases than would an immediate, single-step implementation.

52. Even with phasing, however, the increases sought by the ANMF in this matter are substantial (particularly when compounded across five years and overlaid on annual wage review increases), and would be incurred in the absence of any committed Commonwealth funding support of the kind that has accompanied the aged care wage increases.

Signed:



Katharine Bassett
Dated: 29 May 2026

TABLE OF ANNEXURES

WITNESS STATEMENT OF KATHARINE BASSETT DATED 29 MAY 2026

Description	Annexure
Mater Misericordiae Annual Financial Report for FY25	"KB-1"
St John Of God Health Care Annual Financial Report for FY25	"KB-2"
St Vincent's Health Australia Annual Financial Report FY25	"KB-3"
UnitingCare Queensland Annual Financial Report FY25	"KB-4"
Calvary Annual Financial Report FY25	"KB-5"
CHA Submissions: Private Health Reform Options	"KB-6"
Calvary Annual Information Statement for FY23	"KB-7"
Calvary Annual Financial Report for FY23	"KB-8"
Calvary Annual Information Statement for FY24	"KB-9"
Calvary Annual Financial Report for FY24	"KB-10"
Calvary Annual Information Statement for FY25	"KB-11"
Mater Misericordiae Annual Information Statement for FY22	"KB-12"
Mater Misericordiae Annual Financial Report for FY22	"KB-13"
Mater Misericordiae Annual Information Statement for FY23	"KB-14"
Mater Misericordiae Annual Financial Report for FY23	"KB-15"
Mater Misericordiae Annual Information Statement for FY24	"KB-16"
Mater Misericordiae Annual Financial Report for FY24	"KB-17"
Mater Misericordiae Annual Information Statement for FY25	"KB-18"
St Vincent's Health Annual Information Statement for FY23	"KB-19"

St Vincent's Health Annual Financial Report for FY23	"KB-20"
St Vincent's Health Annual Information Statement for FY25	"KB-21"
Unitingcare Queensland Annual Information Statement for FY22	"KB-22"
Unitingcare Queensland Annual Financial Report for FY22	"KB-23"
Unitingcare Queensland Annual Information Statement for FY23	"KB-24"
Unitingcare Queensland Annual Financial Report for FY23	"KB-25"
Unitingcare Queensland Annual Information Statement for FY24	"KB-26"
Unitingcare Queensland Annual Financial Report for FY24	"KB-27"
St John Of God Health Care's Annual Information Statement for FY23	"KB-28"
St John Of God Health Care's Annual Financial Report for FY23	"KB-29"
St John Of God Health Care's Annual Information Statement for FY22	"KB-30"
St John Of God Health Care's Annual Financial Report for FY22	"KB-31"
St John Of God Health Care's Annual Information Statement for FY24	"KB-32"
St John Of God Health Care's Annual Financial Report for FY24	"KB-33"
Department of Health, Disability and Ageing, Private Hospital Sector Financial Health Check	"KB-34"

"KB-1"

Annual Financial Report 2025

Mater Misericordiae Ltd
and its subsidiaries

ABN 83 096 708 922

mater.org.au

Corporate information

ABN: 83 096 708 922

Directors
The Directors at the date of this report are:
Mr Patrick Brady (Chair)
Ms Virginia Ryan (Deputy Chair)
Dr Lisa Caffery (appointed 4 December 2024)
Professor Jody Currie (appointed 4 December 2024)
Dr Kim Forrester (appointed 4 December 2024)
Mr Gerard Houlihan
Dr John Rivers
Mr Steven Rubic
Mr Christopher Townend

Company secretary
Ms Lucy Laakso

Registered office and principal place of business

Level 10, 14 Stratton Street, Newstead
Queensland 4006 Australia

Solicitors

Rogencamp and Co. Lawyers

Bankers and Lenders

National Australia Bank Ltd

Australia and New Zealand Bank Ltd

Archdiocesan Development Fund

Northern Australia Infrastructure Facility

Auditor

Grant Thornton Audit Pty Ltd

Directors' report

Introductory statement

The Directors of Mater Misericordiae Ltd (Company) (MML) present their report together with the annual financial report of the MML Group (Group) for the year ended 30 June 2025. MML is a not-for-profit organisation limited by guarantee, incorporated and domiciled in Australia. The annual report was authorised for issue by the Directors on 4 September 2025.

About Mater

MML is a company limited by guarantee and exists to continue the health care mission of the Sisters of Mercy through our Canonical Sponsor Mercy Partners Limited. The Company is registered as a charity under the *Australian Charities and Not-for-Profits Commission Act 2012* (Cth) (or the ACNC Act).

The Company has a single member, being Mercy Partners Limited ACN 656 883 957 (incorporated under the *Corporations Act 2001* (Cth)). Mercy Partners Limited assumed membership of Mater Misericordiae Ltd on 1 September 2022 from Mercy Partners ABN 85 961 861 162.

The Sisters of Mercy established the Mater Hospital in 1906 to care for the sick and needy in the spirit of Christ the Healer. This fundamental mission is the overriding organisational driver. As a Catholic company the organisation must be cognisant of, and adhere to, Canon Law. Where conflict between Canon Law and the civil law exists, civil law will prevail.

Our Mission	We serve together to bring God's mercy to our communities through compassionate, transforming, healing ministries.
Our Vision	Empowering people to live better lives through improved health and wellbeing.
Our Values	• We honour and promote the dignity of human life and all creation. • We act with compassion and integrity. • We strive for excellence.

Objectives and principal activities

The principal activity of MML is the operation of Hospital and Health Services and, through our subsidiaries, MML also undertakes education, research and fundraising to support the Mission.

- Our health operations include private hospital and health services and operate public hospital and health services on behalf of Queensland Health.
- Mater Education Limited provides clinical training and staff education and learning support.
- Mater Research Ltd supports clinical researchers and undertakes translational research and is a joint venture partner with the Translational Research Institute (www.tri.edu.au).
- Mater Foundation Limited as Trustee for Mater Foundation undertakes fundraising to support the Mission and objectives of MML.

MML monitors its performance through the Board, Board Committees, executive reporting and management against financial and non-financial annual performance targets. The significant public health contract is managed through regular reporting to Queensland Health.

Directors' report (continued)

Strategy

Our strategy compels us to enhance our strength in interventional healthcare through the expansion of our health services in the home and community or development of new business health models addressing the emerging health and wellbeing needs of the community. We are committed to a thriving Mission and will achieve sustainable, relevant, size and scope through growth in profitable business areas to facilitate further investment in strategic innovations, partnerships and service development.

Our strategic vision is directly linked to our Mission focus to support areas of need with commitment to health equity for priority communities including regional and remote, Aboriginal and Torres Strait Islanders, refugees, homeless people, the poor, marginalised and vulnerable.

Significant changes in the state of affairs

There were no significant changes in the state of affairs during the financial year.

Operational and financial review

The net result of the consolidated Group for the year ended 30 June 2025 was a deficit of $82.69m (2024 deficit of $102.19M). The operating result before interest, depreciation and amortisation was a surplus of $97.39m (2024 surplus of $68.42m).

The consolidated Group recorded revenue from operations for the year ended 30 June 2025 of $1.85bn (2024 $1.73bn).

Net assets for the consolidated Group at 30 June 2025 was $2.03bn (2024: $2.04bn).

Board and Board Committees

The Board's primary role is to ensure the Company continues to provide health services to the community, faithful to the original mission of the Sisters of Mercy now carried on through Mercy Partners Limited, through the protection and enhancement of the assets of a not-for-profit organisation.

To assist the Directors in discharging their duties, the Board has a number of board committees: the Finance, Risk, Audit and Compliance Committee, Mission Integration, People and Culture Committee, Patient Safety and Quality Committee (formerly known as the Clinical and Business Systems Committee) and Strategic Development and Sustainable Infrastructure Committee.

Finance, Risk, Audit and Compliance Committee (or FRAC)

The primary function of FRAC is to assist the Board in fulfilling its responsibilities with regard to: financial management, reporting and underlying financial and accounting policies; external audit processes; financial budgeting and forecasting activity; risk management (including fraud risk), internal audit activities, internal controls assurance (including over financial risks) and compliance management; ongoing sustainability of MML and its subsidiaries and all Mater services; accounting, reporting and corporate governance matters pertaining to Mater; and Mater meeting its legal, compliance and governance obligations.

Directors' report (continued)

Mission Integration, People and Culture Committee (or MIPC)

The primary function of MIPC is to assist the Board in fulfilling its responsibilities with regard to: reviewing and monitoring how Mater integrates the lived expression of its Mission, Vision and Values; providing oversight of the Human Resources management practices to achieve the Mission and organisational goals; and ensuring that the organisational culture supports the achievement of Mater's strategic objectives.

Patient Safety and Quality Committee (or PSQ) (formerly known as Clinical and Business Systems Committee (or CABS))

The primary objective of PSQ is to assist the Board in fulfilling its responsibilities with regard to: delivering safe and high-quality care for patients and consumers served by Mater; establishing and monitoring a strong safety culture through an effective system and framework of clinical governance; satisfying itself that the system and framework of clinical governance operates effectively, with an ongoing focus on quality improvement; and the overarching aim to deliver value in healthcare.

Strategic Development and Sustainable Infrastructure Committee (or SDSIC)

The primary objective of SDSIC is to assist the Board in fulfilling its responsibilities with regard to: oversight of all major projects; stewardship of all property assets of the ministry; and ensuring that an appropriate governance framework is in place for the management of Mater infrastructure.

Board of Directors

The names of Directors of the Company in office at the date of this report are set out in the table below. Other than Dr Lisa Caffery (appointed 4 December 2024), Professor Jody Currie (appointed 4 December 2024) and Dr Kim Forrester (appointed 4 December 2024), all held office as a Director throughout the year ended 30 June 2025.

Sr Sandra Lupi resigned as a Director on 4 December 2024 and held office from 2 December 2018 to 4 December 2024.

Director name	Director details
Mr Patrick Brady, Chair *BE (Civil) Hons, GAICD, RPEQ, FIPWEAQ, FIE Aust, FUDIA* Appointed 6 September 2019	Mr Brady was appointed to the Mater Misericordiae Limited Board in September 2019 and to the position of Board Chair on 1 February 2024. Mr Brady has over 40 years of experience in the construction industry in metropolitan and regional Queensland, across urban development, public infrastructure, agriculture and mining engineering. Mr Brady is Chair of Premise, one of Queensland's leading engineering firms providing engineering, environmental, surveying and planning consulting services from fifteen locations across Australia, Port Moresby and Vietnam. Mr Brady is the Chair of Energy Queensland Limited and a Director of Catholic Health Australia Limited. Prior to the 2019 merger of the Queensland Mater hospitals, Mr Brady was Chair of Mater Health Services North Queensland Limited where he also served as a member of the Capital Projects Committee and the Finance Committee. In addition, Mr Brady served as Chairman of the Port of Townsville Limited and the Townsville Branch President of the Urban Development Industry Australia (UDIA). He has also performed board duties with the Townsville CBD Taskforce, Townsville Water Security Taskforce, Townsville Industrial Development Board, DSDMIP, JCU Engineering Advisory Board and the Townsville Crocodiles Basketball Club. Mr Brady holds a Bachelor of Engineering (Civil) (Hons) from Monash University. He is a registered Professional Engineer, a Graduate of the Australian Institute of Company Directors, Fellow of the Institute of Public Works Engineering, Fellow of the Institute of Engineers, and a Fellow of the Urban Development Institute of Australia.

Directors' report (continued)

Director name	Director details
Ms Virginia Ryan, Deputy Chair *BA, LLB, DipLegPrac* Appointed 6 September 2019	Ms Ryan was appointed to the Mater Misericordiae Ltd Board in September 2019 and to the position of Deputy Chair in August 2020. Ms Ryan was appointed Board Chair of Mater Foundation Limited in August 2020. Ms Ryan has more than thirty years of experience as a lawyer. Ms Ryan is a Legal Member of the Mental Health Review Tribunal Queensland and an inaugural member of the Tribunal's Reconciliation Working Group. Visiting Queensland Health and private hospital mental health sites throughout Queensland, she interacts with people with mental illness, their families and carers and clinicians. Ms Ryan is a Council Member of Centacare, a Member of Centacare's Practice Governance and Risk Committee and a Director of Loreto Coorparoo Limited. Previously, Ms Ryan has been a Senior Member of the federal Administrative Review Tribunal, Commissioner on the Legal Aid Commission of Queensland, a Board member of Australian Health Practitioner Regulation Agency National Board, and a member of a Catholic school board. Ms Ryan is a former Deputy President of the Mental Health Review Tribunal Queensland. She has extensive experience in administrative law, having been a member of the Social Security Appeals Tribunal and the Queensland Civil and Administrative Tribunal. She has been a Registrar in a federal court. Ms Ryan has worked and volunteered in Community Legal Centres including Caxton Legal Centre and Women's Legal Service Queensland and was the Queensland Convenor of the peak body for community legal centres. She has been an accredited mediator, and is committed to fair processes, collaborative decision making and robust and accountable governance. Ms Ryan has degrees in Arts and Law from Sydney University, a Diploma in Legal Practice and was admitted to practice in Queensland in 1989.
Dr Lisa Caffery *PhD, MPRL, GCBU, BA, GAICD* Appointed 4 December 2024	Dr Lisa Caffery was appointed to the Mater Misericordiae Ltd Board in December 2024 and is a member of the Mission Integration, People and Culture Committee and of the Strategic Development and Sustainable Infrastructure Committee. Dr Caffery is a respected non-executive director and business leader with over 20 years of professional experience in regional Queensland. She is the founder and principal of an Environment Social Governance (ESG) company advising multinational clients, ASX-listed organisations, government entities and private companies across a range of industries. Dr Caffery brings extensive governance experience across regulated, asset-intensive sectors including health, utilities, infrastructure, and resources. She is the Non-executive Chair of Sunwater Limited and a Board Member of Dams Safety NSW, Central Highlands Science Centre Inc. and Central Highlands Community Services Ltd. Until recently, she was Deputy Chair of the Central Queensland Hospital and Health Service Board. Dr Caffery was awarded her PhD from Central Queensland University, focusing on rural health equity and social impact. She is also a Graduate of the Australian Institute of Company Directors and Cambridge University's Sustainability Leadership Institute.

Directors' report (continued)

Director name	Director details
Professor Jody Currie *BA, MAICD* Appointed 4 December 2024	Professor Jody Currie was appointed to the Mater Misericordiae Ltd Board in December 2024 and is a member of the Mission Integration, People and Culture Committee and of the Patient Safety and Quality Committee. Professor Jody Currie has over 20 years of experience in health and human services delivery and strongly advocates for improving service accessibility for vulnerable communities. A Mununjahli Yugambeh woman, Jody has extensive experience working with vulnerable families in the aged care, health and early childhood sectors. Professor Currie is a Non-executive Director of Brisbane North Primary Healthcare Network, Port of Townsville Limited, TAFE Queensland, The Cape York Partnership Group Ltd and Brisbane Indigenous Media Association Ltd. Jody is a member of the Federal National Aged Care Advisory Council and of the Federal Aged Care Transition Taskforce. Prof Currie is a member of the QUT Medical Program Advisory Board and is Assistant Dean, Indigenous Health within the QUT Health Faculty. She was most recently the CEO of the Aboriginal and Torres Strait Islander Community Health Service (ATSICHS) Brisbane, where she established ATSICHS Brisbane as a nationally registered early childhood education provider, housing provider and National Disability Insurance Scheme provider. Jody was a key proponent in developing and implementing the Birthing in Our Community (BiOC) Program. Prof Currie is a former Non-executive Director of the Sunshine Coast Health and Hospital Service and of Opera Queensland Limited. She is a former Non-executive Director and former Chair of the Remuneration Committee of Hearing Australia. Prof Currie holds a Bachelor of Arts in Gender Studies from Deakin University and is a member of the Australian Institute of Company Directors.
Dr Kim Forrester *RN, BA, LLB, LLM (Advanced), PhD* Appointed 4 December 2024	Dr Kim Forrester was appointed to the Mater Misericordiae Ltd Board in December 2024 and is a member of the Patient Safety and Quality Committee and Board Chair of Mater Education Limited. Dr Kim Forrester is a registered nurse and barrister-at-law with a Master of Laws (Advanced) and a PhD. Her clinical background includes intensive and coronary care nursing. She is a member of the Australian College of Nursing and established the Masters of Emergency Nursing Program at Griffith University. Dr Forrester is a member of the Nursing Panel of Assessors on the Queensland Civil and Administrative Tribunal (QCAT) and has published extensively in health law. Dr Forrester is a Director of Feros Care Limited, Wommin Bay Hostels and UQ Health Care Limited. Dr Forrester previously served as a board member on the Metro North Hospital and Health Service Board, including as Deputy Chair and Chair of the Board Safety and Quality Committee. Dr Forrester was a foundation academic in the School of Medicine at Griffith University and an Associate Professor teaching health law in the Faculty of Health Sciences and Medicine at Bond University. Her legal practice areas include coroner's inquests, professional regulation, and child protection. She has held positions such as Assistant Commissioner on the Health Quality Complaints Commission and Legal Member of the Mental Health Review Tribunal.

Directors' report (continued)

Director name	Director details
Mr Gerard Houlihan Appointed 6 September 2019	Mr Gerard Houlihan was appointed to the Mater Misericordiae Ltd Board in September 2019 and is Chair of the Strategic Development and Sustainable Infrastructure Committee and a member of the Finance, Risk, Audit and Compliance Committee. Mr Houlihan is a lawyer. Mr Houlihan was a Partner of Rees R & Sydney Jones Solicitors, Rockhampton for more than 36 years and continues to serve in a consulting role. Mr Houlihan is highly respected in both the legal and wider community. Mr Houlihan serves as President of the Queensland Rural & Remote Area Fund Incorporated and also on the Directors' Nomination Committee for The Capricornian Ltd (Credit Union). Mr Houlihan's association with the health and aged care ministries of the Sisters of Mercy commenced with his appointment to the General Administrative Committee of the Mater in Rockhampton in 1991. He was later appointed to the then Health Services Board of the Rockhampton Congregation of the Sisters of Mercy in 1994 and he served as Chairman of that Board for five years from 1995 to 2000. When Mercy Health and Aged Care Central Queensland Limited (MH&ACCQL) was incorporated as a separate entity in 2001, he continued as a Director on the MH&ACCQL Board until 2019. Mr Houlihan is a Solicitor of the Supreme Court of Queensland, having been admitted in 1981.
Dr John Rivers *BSc(Med), MBBS, FRACP, FCSANZ, Grad Dip AFI, GAICD* Appointed 6 September 2019	Dr John Rivers was appointed to the Mater Misericordiae Ltd Board in September 2019 and is Chair of the Patient Safety and Quality Committee and Board Chair of Mater Research Ltd. Dr Rivers is a Cardiologist and an experienced Non-executive Director working in the hospital and health care industry. Dr Rivers has led long term projects for clinical outcomes improvement and medical quality systems with extensive publication on these topics. He is skilled in business planning, business development, risk management, strategic planning, business process improvement, and stakeholder management. Dr Rivers is the Non-executive Chair and Chief Medical Advisor of Cardihab Pty Ltd, an e-health enterprise developed by CSIRO. Dr Rivers is an active angel investor with Brisbane Angels and an Associate Editor of the Journal of Medical Internet Research. Prior to the 2019 merger of the Queensland Mater hospitals, Dr Rivers was a Non-executive Director of Mater Health Services North Queensland Limited and served as Chair of the Risk and Quality Committee. Dr Rivers is a former Non-executive Director of Wesley Research Institute Limited and former Chair of the Research Committee. Dr Rivers is a former Executive Chair of the former health system regulator, Health Quality & Complaints Commission (now the Office of the Health Ombudsman) and is a former Executive Chair of the Queensland Cardiovascular Group. In addition to his medical qualifications, Dr Rivers holds a Graduate Diploma in Applied Finance & Investment from the Securities Institute of Australia (now the Financial Services Institute of Australasia) and is a Graduate of the Australian Institute of Company Directors.

Directors' report (continued)

Director name	Director details
Mr Steven Rubic *B Health Administration, MBA, FAICD, FACHSM* Appointed 6 November 2023	Mr Steven Rubic was appointed to the Mater Misericordiae Ltd Board in November 2023 and is Chair of the Mission Integration, People and Culture Committee and a member of the Finance, Risk, Audit and Compliance Committee. Mr Rubic is an experienced Non-Executive Director and an accomplished health care executive, having over 30 years of executive leadership including CEO roles at Healthscope hospital group, I-MED Radiology Network and the St Vincent's & Mater Health Group in Sydney. Mr Rubic is currently a Non-executive Director of ASX-listed Pacific Smiles Dental Group, TPG private equity owned InvoCare and Catholic Healthcare Limited governing its retirement living and residential aged care business. Mr Rubic has held positions on a number of boards, including the Chris O'Brien Lifehouse, Macquarie University, the Garvan Institute of Medical Research, and Health Industry Superannuation. He also chaired Monte Sant'Angelo Mercy College and the NSW Private Hospitals' Industry Association. Mr Rubic is a former Mercy Partners Trustee. Mr Rubic holds a Bachelor of Health Administration from the University of New South Wales and a Master of Business Administration from Macquarie Graduate School of Management. Mr Rubic is a Fellow of both the Australian Institute of Company Directors and the Australasian College of Health Service Management.
Mr Christopher Townend *BA(Hons), MBA(dist.), FCA, FAICD, FGIA, ACCA* Appointed 1 April 2023	Mr Christopher Townend was appointed to the Mater Misericordiae Ltd Board in April 2023 and is Chair of the Finance, Risk, Audit and Compliance Committee and a member of the Strategic Development and Sustainable Infrastructure Committee. Mr Townend is an accomplished international Non-executive Director experienced in a broad range of business and government structures throughout Australia, New Zealand and the United Kingdom. As a former Chief Financial Officer, Mr Townend brings a blend of strong financial expertise, broad commercial operational experience and a strong governance skillset developed across multiple jurisdictions and industry sectors. Mr Townend is Chair of ThomsonAdsett and a member of the Queensland Regional Council for Chartered Accountants Australia & New Zealand. Mr Townend serves as a member of the Audit and Risk Committee for the Uniting Church QLD Synod and of the Finance Committee for the Presentation Sisters QLD. Mr Townend is an experienced chair of finance, audit and risk committees and has led the development of enterprise risk frameworks in a number of settings. Previous boards include Uniting Care Queensland, Chartered Accountants Australia & New Zealand, GD Pipelines and Mercy Super. Mr Townend is a former member of the Finance, Investment and Property Board for the Uniting Church QLD Synod. Mr Townend holds a BA(Honours) Business Studies from the Humberside College (UK) and an MBA (distinction) from Massey University (NZ). Mr Townend is a Fellow Chartered Accountant, Fellow of the Australian Institute of Company Directors, Fellow of the Governance Institute of Australia and a member of the Association of Chartered Certified Accountants.

Directors' report (continued)

Company Secretary

The Company Secretary in office at the date of this report is set out in the table below.

Officer Name	Officer Details
Ms Lucy Laakso *Juris Doctor (First Class Honours), GDLP, MBA (specialising in Corporate Governance), BBus, GAICD, FGIA* Appointed 1 February 2024	Ms Lucy Laakso was appointed as Mater Misericordiae Ltd Company Secretary on 1 February 2024. Ms Laakso has extensive experience as a company secretary and corporate lawyer. Ms Laakso has experience in company secretariat, corporate governance, compliance, and risk management across diverse organisations. Her portfolio includes ASX-listed companies, not-for-profits, private entities and government.

Meetings of the Board and Board Committees

The following table outlines, for each Director, the number of meetings attended followed by the number of meetings the Director was eligible to attend.

Directors Name	Board	FRAC	MIPC	PSQ	SDSIC
Mr Patrick Brady	13/13	-	-	-	-
Ms Virginia Ryan	12/13	-	-	-	-
Dr Lisa Caffery	6/6	-	2/2	-	2/2
Professor Jody Currie	6/6	-	1/2	2/3	-
Dr Kim Forrester	6/6	-	-	2/3	-
Mr Gerard Houlihan	13/13	7/9	-	-	4/4
Dr John Rivers	12/13	-	-	5/6	-
Mr Steven Rubic	11/13	4/4	4/4	-	-
Mr Christopher Townend	12/13	9/9	-	-	3/4
Sr Sandra Lupi (resigned 4 December 2024 – appointed 2 December 2018)	7/8	-	1/1	2/2	-

Member's guarantee

The Company is limited by guarantee. If the Company were wound up, the Constitution states that each member is required to contribute a maximum of $10.00 each towards meeting any outstanding obligations of the Company. At 30 June 2025 the collective liability of members was $10.00 (2024: $10.00). At 30 June 2025 there is one member being Mercy Partners Limited (2024: one member).

Directors' report (continued)

Subsequent events

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

Auditor

The Company has appointed Grant Thornton Audit Pty Ltd as external auditor. A copy of the auditor's independence declaration as required under Section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012* (Cth) is set out on page 12.

Signed in accordance with the resolution of the Directors.



Mr Patrick Brady
Chair

Date: 4 September 2025



Mr Christopher Townend
Director
Chair of Finance, Risk, Audit and Compliance Committee

Date: 4 September 2025

Grant Thornton Audit Pty Ltd
King George Central
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Auditor's Independence Declaration

To the Directors of Mater Misericordiae Ltd

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012,* as lead auditor for the audit of Mater Misericordiae Ltd for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M C Bragg
Partner - Audit & Assurance

Brisbane, 4 September 2025

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Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

	Notes	2025 $000	2024 $000
Revenue			
Rendering of health services	C1	1,526,783	1,455,018
Sale of goods	C1	100,019	95,313
Other revenue	C1	218,547	178,481
Total revenue		**1,845,349**	**1,728,812**
Expenses			
Employee expenses		(1,030,832)	(977,278)
Pharmaceutical and medical expenses		(404,301)	(391,824)
Property and maintenance expenses		(83,519)	(79,714)
Catering and domestic expenses		(39,826)	(38,939)
Lottery and Fundraising expenses		(85,959)	(69,837)
Digital expenses		(33,785)	(35,679)
Administration expenses		(66,893)	(66,494)
Other expenses		(2,848)	(627)
Total operating expenses		**(1,747,963)**	**(1,660,392)**
Operating surplus before interest, depreciation and amortisation		**97,386**	**68,420**
Depreciation and amortisation expense		(178,254)	(165,338)
Finance expenses		(9,208)	(9,862)
Net operating (deficit) for the year		**(90,076)**	**(106,780)**
Share of profit in associates and joint ventures	H2	7,385	4,557
Net (deficit) from continuing operations		**(82,691)**	**(102,223)**
Profit from discontinued operation		-	35
Net (deficit) for the year		**(82,691)**	**(102,188)**
Other comprehensive income that will not be reclassified to profit/loss			
Net change in fair value of investments		131	1,659
Revaluation of land and buildings	E4	72,800	207,897
Total other comprehensive income		**72,931**	**209,556**
Total comprehensive (loss)/income attributable to the owners		**(9,760)**	**107,368**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2025	Notes	2025 $000	2024 $000
Assets			
Current assets			
Cash and cash equivalents	D2	96,394	90,886
Trade and other receivables	D3	83,507	86,022
Contract assets	D4	56,119	47,924
Inventories	E1	47,016	47,727
Investments	D5	58,345	39,496
Other assets	E3	26,779	22,491
		368,160	334,546
Non-current assets classified as held for sale	E2	30,916	13,095
Total current assets		**399,076**	**347,641**
Non-current assets			
Property, plant and equipment	E4	2,339,298	2,200,590
Inventories	E1	19,753	18,893
Intangible assets	E6	68,089	68,824
Investments using the equity method	H2	88,837	81,962
Right of use assets	E5	80,221	69,676
Other assets	E3	613	1,044
Total non-current assets		**2,596,811**	**2,440,989**
Total assets		**2,995,887**	**2,788,630**
Liabilities			
Current liabilities			
Trade and other payables	D6	116,977	98,068
Loans and borrowings	D7	10,204	10,328
Contract liabilities	E7	76,020	32,476
Employee benefits	E8	196,153	207,636
Provisions	E9	21,696	10,110
Total current liabilities		**421,050**	**358,618**
Non-current liabilities			
Loans and borrowings	D7	485,640	291,296
Contract liabilities	E7	-	43,200
Employee benefits	E8	31,504	28,325
Provisions	E9	23,762	23,500
Total non-current liabilities		**540,906**	**386,321**
Total liabilities		**961,956**	**744,939**
Net assets		**2,033,931**	**2,043,691**
Equity			
Building reserve	F1	240,478	240,478
Financial asset revaluation reserve	F1	3,230	3,099
Asset revaluation reserve	F1	906,479	906,369
Capital contributions	F2	27,643	27,643
Accumulated surplus		856,101	866,102
Total equity		**2,033,931**	**2,043,691**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

As at 30 June 2025

	Building reserve $000	Financial asset revaluation reserve $000	Asset revaluation reserve $000	Capital contributions $000	Accumulated surplus $000	Total equity $000
Balance at 1 July 2023	240,478	1,440	761,117	27,643	905,645	1,936,323
Net (deficit) for the year	-	-	-	-	(102,188)	(102,188)
Transfers **(Refer F1)**	-	-	(62,645)	-	62,645	-
Other comprehensive income for the year	-	1,659	207,897	-	-	209,556
Total comprehensive income for the year	**-**	**1,659**	**145,252**	**-**	**(39,543)**	**107,368**
Balance at 30 June 2024	**240,478**	**3,099**	**906,369**	**27,643**	**866,102**	**2,043,691**
Balance at 1 July 2024	**240,478**	**3,099**	**906,369**	**27,643**	**866,102**	**2,043,691**
Net (deficit) for the year	-	-	-	-	(82,691)	(82,691)
Transfers **(Refer F1)**	-	-	(72,690)	-	72,690	-
Other comprehensive income for the year	-	131	72,800	-	-	72,931
Total comprehensive income for the year	**-**	**131**	**110**	**-**	**(10,001)**	**(9,760)**
Balance at 30 June 2025	**240,478**	**3,230**	**906,479**	**27,643**	**856,101**	**2,033,931**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2025

	Notes	2025 $000	2024 $000
Cash flows from operating activities			
Receipts in the course of operations		1,871,993	1,751,250
Payments in the course of operations		(1,773,012)	(1,645,029)
Interest received		3,098	1,908
Interest paid		(9,208)	(9,862)
Net cash flows from operating activities	**G1**	**92,871**	**98,267**
Cash flows from investing activities			
Payments for property, plant and equipment		(254,864)	(172,185)
Payments for investments		(13,215)	(5,106)
Proceeds from investments		575	774
Capital contribution received		-	43,200
Proceeds from disposal of property, plant and equipment		12,353	10,055
Net cash flows used in investing activities		**(255,151)**	**(123,262)**
Cash flows from financing activities			
Proceeds from borrowings		947,884	550,457
Repayment of borrowings		(770,071)	(487,848)
Payment of lease liabilities		(10,025)	(8,295)
Net cash flows from financing activities		**167,788**	**54,314**
Net increase in cash and cash equivalents		**5,508**	**29,319**
Cash and cash equivalents at the beginning of the year		90,886	61,567
Cash and cash equivalents at the end of the year	**D2**	**96,394**	**90,886**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

For the year ended 30 June 2025

Section A – Basis for financial statement preparation

Introduction

These consolidated financial statements comprise Mater Misericordiae Ltd (MML) (the Company) and its controlled entities (the Group). MML is a not-for-profit company limited by guarantee incorporated and domiciled in Australia. The ultimate parent entity of MML is Mercy Partners Limited.

The consolidated financial statements for the year ended 30 June 2025 were authorised for issue on 4 September 2025 in accordance with a resolution of the Board of Directors.

Compliance with prescribed requirements

This financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosure Requirements issued by the Australian Accounting Standard Board (AASB), other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-Profits Commission Act 2012* (Cth).

The material accounting policies adopted in the preparation of these consolidated financial statements have been included in the relevant notes. These policies have been consistently applied for all years presented unless otherwise stated.

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs unless the application of fair value, present value, or net realisable value is required by the relevant accounting standard or as nominated in the notes to the consolidated financial statements.

Assets and liabilities are classified as either 'current' or 'non-current' in the consolidated statement of financial position and the associated notes. Assets are classified as current where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or there is not an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 or, where the amount is less than $500, to zero, unless disclosure of the full amount is specifically required and are presented in Australian dollars.

Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Accounting Standards or as a result of changes to consistently align presentation for all Group entities.

Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Information about material judgements, estimates and assumptions that have the most material effect on recognition and measurement of assets, liabilities, income and expenses is provided within the relevant note, as outlined below:

- Property, plant and equipment – Note E4;
- Right of use assets – Note E5;
- Intangible assets – Note E6;
- Employee benefits – Note E8; and
- Provisions – Note E9.

Going concern

The financial statements have been prepared on the going concern basis. As at 30 June 2025, the Group's current liabilities exceed current assets by $21.97m (2024: $10.98m). Included within current liabilities, and contributing to the deficiency in net currents assets, is the following:

- Employee benefits amounting to $196.15m (2024: $204.32m) for which $58.67m (2024: $56.74m) relates to long service leave vested, generally the full balance is not expected to be paid within 12 months; and
- Contract liabilities amounting to $76.02m (2024: $32.48m) which represents payments received in advance for performance obligations to be completed in future periods, rather than cash expected to be paid out.

The Group has considerable financial resources together with ongoing contracts with a number of Government and non-Government entities. The Group has $2.34bn (2024: $2.20bn) in property, plant and equipment and generated net operating cash flows from operating activities of $92.87m (2024: $98.27m). The Group has the ability to manage investing cashflows to moderate cash available.

Management have assessed the future estimated cashflows for going concern and as a consequence, the Directors believe that the Group is well placed to manage its financial sustainability risks. This includes an assessment of the Queensland Health funding agreement which was due to expire on 30 June 2025 and has been extended to 31 December 2025. After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for a minimum of 12 months from the date of signing this report, including assessment of the new agreement with Queensland Health being neogitated. Accordingly, they continue to adopt the going concern basis in preparing the financial report. Refer to note I3 for further information relating to economic dependency.

Section C – Financial performance

C1 – Revenue

The Group derives the following types of revenue:

	2025 $000	2024 $000
Rendering of health services	1,526,783	1,455,018
Sale of goods	100,019	95,313
Revenue from providing goods and services	**1,626,802**	**1,550,331**
Lottery income	134,387	112,482
Fundraising and donation income	46,696	32,050
Rental income	19,287	17,716
Investment income	2,373	1,930
Interest income	3,122	3,187
Other revenue	12,682	11,116
Total other revenue	218,547	178,481
Total revenue	**1,845,349**	**1,728,812**

Revenue accounting policies

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. When there is no identified performance obligation identified within a contract, income is recognised at the time when the Group gains controls over the assets.

The disaggregation of revenue from contracts with customers is as follows:

	2025 $000	2024 $000
Timing of revenue recognition:		
Goods transferred at a point in time	100,019	95,313
Services transferred over time	1,526,783	1,455,018
Revenue from providing goods and services	**1,626,802**	**1,550,331**

C1 – Revenue (continued)

Revenue is recognised for the major business activities as follows:

(a) Rendering of health services

Revenue from a contract with a customer to provide services is recognised over the period in which the services are rendered.

(b) Sale of goods

Revenue from the sale of goods is recognised at the point in time the performance obligation is satisfied which is generally when control of the goods passes to the customer.

(c) Lottery income

Lottery income includes revenue from various lottery draws. This revenue is recognised when the lottery is drawn as the Group's performance obligation has been fulfilled.

(d) Fundraising and donation income

Fundraising income includes revenue from fundraising events and projects. This revenue is recognised when the fundraising project is completed, or the event has taken place.

(e) Rental income

Rental income includes revenue from leasing out areas of property owned by Mater. This revenue is recognised on a straight-line basis over the lease term, as the Group satisfies its performance obligation by providing access to the leased asset over time.

(f) Investment income

Investment income is comprised of dividend income including imputation credits, distributions from managed unit trusts and realised and unrealised gain/losses on investments. Dividends and distributions are recognised when received. Realised gains/losses are recognised on completion of the sale of financial assets.

(g) Interest income

Interest income is recognised on a proportional basis considering applicable interest rates.

(h) Other Revenue

Government subsidies and grants

Government subsidies and grants are recognised in profit or loss when performance obligations stated within the funding agreements are satisfied. If conditions are attached to the grant which must be satisfied before the Group is eligible to retain the contribution, the grant will be recognised in the consolidated statement of financial position as a contract liability until those conditions are satisfied. Where there is no identified contractual performance obligation income is recognised at the time when funds are received.

Capital contributions

Revenue is recognised on the receipt of contributions where no contractual obligations have been established, or where contractual obligations have been established, over the life of their fulfilment, on a straight-line basis.

Section D – Financial assets and financial liabilities

D1 – Categories of financial instruments

	Note	2025 Current $000	2025 Non-current $000	2025 Total $000	2024 Current $000	2024 Non-current $000	2024 Total $000
Financial assets							
Financial assets at amortised cost:							
Cash and cash equivalents	D2	96,394	-	96,394	90,886	-	90,886
Trade and other receivables	D3	83,507	-	83,507	86,022	-	86,022
Investments	D5	81	-	81	86	-	86
Financial assets at FVOCI:							
Investments	D5	24,422	-	24,422	16,716	-	16,716
Financial assets at FVPL:							
Investments	D5	33,842	-	33,842	22,694	-	22,694
Total financial assets		**238,246**	**-**	**238,246**	**216,404**	**-**	**216,404**
Financial liabilities							
Financial liabilities at amortised cost:							
Trade and other payables	D6	116,977	-	116,977	98,068	-	98,068
Loans and Borrowings	D7	10,204	485,640	495,844	10,328	291,296	301,624
Total financial liabilities		**127,181**	**485,640**	**612,821**	**108,396**	**291,296**	**399,692**

Financial instrument accounting policies

(a) Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liabilities are derecognised when they are extinguished, discharged, cancelled or expired.

D1 – Categories of financial instruments (continued)

(b) Classification and measurement of financial assets

(i) Initial measurement

Financial assets are measured at fair value adjusted by transaction costs (where applicable) and for the purpose of subsequent measurement are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL), or
- fair value through other comprehensive income (FVOCI).

Classifications are determined by both:

- the Group's business model for managing the financial asset.
- the contractual cash flow characteristics of the financial assets.

(ii) Financial Assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Group's cash and cash equivalents, trade and other receivables and investments on term deposits with maturity greater than 3 months fall into this category of financial instruments.

(iii) Financial assets at fair value through profit or loss (FVPL)

Assets in this category are measured at fair value with gains or losses recognised in the profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions.

The Group has financial assets in the form of investments in managed investment unit trusts (that are not available for the irrevocable election through OCI) that are applicable to this category.

(iv) Financial assets at fair value through other comprehensive income (FVOCI)

Investment in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Realised gains and losses and dividends from these investments continue to be recorded as investment income within the profit or loss unless the dividend clearly represents return of capital. Mater Foundation, a subsidiary of MML, has made this election to account for its investments in equity instruments as financial assets at FVOCI.

(c) Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

The Group's financial liabilities include trade and other payables and loans and borrowings. All interest-related charges that are reported in profit or loss are included within finance expenses.

(d) Impairment

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

D1 – Categories of financial instruments (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12 month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured based on the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

With respect to trade receivables, the Group makes use of a simplified approach and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Group uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

D2 – Cash and cash equivalents

	2025 $000	2024 $000
Cash on hand	87	92
Cash at bank	95,457	89,909
Short term deposits	850	885
Total cash and cash equivalents	**96,394**	**90,886**

Cash and cash equivalents are measured at amortised cost and include cash on hand, cash at bank and other short-term highly liquid financial assets with original maturities of three months or less that are readily convertible to known amounts of cash.

Included in the above cash at bank is $5.33m (2024: $7.42m) of restricted funds for a hospital capital works project.

D3 – Trade and other receivables

	Notes	2025 $000	2024 $000
Trade receivables		86,954	91,369
Related party receivables	J1	226	498
Other receivables		261	170
Less: expected credit losses		(3,934)	(6,015)
Total trade and other receivables		**83,507**	**86,022**

Trade and other receivables accounting policies

Trade and other receivables are measured at amortised cost less expected credit losses. Trade receivables are reviewed on an ongoing basis and debts known to be uncollectible are written off when there is no reasonable expectation of recovery. Expected credit losses are measured in accordance with accounting policy outlined in note D1.

The comparatives have been updated due to reclassification of student course revenue in progress that are now represented in contract assets amounting to $2.20m.

D4 – Contract assets

	2025 $000	2024 $000
Current		
Patient billing in progress	48,614	40,608
Research operating revenue in progress	4,699	5,114
Student course revenue in progress	2,806	2,202
Total contract assets	**56,119**	**47,924**

Contract assets accounting policies

Contract assets are recognised when the Group has transferred goods or services to the customer but is yet to establish an unconditional right to the consideration. Contract assets relate to private inpatient stays for which an invoice has not yet been raised at balance date, research funding for activity still in progress and student course revenue for units in progress not yet completed at balance date. Expected credit losses are measured in accordance with accounting policy outlined in note D1.

Comparatives have been updated due to reclassification of student course revenue from trade and other receivables that are now represented in contract assets amounting to $2.20m.

D5 – Investments

	2025 $000	2024 $000
Current		
Financial assets at fair value through other comprehensive income (FVOCI)	24,422	16,716
Financial assets at fair value through profit and loss (FVPL)	33,842	22,694
Term deposits at amortised cost	81	86
Total investments	**58,345**	**39,496**

Financial assets at FVOCI represent listed equity instruments and financial assets at FVPL represent managed unit trusts in accordance with the accounting policy in D1.

Term deposits held under investments have maturity terms greater than 3 months.

D6 – Trade and other payables

	Notes	2025 $000	2024 $000
Current			
Trade payables		111,986	91,881
Related party payables	J1	4,055	4,013
Other payables and accruals		936	2,174
Total trade and other payables		**116,977**	**98,068**

Trade and other payables accounting policies

Trade and other payables are measured at amortised cost and are recognised for unpaid goods or services for which the Group has a present obligation to make payment.

Trade payables are unsecured and are usually paid within 30 days of recognition.

The comparatives have been updated due to reclassification of accrued salary and wages that are now represented in employee benefit liabilities amounting to $57.63m.

D7 – Loans and borrowings

	2025 $000	2024 $000
Current		
Borrowings	623	188
Lease liabilities	9,581	10,140
Total current loans and borrowings	**10,204**	**10,328**
Non-current		
Borrowings	383,329	205,949
Lease liabilities	102,311	85,347
Total non-current loans and borrowings	**485,640**	**291,296**
Total loans and borrowings	**495,844**	**301,624**

Debt facilities in use and available for use

At balance date, the Group has the following loan facilities:

(i) A general facility with the Archdiocesan Development Fund (ADF) totaling $130.0m of which $69.69m is drawn down at balance date. The facility has a 10-year term, expiring in July 2029 and the interest rate per the agreement is based on the 90-day BBSY rate plus a margin. The borrowing is secured over various land and buildings and subject to a loan to value ratio covenant that must not exceed 75%. This covenant is required to be reported every quarter to ADF. At 30 June 2025, the Group has determined that it is not in breach of the covenant.

(ii) The Group has loan facilities with the ADF totaling $493.0m for the construction of Stage 2 of the Mater Hospital Springfield development (refer note E4(f)). The facility covering the public component of the debt has a 30-year term from commissioning and totals $439.0m with $248.40m drawn down at balance date. The facility covering the private component of the debt has a 25-year term from commissioning and totals $54.0m with $33.61m drawn down at balance date. The interest rate per the agreements is based on the 90-day BBSY plus a margin. The borrowing is secured over various land and buildings and subject to a loan to value ratio covenant that must not exceed 75%. This covenant is required to be reported every quarter to ADF. At 30 June 2025, the Group has determined that it is not in breach of the covenant.

(iii) A facility with the Northern Australia Infrastructure Facility (NAIF) totaling $18.36m is in place. The facility has a 20-year term, expiring in October 2040 and the interest rate per the agreement is a fixed rate equal to the government bond rate for the weighted average tenor applicable at the date of the facility agreement plus a margin. The borrowing is secured over a single land and building held by the Group. This loan is subject to various financial covenants reported on a half yearly basis; leverage ratio, debt service coverage ratio and net tangible assets. At 30 June 2025, the Group has determined that it is not in breach of the covenants.

(iv) The Group entered into additional loan facilities with the ADF totaling $93.40m for priority projects. The facilities are for a 20-year term and relate to hospital building refurbishment program with the drawn down balance of $13.89m at 30 June 2025. The borrowings are secured over various land and buildings and subject to a loan to value ratio covenant that must not exceed 75%. This covenant is required to be reported every quarter to ADF. At 30 June 2025, the Group has determined that it is not in breach of the covenant.

D7 – Loans and borrowings (continued)

	2025 $000	2024 $000
Total facilities available:		
Borrowings	734,760	642,937
Guarantee facilities	3,931	3,966
	738,691	**646,903**
Facilities utilised at balance date:		
Borrowings	383,951	206,137
Guarantee facilities	2,853	2,816
	386,804	**208,953**
Facilities not used at balance date:		
Borrowings	350,809	436,800
Guarantee facilities	1,078	1,150
	351,887	**437,950**

Lease liabilities maturity analysis

The following table represents the Group's contractual maturities of lease liabilities. Contractual cash flows are at undiscounted values. Accordingly, these values do not agree to the carrying amount.

	2025 $000	2024 $000
Less than 1 year	16,168	13,914
1 to 5 years	56,976	53,595
More than 5 years	80,712	51,073
Total undiscounted lease liabilities	**153,856**	**118,582**

Loans and borrowings accounting policies

(a) Interest bearing borrowings

All borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve (12) months after the balance date.

(b) Borrowing costs

Borrowing costs are expensed as incurred. Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

(c) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

D7 – Loans and borrowings (continued)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to the profit or loss if the carrying amount of the right-of-use asset is fully written down.

Lease liabilities critical accounting estimates and judgements

Where leases contain renewal options the lease liability value and term are adjusted where management believes the exercise of the option is reasonably certain to occur.

Section E – Non-financial assets and liabilities

E1 – Inventories

	2025 $000	2024 $000
Current		
Medical supplies	22,091	24,160
Less allowance for impairment	(2,450)	(1,450)
Net Medical supplies	19,641	22,710
Pharmaceutical supplies	5,114	5,578
Engineering spares	466	430
Lottery prize inventory	20,759	18,177
Other inventories	1,036	832
Total current inventories	**47,016**	**47,727**
Non-Current		
Lottery prize inventory	19,753	18,893
Total non-current inventories	**19,753**	**18,893**
Total inventory	**66,769**	**66,620**

Lottery prize inventory

Lottery prize inventory relates to the cost of houses and land under construction plus completed house packages for future lotteries. These properties are expensed as prize costs when the relevant lottery is drawn. Non-current inventory represents properties that are not expected to be realised within 12 months of the reporting period.

Inventory accounting policies

Inventories are stated at the lower of cost or net realisable value. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

The cost of inventories is assigned as follows:

- Medical supplies, pharmaceutical supplies, engineering spares and other – weighted average cost
- Lottery prize – amortised cost

E2 – Non-current assets classified as held for sale

	2025 $000	2024 $000
Land and buildings – at carrying value	30,916	13,095
	30,916	**13,095**

The assets held for sale in FY24, relating to various land and buildings, did not proceed as planned and were removed from the held for sale classification and transferred to property, plant and equipment in May 2025. This was due to development applications not getting approved and this was one of the conditions of sale.

In FY25, two additional properties were approved for disposal on 9 October 2024 and are subject to fully executed contracts of sale at balance date. Management continues to assess both transactions as highly probable, with completion expected within 12 months of the balance date.

Non-current Assets held for sale accounting policies

Non-current assets are classified as held for sale and measured at the lower of carrying amount and fair value less costs to sell, if the carrying value will be recovered principally through a sale transaction rather than through continuing use. They are presented separately from other assets in the balance sheet and are not depreciated or amortised while they are classified as held for sale.

E3 – Other assets

	2025 $000	2024 $000
Current		
Prepayments – lottery and fundraising	10,786	7,977
Prepayments – other	15,993	14,514
Total current other assets	**26,779**	**22,491**
Non-current		
Prepayments – other	613	1,044
Total non-current other assets	**613**	**1,044**
Total other assets	**27,392**	**23,535**

E4 – Property, plant, and equipment

	2025 $000	2024 $000
Land and buildings		
At valuation	1,777,977	1,847,656
	1,777,977	**1,847,656**
Leasehold improvements		
At cost	76,169	25,006
Accumulated depreciation	(26,976)	(8,723)
	49,193	**16,283**
Plant and equipment		
At cost	420,695	447,115
Accumulated depreciation	(316,174)	(304,875)
	104,521	**142,240**
Capital work in progress (CWIP)		
At cost	**407,607**	**194,411**
Total property, plant and equipment written down value	**2,339,298**	**2,200,590**

Capitalised interest of $12.26m (2024: $4.98m) was taken up in property, plant and equipment during the financial year. Property pledged as security for borrowings is $929.03m (2024: $947.87m).

Movement in the carrying amount is set out below:

	Land and buildings $000	Leasehold improvements $000	Plant and equipment $000	Capital work in progress $000	Total $000
At 1 July 2024	1,847,656	16,283	142,240	194,411	2,200,590
Additions	140	-	-	267,506	267,646
Transfers from CWIP	14,897	-	33,895	(48,792)	-
Transfer asset classification	-	37,371	(37,371)	-	-
Transfer out property, plant and equipment	-	-	-	(5,518)	(5,518)
Depreciation charge	(125,363)	(4,461)	(33,810)	-	(163,634)
Disposals	(13,243)	-	(433)	-	(13,676)
Net transfer to held for sale	(18,910)	-	-	-	(18,910)
Increase in asset revaluation reserve	72,800	-	-	-	72,800
At 30 June 2025	**1,777,977**	**49,193**	**104,521**	**407,607**	**2,339,298**

E4 – Property, plant and equipment (continued)

Property, plant and equipment accounting policies

(a) Recognition and measurement

Property, plant and equipment are initially recorded at cost of acquisition, being the fair value of the consideration provided plus costs incidental to the acquisition and all other costs incurred to bring the asset to a state where it is ready for use. An asset recognition threshold of $10,000 exists.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at fair value at the date of acquisition.

Costs incurred subsequent to initial acquisition are added to an asset's carrying amount if they increase the service potential or useful life of that asset.

Property

Land and buildings are initially recognised at cost and subsequently carried at their revalued amount or fair value.

Other plant and equipment

All other plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment.

(b) Valuations

The fair value of land and buildings are assessed on an annual basis by an independent professional valuer. Comprehensive valuations are undertaken at least every four years, however if a particular asset class experiences significant and volatile changes to their fair value, that class is subject to specific appraisal in the reporting period, regardless of when the last specific appraisal occurred. Where assets have not been specifically appraised in the reporting period, previous valuations are kept materially up to date through either desktop valuations or the application of relevant indices, provided by the Valuer. Such indices are either publicly available or derived from market information available to the Valuer. Management assesses and confirms the relevance and suitability of indices provided by the Valuer. Revaluation increments are credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. In that case it is recognised as income. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to accumulated surplus.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price), regardless of whether the price is directly derived from observable inputs or estimated using another valuation technique. The two approaches used by the Group to determine fair value is either the market value approach or cost approach (current replacement cost), depending on the nature and use of the land and buildings. Market value relies on the availability of sales evidence and using the direct comparison method. Assets valued under this method include land and buildings for which there is market evidence available and includes land and buildings in a commercially or residentially zoned area. The cost approach reflects the amount that would be required to currently replace the service capacity of an asset and where the market approach is not suitable. Assets for which the current replacement cost approach is used by the Group include specialised assets such as Hospitals and hospital sites and associated facilities.

Land and buildings at fair value are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- Level 1: fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities.

E4 – Property, plant and equipment (continued)

- Level 2: fair value measurements that are substantially derived from inputs (other than quoted prices included in level 1) that are observable, either directly or indirectly; and
- Level 3: fair value measurements that are substantially derived from unobservable inputs.

None of the Group's land and buildings fall within level one. Land and buildings for which there is comparable sales data or commercial use in nature fall within level 2, with specialised hospital and medical facilities and the land on which they sit falling within level 3.

During the financial year, Marsh Pty Ltd (Marsh) was engaged to provide a valuation of land and buildings as at 30 June 2025.

(c) Depreciation

Property, plant and equipment is depreciated on a straight-line basis over their estimated useful lives as follows:

- Buildings (structure) – 25 to 60 years
- Buildings (systems) – 15 to 60 years
- Buildings (fit-out and others) – 7 to 15 years
- Leasehold improvements – 5 to 15 years
- Plant and equipment – 5 to 10 years.

Asset residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, on an annual basis. When changes are made, adjustments are reflected prospectively in the current and future period only.

(d) Impairment

All non-current assets are assessed for indicators of impairment on an annual basis. If the carrying value of the asset is greater than its estimated recoverable amount, then its carrying value is written down immediately to its recoverable amount.

(e) Derecognition

Property, plant and equipment assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any resulting gain or loss is represented by the difference between the proceeds, if any, and the carrying amount of the asset and is recognised in the profit or loss.

(f) Mater Springfield Hospital Stage 2 Development

Mater has partnered with Queensland Health (QH) to deliver the Stage 2 expansion of the Mater Springfield Hospital. This follows an agreement with the Queensland State Government to expand healthcare services for the community of Springfield and Brisbane's Western Corridor. The expanded Mater Hospital will run under an integrated operating model, delivering healthcare services to both public and private patients, increasing the total number of beds to 234 of which 174 are for public patients.

The Services Framework Agreement (SFA) outlines the terms of service between Mater and QH for the construction of the hospital and delivery of healthcare services. The agreement runs for a term of 30 years with two 10-year option periods exercisable at the discretion of QH.

In accordance with the SFA, the Mater is solely responsible for commissioning the construction project to deliver a hospital that is fit for purpose. Upon completion of the build, the Mater has operational and management control over the hospital area and is responsible for delivering the Services as specified in the SFA. The SFA also provides that Mater may elect to pursue commercial opportunities at or associated with the hospital.

E4 – Property, plant and equipment (continued)

The revenue streams under the arrangement include an upfront capital contribution from QH and monthly facility payments from commencement of services. The contract terms have been assessed as having one single performance obligation, being the completion of construction of the public portion of the hospital. The payment process under this contract was developed recognising Maters downstream debt payment arrangements used to fund the cost of delivering the hospital.

Key estimates and judgements

Management has considered the arrangement and its applicability under *Interpretation 12 Service Concession Arrangements,* and determined the arrangement does not meet the service concession criteria. The Group controls the hospital building including any significant residual interest at the end of the term of the arrangement and that the useful life of the hospital building is anticipated to exceed the duration of the arrangement.

Revenue has been accounted for under *AASB 1058 Income of Not-for-Profit Entities*, relating to the construction of a recognisable non-financial asset to be controlled by the Group. In accordance with the Accounting Standards, the Group has applied the principles of *AASB 15 Revenue from Contracts with Customers*, and concluded that during the development phase, the Group does not meet the criteria to recognise revenue over-time and therefore revenue will be recognised in the profit or loss at the point in time when Mater have completed the development and delivered a hospital that is fit for purpose.

Expenditure incurred to date including finance costs total $329.58m (2024: $137.80m) and is reflected as capital work in progress at 30 June 2025.

Property, plant and equipment critical accounting estimates and judgements

(a) Carrying value of non-current assets assessed for indicators of impairment

The Group makes a formal estimate of recoverable amount when an indicator of impairment exists.

(b) Depreciation

The Group reviews useful life assumptions on an annual basis having given consideration to variables including historical and forecast usage rates, technological advancements and changes in legal and economic conditions.

(c) Valuation

The Group seeks independent advice annually from a professional valuation expert. Assumptions are used in determining the fair value of land and buildings including condition assessments, useful lives, $/m^2 replacement cost for buildings based on various cost databases and the Valuer's professional judgement. The Group reviews the estimates and judgements used by the Valuer giving regard to internal experts and business knowledge.

E5 – Right of use assets

	2025 $000	2024 $000
Right of use assets		
Property	71,313	65,974
Office Equipment	7,953	2,440
Motor Vehicles	955	1,262
Carrying amount at 30 June 2025	**80,221**	**69,676**

E5 – Right of use assets (continued)

Movement of the carrying amount is set out below:

	Property $000	Office Equipment $000	Motor Vehicles $000	Total $000
Right of use assets				
At 1 July 2024	65,974	2,440	1,262	69,676
Additions	15,423	7,498	580	23,501
Transfer in from property, plant and equipment	3,248	-	-	3,248
Lease incentives	(3,800)	-	-	(3,800)
Disposals	(319)	-	-	(319)
Depreciation	(9,213)	(1,985)	(887)	(12,085)
At 30 June 2025	**71,313**	**7,953**	**955**	**80,221**

Right of use assets accounting policies

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases and leases of low-value assets. Expenses related to short-term leases and leases of low value assets during the year is $0.64m (2024: $0.70m).

Right of Use critical accounting estimates and judgements

Where leases contain renewal options, the right of use asset and corresponding lease liability value and term are adjusted where management believes the exercise of the option is reasonably certain to occur.

E6 – Intangible assets

	2025 $000	2024 $000
Contractual rights		
At cost	70,179	70,179
Accumulated amortisation	(4,807)	(4,353)
	65,372	**65,826**
Software		
At cost	54,584	55,545
Accumulated amortisation	(52,107)	(52,945)
	2,477	**2,600**
Other intangible assets		
At cost	1,399	1,277
Accumulated amortisation	(1,174)	(879)
	225	**398**
Capital work in progress (CWIP)		
At cost	**15**	**-**
Total intangibles	**68,089**	**68,824**

E6 – Intangible assets (continued)

Movement of the carrying amount is set out below:

	Contractual rights $000	Software $000	Other intangible assets $000	Capital work in progress $000	Total intangibles $000
At 1 July 2024	65,826	2,600	398	-	68,824
Additions	-	-	-	69	69
Disposals	-	(539)	-	-	(539)
Transfers from asset classification	-	-	54	(54)	-
Transfers in from property, plant and equipment	-	2,270	-	-	2,270
Amortisation expense	(454)	(1,854)	(227)	-	(2,535)
At 30 June 2025	**65,372**	**2,477**	**225**	**15**	**68,089**

Intangible asset accounting policies

(a) Recognition and measurement

Intangible assets are recognised at cost of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. An asset recognition threshold of $10,000 exists.

Costs incurred subsequent to initial acquisition are added to an asset's carrying amount if they increase the service potential or useful life of that asset.

Contractual rights

Contractual rights are recognised at deemed cost less any accumulated amortisation and any accumulated impairment. The contractual rights consist of the Queensland Children's Hospital (QCH) car park management rights and the QCH footprint rights. MML holds the rights to purchase the QCH footprint in 2070 for a nominal amount of $1. The QCH footprint is not subject to amortisation due to the nature of this contractual right. The QCH car park management rights have been determined to have a life of 60 years and are subject to amortisation on a straight-line basis over its useful life.

Software

Costs incurred in developing products or systems and costs incurred in acquiring software that will contribute to future period financial benefits through revenue generation are capitalised to software. Software costs are carried at cost less accumulated amortisation and accumulated impairment losses.

Other intangibles

Costs incurred in developing course content that will contribute to future period financial benefits through revenue generation are capitalised to other intangible assets. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the developing course content.

(b) Amortisation

Amortisation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

- Contractual rights – 60 years
- Software – 3 to 7 years
- Other – 3 to 5 years

Useful lives and amortisation methods are reviewed and adjusted if appropriate on an annual basis. When changes are made, adjustments are reflected prospectively in the current and future period only.

E6 – Intangible assets (continued)

(c) Impairment

Assets are assessed for indicators of impairment on an annual basis. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

(d) Derecognition

Intangible assets are derecognised when no future economic benefits are expected from their use. Any resulting gain or loss is represented by the difference between the proceeds, if any, and the carrying amount of the asset and is recognised in the profit or loss.

Intangible assets critical accounting estimates and judgements

Amortisation

The Group estimates the useful lives where applicable of all intangible assets based on the expected period of time over which economic benefits from the use of the asset will be derived. The Group reviews useful life assumptions on an annual basis having given consideration to variables including historical and forecast usage rates, technological advancements and changes in legal and economic conditions.

E7 – Contract liabilities

	2025 $000	2024 $000
Current		
Unearned income – Springfield hospital stage 2 development	43,200	-
Unearned income - other	32,820	32,476
Total current liabilities	**76,020**	**32,476**
Non-current		
Unearned income – Springfield hospital stage 2 development	-	43,200
Total non-current liabilities	-	**43,200**
Total contract liabilities	**76,020**	**75,676**

Contract liabilities accounting policies.

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

The unearned income of $43.2m last year is now recognised as current due to the fact the Springfield hopistal stage 2 development will be completed in the next 12 months.

E8 – Employee benefits

	2025 $000	2024 $000
Current		
Accrued salary and wages	35,512	57,632
Annual leave	83,430	77,144
Long service leave	58,670	56,744
Other	18,541	16,116
Total current employee benefits	**196,153**	**207,636**
Non-current		
Long service leave	27,328	24,148
Other	4,176	4,177
Total non-current employee benefits	**31,504**	**28,325**
Total employee benefits	**227,657**	**235,961**

The comparatives have been updated due to a reclassification of accrued salary and wages, and smaller amount from other category, from trade and other payables amounting to $57.63m.

Employee benefit expense disclosures

Defined contributions (superannuation) expense during the year was $99.59m (2024: $89.31m).

Employee termination benefit expense during the year was $2.76m (2024: $3.43m).

Employee benefits accounting policies

Current employee benefit obligations include accrued salary and wages, annual leave and long service leave that are expected to be settled within 12 months.

Non current employee benefit obligations are for long service leave and other benefits that are not expected to be settled wholly within 12 months. These obligations are measured as the present value of expected future payments to be made in respect of services provided by employees. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using corporate bond rates which match, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. When the Group does not have an unconditional right to defer settlement of the obligation beyond 12 months, the entire amount is presented as current.

Employee benefits provision critical accounting estimates and judgements

Long service leave is calculated using an actuarial methodology and requires assumptions relating to probability factors, leave taking rates, estimates of future wage inflation including associated on-costs and discount rates.

E9 – Provisions

	2025 $000	2024 $000
Current		
Insurance provision	4,738	4,600
Other provisions	16,958	5,510
Total current provisions	**21,696**	**10,110**
Non-current		
Insurance provision	23,762	23,500
Total non-current provisions	**23,762**	**23,500**
Total provisions	**45,458**	**33,610**

Movement of the carrying amount is set out below:

	Insurance $000	Other $000	Total $000
At 1 July 2024	28,100	5,510	33,610
Additions	1,267	16,709	17,976
Utilised	(867)	(5,261)	(6,128)
At 30 June 2025	**28,500**	**16,958**	**45,458**

Provisions accounting policies

Provisions are recognised as a liability because there is uncertainty about the timing or the amount of the future expenditure. The measurement of the provision is based on best estimates at balance date.

Insurance provision critical accounting estimates and judgements

Insurance policies are intended to cover various insurable risks. These policies have a range of deductible/excess structures. This provision is made to cover deductibles for medical malpractice claims. The provision is calculated based on an actuarial methodology carried out using quantitative techniques to estimate the likely future payments for losses retained by the Group under existing insurance arrangements. The estimate for the provision is calculated based upon known claims, discounted to reflect net present value, and includes a risk margin. The Group reviews the estimates and judgements applied by the Actuary.

Section F – Equity

F1 – Reserves

Building reserve

The building reserve records buildings and existing assets contributed at Incorporation by the Corporation of the Trustees of the Order of the Sisters of Mercy in Queensland.

Financial assets revaluation reserve
The financial asset revaluation reserve records revaluation movements of investments classified at fair value through other comprehensive income (FVOCI).

Asset revaluation reserve
The asset revaluation reserve records revaluation movements of land and buildings. For buildings, the relevant portion of the revaluation surplus is transferred directly to accumulated surplus as the asset is depreciated, with the balance being transferred on ultimate disposal. In the current year, the transfer from the asset revaluation reserve to accumulated surplus amounted to $72.69m (2024: $62.65m). Realisation of the surplus for land assets occurs on ultimate disposal.

F2 – Capital Contributions

Capital contributions record land contributed by the Corporation of the Trustees of the Order of the Sisters of Mercy in Queensland (SOMQ), as a component of the agreement between SOMQ, Queensland Health and MML with respect to the development of the Queensland Children's Hospital.

F3 – Member's guarantee

The Company is limited by guarantee. If the Company were wound up, the Constitution states that each member is required to contribute a maximum of $10.00 each towards meeting any outstanding obligations of the Company. At 30 June 2025 the collective liability of members was $10.00 (2024: $10.00). At 30 June 2025 there is one member being Mercy Partners Ltd (2024: one member).

Section G – Cash flow information

G1 – Notes to the consolidated statement of cashflows

(a) Reconciliation of cash

	2025 $000	2024 $000
Cash and cash equivalents	**96,394**	**90,886**

(b) Reconciliation of net deficit to net cash flows from operations

	2025 $000	2024 $000
Net (deficit) for the year	**(82,691)**	**(102,188)**
Adjustments for:		
Net loss on disposal of property, plant and equipment	1,759	627
Impairment on property, plant and equipment	1,089	-
Share of (profit) in investment using the equity method	(7,385)	(4,557)
Share of (profit) from discontinued operation	-	(35)
Non-cash provision movement arising from investing activities	(9,601)	-
Imputation credits received included in investing activities	-	(633)
Managed funds distributions re-invested	(2,464)	(1,566)
Right of use assets lease incentive	3,800	11,711
Depreciation and amortisation	178,254	165,338
Unrealised (gain) on investments	(3,001)	-
Capital contribution received included in investing activities	-	(43,200)
	79,760	**25,497**
Changes in assets and liabilities		
Decrease in trade and other receivables	2,515	9,122
(Increase) in contract assets	(8,195)	(488)
(Increase) in inventories	(149)	(4,820)
(Increase)/decrease in other assets	(3,857)	653
Increase in trade and other payables	18,909	10,992
Increase in contract liabilities	344	45,464
(Decrease)/increase in employee benefits	(8,304)	7,175
Increase in provisions	11,848	4,672
Net cash from operating activities	**92,871**	**98,267**

G2 – Non-cash investing and financing

	2025 $000	2024 $000
Additions to property, plant and equipment	12,782	7,224
Additions to right of use asset	23,501	7,762
Additions to intangibles	69	169
Total Non-cash investing and financing activities	**36,352**	**15,155**

Section H – Group Structure

H1 – Subsidiaries

The Group's subsidiaries at 30 June 2025 are set out below. The proportion of ownership interests held equals the voting rights held by the Group. Mater Research Ltd and Mater Education Limited are companies limited by guarantee while Mater Foundation Limited as Trustee for Mater Foundation is an entity limited as trustee. Mercy Super Pty Ltd, Mercy Super Financial Services Pty Ltd and Mater Health Services North Queensland Ltd are all dormant entities.

Subsidiary	Country of incorporation	Equity interest	
		2025 %	2024 %
Mater Research Ltd (MRL)	Australia	100	100
Mater Foundation Limited as Trustee for Mater Foundation (MFL)	Australia	100	100
Mater Education Limited (MEL)	Australia	100	100
Mercy Super Pty Ltd (dormant)	Australia	100	100
Mercy Super Financial Services Pty Ltd (dormant)	Australia	100	100
Mater Health Services North Queensland Ltd (dormant)	Australia	100	100

Consolidation accounting policies

A controlled entity is any entity over which MML has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

All inter-group balances and transactions between entities in the consolidated Group entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

H2 – Investment using the equity method

	Translational Research Institute Trust $000	Home Consortium Property Trust "HealthCo" $000	Total $000
At 1 July 2023	69,424	8,122	77,546
Distributions	-	(141)	(141)
Share of profit during the year	4,062	495	4,557
At 30 June 2024	**73,486**	**8,476**	**81,962**
At 1 July 2024	73,486	8,476	81,962
Distributions	-	(510)	(510)
Share of profit during the year	7,002	383	7,385
At 30 June 2025	**80,488**	**8,349**	**88,837**

(a) Investment in associates – Translational Research Institute (TRI)

Mater Research Ltd has a 25% interest in TRI, incorporated in Australia, whose principal activities include the provision of clinical and translational research to advance progress from laboratory discovery to application in the community. The voting power of Mater Research Ltd is 25%.

H2 – Investment using the equity method (continued)

Group's share of TRI:

	Ownership interest %	Assets $000	Liabilities $000	Net assets $000	Revenue $000	Expenses $000	Profit/ (loss) $000
2024	25	81,744	8,258	73,486	15,680	11,618	4,062
2025	25	89,087	8,599	80,488	19,002	12,000	7,002

Investment in associates accounting policy

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition, is recognised in profit or loss in the period in which the investment is acquired.

Profit and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligation or made payments on behalf of the associate. Upon the associate subsequently making profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(b) Investment in joint venture - Springfield Health Hub (SHH)

MML have a 20% interest in SHH, a joint venture with Home Consortium Property Pty Ltd as Trustee of the Home Consortium Property Trust "HealthCo", whose principal activity is the commercial real estate site as tenants in common.

Investment in joint venture accounting policy

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Investments in joint ventures in the consolidated financial statements are accounted for by applying the equity method of accounting.

Section I – Unrecognised items

I1 – Commitments for expenditure

		2025 $000	2024 $000
(a)	**Capital expenditure (Excluding construction for Springfield hospital Stage 2 development) contracted but not provided for and payable:**		
	Due within one year	50,219	58,530
	Due within two to five years	2,338	58,727
	Total	**52,557**	**117,257**
(b)	**Commitments for Springfield hospital stage 2 development contracted but not provided for and payable**		
	Due within one year	106,763	222,534
	Due within two to five years	-	82,283
	Total	**106,763**	**304,817**
(c)	**Commitments for prize home purchases contracted but not provided for and payable (Mater Foundation)**		
	Due within one year	8,146	7,304
	Due within two to five years	329	-
	Total	**8,475**	**7,304**

I2 – Contingent liabilities

The Group has current bank guarantees of $2.8m (2024: $2.8m) specific to property leases and a joint venture arrangement.

Mater Misericordiae Ltd provided a corporate guarantee in March 2021 to Holy Cross Services Ltd with respect to a $15m loan. Holy Cross Services is a related party entity.

The Directors are of the opinion that provisions are not required for the above mentioned continent liabilities as it is not probable that a future economic outflow will be required.

I3 – Economic dependency

A significant part of the Group involves the operation of licensed private hospitals some of which have contractual obligations to provide public health services. The continuing operation of these hospitals is underpinned by the *Mater Public Services Act 2008* and dependent upon the ongoing financial support of the Queensland Government Health Department. The relationship between the Company and Queensland Health is governed by an over-arching Agreement between the entities. The agreement covers the operation and funding of the public services provided by the Company. Entitled the "Mater Hospital Funding Agreement", the agreement is for three years expiring 30 June 2025, has been extended for six months, expiring on the 31 December 2025. A new agreement is currently being negotiated.

In conjunction with the "Mater Hospital Funding Agreement" there will continue to be annual Health Service Agreements with Queensland Health that details the funding required to be provided to the Company by Queensland Health for the provision of the public services in accordance with the agreed Clinical Services Plan. These agreements cover the broad objectives of the parties, as well as high level issues such as the privacy status of medical records, property issues, liability and indemnification, quality and performance criteria, and other similar issues.

The Company also enters into other individual agreements with various Hospital and Health Service entities in Queensland to provide additional public health services.

I4 – Events after the balance sheet date

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Section J – Other information

J1 – Related party transactions

Transactions between the Group and related parties are set out below.

	Transacting entity	2025 $000	2024 $000
Transactions with owners			
Stewardship payment under the Stewardship Agreement to Mercy Partners	MML	(1,627)	(1,701)
Transactions with other related parties			
Revenue from related party transactions			
Funds were recovered for services provided to:			
Mercy Health and Aged Care Central Queensland Ltd	MML	2,594	2,912
Holy Cross Services Ltd	MML	44	61
Total revenue from related parties		**2,638**	**2,973**
Expenses from related party transactions			
Laundry and cleaning services were provided to Group entities:			
Holy Cross Services Ltd	MML	(22,249)	(21,362)
Holy Cross Services Ltd	MRL	(82)	(79)
Holy Cross Services Ltd	MEL	(74)	(64)
Total payments to related parties		**(22,405)**	**(21,505)**
Transactions with associates and joint ventures			
Home Consortium Property Pty Ltd as Trustee of the Home Consortium Property Trust (Springfield Health Hub – Joint Venture) receipt.	MML	510	141
Translational Research Institute Trust payment	MRL	(10,475)	(9,796)
Total Transactions with associated and joint ventures		**(9,965)**	**(9,655)**

The aggregate amounts receivable from and payable to wholly controlled entities and associates by Group companies at balance date are:

Receivables from related parties			
Holy Cross Services Ltd	MML	-	29
Mercy Health and Aged Care Central Queensland Ltd	MML	226	469
Total receivables from related parties		**226**	**498**
Payables to related parties			
Holy Cross Services Ltd	MML	1,830	1,770
Holy Cross Services Ltd	MRL	7	7
Holy Cross Services Ltd	MEL	4	5
Translational Research Institute Trust	MRL	2,214	2,231
Total payables from related parties		**4,055**	**4,013**

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

J2 – Key management personnel remuneration

Key management personnel are the Directors and determined senior management executives of the Group. With respect to the subsidiary entities of the Group, there is no remuneration paid to the Directors of those Boards.

During the financial year the following remuneration was paid to key management personnel.

	2025 $000	2024 $000
Total remuneration	**6,455**	**4,919**

J3 – Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton, the auditor of the Group.

	2025 $000	2024 $000
Audit of the financial statements	439	386
Other services	12	14
Total remuneration	**451**	**400**

J4 – New or amended Accounting Standards and interpretations adopted

There were no new or amended Accounting Standards or Interpretations issued by the Australian Accounting Standards Board (AASB) that had a material impact on the Group during the year.

J5 – Taxation

All activities of the entities in the Mater consolidated Group entity are exempt from Commonwealth taxation except for fringe benefits tax (FBT) and goods and services tax (GST).

J6 – Parent entity information

Set out below is supplementary information about the parent entity, Mater Misericordiae Ltd required to meet ACNC requirements.

(a) Statement of profit and loss and other comprehensive income

	2025 $000	2024 $000
Gross income		
Revenue from government including grants	805,124	776,838
Donations and bequests	26,698	23,058
Revenue from providing goods or services	770,596	727,803
Revenue from investments	943	675
Other revenue	20,194	26,931
Total revenue	**1,623,555**	**1,555,305**
Other income	384	529
Total gross income	**1,623,939**	**1,555,834**
Expenses		
Employee expenses	(992,965)	(943,357)
Other expenses	(570,222)	(563,402)
Total operating expenses	**(1,563,187)**	**(1,506,759)**
Operating surplus before interest, depreciation, and amortisation	**60,752**	**49,075**
Depreciation and amortisation expense	(176,508)	(164,066)
Finance expenses	(9,208)	(9,863)
Net (deficit) for the year	**(124,964)**	**(124,854)**
Other comprehensive income	72,800	207,885
Total comprehensive (loss)/income	**(52,164)**	**83,031**

(b) Statement of financial position

	2025 $000	2024 $000
Assets		
Total current assets	249,248	214,211
Total non-current assets	2,588,338	2,439,063
Total assets	**2,837,586**	**2,653,274**
Liabilities		
Total current liabilities	427,129	345,150
Non-current loans payable	485,640	291,297
Other non-current liabilities	54,178	94,024
Total non-current liabilities	**539,818**	**385,321**
Total liabilities	**966,947**	**730,471**
Net assets	**1,870,639**	**1,922,803**

J7 – Parent entity information (continued)

(c) Commitments for the acquisition of property, plant or equipment

Details of capital commitments are the same as those listed in note I1 except for Mater Foundation commitments disclosed in note I1(c) for prize home purchases.

(d) Contingent liabilities

Details of contingent liabilities are the same as the Group per note I2.

(e) Key management personnel remuneration

Key management personnel are the Directors and determined senior management executives of the Company. During the financial year the following remuneration was paid to key management personnel.

	2025 $000	2024 $000
Total remuneration	**5,380**	**3,858**

(f) Related Parties

Details of related party transactions for the parent entity are set out in note J1.

Directors' Declaration

The Directors of Mater Misericordiae Ltd declare that:

(a) the financial statements and notes of the Group as set out in pages 14 to 46 are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* (Cth), including:

  (i) complying with Australian Accounting Standards – Simplified Disclosure Requirements (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-Profits Commission Act 2012* (Cth); and

  (ii) giving a true and fair view of its financial position as at 30 June 2025 and of its performance for the year ended on that date; and

(b) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulations 2022* (Cth) and a resolution of the Board of Directors of Mater Misericordiae Ltd.

On behalf of the Board

Mr Patrick Brady
Chair

Date: 4 September 2025

Mr Christopher Townend
Director
Chair of Finance, Risk, Audit and Compliance Committee

Date: 4 September 2025

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Independent Auditor's Report

To the Members of Mater Misericordiae Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Mater Misericordiae Ltd (the "Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and the Directors' declaration.

In our opinion, the financial report of Mater Misericordiae Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

b complying with Australian Accounting *Standards AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Other information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group'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 the Directors are either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial report

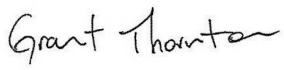
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



M C Bragg
Partner – Audit & Assurance

Brisbane, 4 September 2025

"KB-2"



ST JOHN OF GOD
Health Care

ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)

CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2025

ST JOHN OF GOD HEALTH CARE INC.
(Association Not for Profit)
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ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2025

The directors present their report on the consolidated entity consisting of St John of God Health Care Inc. (the Association) and the entities it controlled at the end of, or during, the year ended 30 June 2025.

Directors

The names and details of the Association's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Dr R Capolingua, Director

Mr J de Groot , Director

Dr M Levitt, Director (Resigned: 31 December 2024)

Mr J McMahon, Director

Dr M O'Brien, Director

Mr P Prendiville, Director

Hon K Sanderson AC, Chair

Ms S Park, Director

Mr P Bremner, Director

Ms J Keene, Director

Mr M Scatena, Director

Association Secretary

The Association Secretary from 1 July 2024 to 2 August 2024 was Mr W Faulkner, from 3 August 2024 to 18 March 2025 was Ms L Yesuratnam and from 18 March 2025 to 30 June 2025 was Mr C Huish.

Principal activities

The Association's principal activity is the provision of health care services in Australia, New Zealand and the Asia-Pacific region.

Significant events after the balance date

No matters or circumstances have arisen since the date of this report that have significantly affected the Association’s activities, results or state of affairs.

Environmental regulation and performance

The Association provides annual compliance reporting under the National Greenhouse and Energy Reporting Act 2007 (NGER Act). They are not subject to any other significant environmental regulation under either Commonwealth or State legislation.

Indemnification and insurance of directors and officers

Indemnity
In accordance with the Association’s Constitution the Association has indemnified every past and present officer of the Association against all liability to another person or company as an officer of the Association unless the liability arises out of conduct involving a lack of good faith.

Insurance
The Association holds an insurance policy under which the insurer has agreed to indemnify the Association’s directors and officers against personal liabilities from wrongful acts committed by those directors or officers in connection with their duties and responsibilities. Wrongful acts include breaches of trust, neglect, error, or misstatement. The insurer will reimburse all expenses incurred in defending these actions. The terms of the policy require the Association to keep details of the premium confidential.

Indemnification of auditors

To the extent permitted by law, the Association has agreed to indemnify its auditors, Ernst & Young (Australia), as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Rounding

The Association has referenced ASIC Legislative Instrument 2016/191, in relation to the 'rounding off' of amounts in the directors' report. The amounts contained in the financial report have been rounded off in accordance with the instrument to the nearest $1,000 (where rounding is applicable), or in certain cases, to the nearest dollar.

Auditor independence declaration

A copy of the independence declaration from the auditor of St John of God Health Care Inc. is set out on page 3.

This report is made in accordance with a resolution of directors.

Hon K Sanderson AC
Chair
Perth, WA

26 September 2025

Ms S Park
Director
Perth. WA

26 September 2025

Shape the future
with confidence

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Auditor's independence declaration to the directors of St John of God Health Care Inc.

In relation to our audit of the financial report of St John of God Health Care Inc. for the financial year ended 30 June 2025, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012* and Section 80 of the *Associations Incorporation Act 2015*, to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and

b. No non-audit services provided that contravene any applicable code of professional conduct.

This declaration is in respect of St John of God Health Care Inc. and the entities it controlled during the financial year.

Ernst & Young

Timothy G Dachs
Partner
26 September 2025

ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 June 2025

	Notes	2025 $000	2024 $000
Continuing operations			
Revenue			
Revenue from ordinary activities	7.1	2,184,964	2,070,297
Other income	7.2	33,147	23,298
Expenses			
Employment costs		(1,304,943)	(1,253,784)
Medical consumables and supply expenses		(491,247)	(469,779)
Contract services cost		(156,790)	(140,112)
Direct operating expenses		(158,674)	(163,142)
Depreciation and amortisation	12, 13, 18	(98,197)	(91,439)
Operating profit/(loss)		**8,260**	**(24,661)**
Finance income		1,549	2,777
Finance costs	7.3	(32,193)	(28,726)
Finance costs - net		**(30,644)**	**(25,949)**
Net deficit from continuing operations		**(22,384)**	**(50,610)**
Discontinued operations			
Deficit for the year from discontinued operations	8	**-**	**(3,799)**
Other comprehensive (loss)/income			
Exchange differences on translation of foreign operations	21	(3)	(148)
Net loss on cash flow hedges	21	(11,668)	(2,286)
Net unrealised gain on financial assets designated at fair value through other comprehensive income	21	4,373	5,564
Net other comprehensive (loss)/income for the period		**(7,298)**	**3,130**
Total comprehensive loss for the period		**(29,682)**	**(51,279)**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

ST JOHN OF GOD HEALTH CARE INC.
(Association Not for Profit)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Notes	2025 $000	2024 $000
Current assets			
Cash and cash equivalents	9	51,312	33,834
Trade and other receivables	10	261,648	291,706
Inventories	11	36,415	37,305
Prepayments		15,260	16,321
Other current financial assets	20.1	1,298	10,292
Assets classified as held for sale	14	1,284	7,251
Total current assets		367,217	396,709
Non-current assets			
Financial instruments designated at fair value through OCI	20.1	67,348	57,805
Derivative financial instruments	20.3	6,330	17,998
Property, plant and equipment	12	1,463,917	1,290,163
Intangible assets and goodwill	13	10,110	6,120
Non-current financial assets	20.1	-	2,798
Right-of-use assets	18	75,813	75,120
Total non-current assets		1,623,518	1,450,004
Total assets		**1,990,735**	**1,846,713**
Current liabilities			
Trade and other payables	15	206,463	203,419
Funding received in advance	19	34,792	40,432
Employee benefit liabilities	16	207,404	215,075
Provisions	17	46,928	47,548
Borrowings	20.2	111,628	36,815
Lease liabilities	18	12,999	18,005
Total current liabilities		620,214	561,294
Non-current liabilities			
Borrowings	20.2	667,777	561,654
Employee benefit liabilities	16	28,496	28,159
Lease liabilities	18	77,879	69,541
Other non-current liabilities		265	279
Total non-current liabilities		774,417	659,633
Total liabilities		**1,394,631**	**1,220,927**
Net assets		**596,104**	**625,786**
Equity			
Accumulated surplus		549,921	572,305
Reserves	21	46,183	53,481
Total equity		**596,104**	**625,786**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Cost of hedging reserve	Foreign currency translation reserve	Net Unrealised Gains/(Loss) Reserve	Realised gain on financial assets designated at FVOCI	Retained earnings	Total
	$000	$000	$000	$000	$000	$000
As at 1 July 2024	**17,998**	**303**	**7,337**	**27,843**	**572,305**	**625,786**
Net deficit for the year	-	-	-	-	(22,384)	(22,384)
Other comprehensive (loss)/income (Note 21)	(11,668)	(3)	4,373	-	-	(7,298)
Total comprehensive loss	(11,668)	(3)	4,373	-	(22,384)	(29,682)
As at 30 June 2025	**6,330**	**300**	**11,710**	**27,843**	**549,921**	**596,104**

	Cost of hedging reserve	Foreign currency translation reserve	Net Unrealised Gains/(Loss) Reserve	Realised gain on financial assets designated at FVOCI	Retained earnings	Total
	$000	$000	$000	$000	$000	$000
As at 1 July 2023	**20,284**	**451**	**1,773**	**27,843**	**626,714**	**677,065**
Net deficit for the year	-	-	-	-	(54,409)	(54,409)
Other comprehensive (loss)/income (Note 21)	(2,286)	(148)	5,564	-	-	3,130
Total comprehensive loss	(2,286)	(148)	5,564	-	(54,409)	(51,279)
As at 30 June 2024	**17,998**	**303**	**7,337**	**27,843**	**572,305**	**625,786**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 $000	2024 $000
Operating activities			
Receipts from patients and other customers		2,233,488	2,139,398
Payments to employees and suppliers		(2,136,082)	(2,106,012)
Interest received		1,549	2,821
Interest paid		(21,514)	(17,508)
Proceeds from government grants and contracts		9,559	13,415
Donations, fundraising and bequests received		15,706	10,090
Net cash flows from operating activities		**102,706**	**42,204**
Investing activities			
Payments for property, plant and equipment		(257,451)	(192,268)
Payments for intangibles		(9,561)	(9,269)
Proceeds from sale of property, plant and equipment		7,516	15,905
Proceeds from other financial assets		8,994	1,946
Payments for financial instruments designated at fair value through OCI		-	(2,070)
Proceeds from sale of financial instruments designated at fair value through OCI		-	2,070
Net cash flows used in investing activities		**(250,502)**	**(183,686)**
Financing activities			
Proceeds from Group bank and other loans		1,674,397	800,406
Repayments to Group bank and other loans		(1,494,524)	(641,000)
Repayment of congregational loans		(156)	(555)
Payment of lease liabilities		(14,440)	(16,654)
Net cash flows from financing activities		**165,277**	**142,197**
Net increase in cash and cash equivalents		17,481	715
Net foreign exchange difference		(3)	(148)
Cash and cash equivalents at 1 July		33,834	33,267
Cash and cash equivalents at 30 June	9	**51,312**	**33,834**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Corporate information

The consolidated financial report covers St John of God Health Care Inc. (the Association) and its subsidiaries. (Collectively the Group).

St John of God Health Care Inc. is an Association incorporated in Australia under the *Associations Incorporation Act 2015*. The Association is a not-for-profit entity and controls the following entities:

- St John of God Outreach Services
- St John of God Foundation Inc.
- St John of God Foundation Trust
- St John of God Hauora Trust
- St John House Inc.
- ACN 003 667 696 (formerly St John of God Health Services Limited)
- A.C.N 071 236 176 Limited (formerly St John of God Casa Venegas Limited)
- St John of God Berwick Health Campus Ltd
- St John of God Hawkesbury District Health Campus Ltd
- Marillac Ltd
- Dencross Pty Ltd - trading as Murdoch Surgicentre
- St John of God Midland Health Campus Ltd

The consolidated financial statements were approved and authorised for issue by the Director's on 26 September 2025.

The Association's registered office is:
Level 1, 556 Wellington Street, Perth WA 6000 Australia

2. Material accounting policy information

2.1 Basis of preparation

The consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Associations Incorporation Act 2015, Australian Charities and Not-for-profits Commission Act 2012* and *Australian Accounting Standards - Simplified Disclosures.*

The Group is a not-for-profit, private sector entity which is not publicly accountable. The Directors of the Association have determined that the Association is permitted to apply Tier 2 reporting requirements as set out in *AASB 1053 Application of Tiers of Australian Accounting Standards.*
The consolidated financial statements are presented in Australian dollars and all values are rounded to the nearest thousand ($000), except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) which are measured at fair value.

Going Concern

At 30 June 2025, the Group has a net current asset deficit, excluding funding received in advance, of $254,158,000 (2024: deficit of $124,153,000) and cash and cash equivalents of $51,312,000 (2024: $33,834,000). For the year ended 30 June 2025 the Group has made a net deficit of $22,384,000 (2024: $54,409,000) and had operating cash inflows of $102,706,000 (2024: $42,204,000). At 30 June 2025 the Group has $265,000,000 (2024: $499,000,000) undrawn on its secured borrowing facilities.

The Directors have reviewed the business outlook, the positive operational forecast cash flows, the level of available debt facilities and forecast operating results for the 2026 financial year and the assets and liabilities of the Group and are of the opinion that the use of the going concern basis of accounting is appropriate.

2. Material accounting policy information (continued)

2.2 Changes in accounting policy, accounting standards and interpretations

The Group has adopted all new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting year. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Amendments to AASB 101 - Classification of Liabilities as Current or Non-current
The amendments to AASB 101 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
• What is meant by a right to defer settlement
• That a right to defer must exist at the end of the reporting period
• That classification is unaffected by the likelihood that an entity will exercise its deferral right
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments have not had an impact on the classification of the Group's liabilities.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Association and its subsidiaries and equity accounted investments (collectively referred to as 'the Group') as at 30 June 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. Material accounting policy information (continued)

2.3 Basis of consolidation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the consolidated statement of comprehensive income. Any investment retained is recognised at fair value.

2.4 Summary of accounting policies

a) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of *AASB 9 Financial Instruments*, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with AASB 9. Other contingent consideration that is not within the scope of AASB 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

b) Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Goodwill has an indefinite useful life, is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2. Material accounting policy information (continued)

c) Foreign currencies

(i) Functional and presentation currency

Both the functional and presentation currency of St John of God Health Care Inc. and its Australian subsidiaries are Australian dollars. The New Zealand subsidiaries' functional currency is New Zealand dollars which is translated to Australian dollars.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

(iii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Australian Dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

2. Material accounting policy information (continued)

d) Revenue recognition

Recognition and measurement

The Group recognises revenue under AASB 15 or AASB 1058 when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

In other cases, AASB 1058 applies when a Not-for-Profit entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives and the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately. The Group recognises revenue from the following major sources:

Patient fees

Revenue is recognised when the service is rendered.

Government grants and subsidies

If conditions are attached to a grant which must be satisfied before the Group is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Donations and bequests

Revenue from donations is recognised when the Trust can demonstrate that the specific performance obligation attached to the Donation has been fulfilled. All charitable collections received have been, or are held to be, used for charitable purposes within the meaning of the Charitable Collections Act (1946).

Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the Group becomes legally entitled to the shares or property.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate.

e) Contract liability - Deferred revenue

The liability for funding received in advance is the unutilised amounts of funding received or set aside on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the funding. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

f) Taxes

Current income tax

A subsidiary is subject to income tax, whereby income tax expense is recognised in surplus, items recognised directly in equity or other comprehensive income. Current tax expense for the period is the expected tax on the subsidiary's current period's income based on the enacted income tax rate. No provision has been made for income tax as the income of the Association is exempt from income tax under section 50-30 of the Income Tax Assessment Act 1997 as amended.

2. Material accounting policy information (continued)

g) Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss and other comprehensive income.

h) Property, plant and equipment

Property, plant and equipment is initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

Property, plant and equipment are subsequently measured using the cost model, less subsequent depreciation and impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Plant and equipment	3 to 10 years
Buildings and property improvements	Up to 40 years
Motor vehicles	3 to 10 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2. Material accounting policy information (continued)

Construction in progress

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Such cost includes borrowing costs for long-term construction projects if the recognition criteria are met. Depreciation of the asset begins when construction is complete and the asset is available for use.

i) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date, and decommissioning obligations, if any less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Property, plant and equipment 3 to 15 years
- Motor vehicles 3 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.4(n) for Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group’s lease liabilities are included in Interest-bearing loans and borrowings (see Note 20.2).

2. Material accounting policy information (continued)

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss and other comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Lease incentives granted are recognised as an integral part of the total rental income.

j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

k) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Any gain or loss arising upon derecognition of an intangible asset is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss and other comprehensive income.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

2. Material accounting policy information (continued)

- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in profit or loss. During the period of development, the asset is tested for impairment annually.

Software-as-a-Service arrangements

Where the costs incurred to configure or customise Software-as-a-Service (SaaS) arrangements results in the creation of a resource which is identifiable, and where the Group has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible computer software. Where costs incurred to configure or customise do not result in the recognition of an intangible computer software, then those costs that provide the Group with a distinct service (in addition to the SaaS access) are recognised as expenses when the supplier provides the services.

A summary of the policies applied to the Group's intangible assets is as follows:

Computer Software

Useful life	2 - 5 years
Amortisation method used	Amortisation over the period of expected benefit on a straight line basis
Internally generated or acquired	Acquired
Impairment testing	Assessed for impairment at least annually if circumstances indicate that the carrying value may be impaired.

Development Costs

Mainly relates to internally generated software

Useful life	2 - 5 years
Amortisation method used	Amortisation over the period of expected benefit from the related project on a straight line basis.
Internally generated or acquired	Internally generated
Impairment testing	Assessed for impairment at least annually if circumstances indicate that the carrying value may be impaired.

Service Concessions

Relates to contractual arrangements between the Group and the public sector whereby the Group provides public services on behalf of the public sector for a specified period of time

Useful life	The life of the agreement.
Amortisation method used	Amortisation over the period of expected benefit on a straight line basis.
Internally generated or acquired	Acquired
Impairment testing	Assessed for impairment at least annually if circumstances indicate that the carrying value may be impaired.

l) Financial instruments

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.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI and fair value through profit or loss.

2. Material accounting policy information (continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the original transaction price. Refer to the accounting policies in section (e) Revenue from contracts with customers.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

This category generally applies to trade and other receivables, other current financial assets and non-current financial assets. For more information on receivables, refer to Note 10.3 and 20.1.

Financial instruments designated through OCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss and other comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group evaluates whether the ability and intention to sell its financial instruments designated through OCI in the near term is still appropriate.

2. Material accounting policy information (continued)

Derivative financial instruments and hedge accounting

The Group uses interest rate swaps (derivative financial instruments) to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Hedging Reserve, while any ineffective portion is recognised immediately in the statement of profit or loss.

Impairment

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions — Note 3
- Debt instruments at fair value through OCI — Note 20
- Trade receivables including contract assets — Note 20
- Non-current financial assets — Note 20

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group’s financial liabilities include trade and other payables, and loans and borrowings including bank overdrafts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss

2. Material accounting policy information (continued)

• Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss and other comprehensive income.

This category generally applies to borrowings. For more information, refer to Note 20.

m) Inventories

Inventories, comprising medical and laboratory supplies, are valued at the lower of cost or net realisable value. Cost is determined using the latest purchase price.

n) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 10 years.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset.

2. Material accounting policy information (continued)

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment at least annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment at least annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

o) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise of cash at banks, on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Wages, salaries and accumulating annual leave

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave which are expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit and loss.

The obligations are presented as current liabilities in the balance sheet if the Group does not have the unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Short term incentive plan

Short term incentive plans to be settled within twelve months of the reporting date are recognised as a liability. The quantum of the liabilities are measured based on the requirements of the remuneration policy that has been approved by the Directors.

Short term incentive plans expected to settle after twelve months are recognised as non-current liabilities. Consideration is given to the experience of the employee departures, and periods of service.

2. Material accounting policy information (continued)

WA Workers compensations claims

St John of God Health Care Inc. became a licensed self-insurer under the Workers Compensation and Rehabilitation Act 1984 (WA), as from 1 July 2001.

The liability for outstanding claims is measured at the present value of expected future payments. The estimation of the liability is determined by reference to an actuarial assessment performed by independent experts every six months.

Medical liability

A provision is made based on a schedule of outstanding claims and costs which are estimated based on currently available data as assessed quarterly by independent experts, and having regards to the requirements of the Group's insurance policy.

q) Fair value measurement

The Group measures financial instruments such as derivatives and financial assets, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

r) Amounts payable on congregational loans

The amounts payable to Sisters of St Joseph of the Apparition Inc. have been classed as borrowings in the consolidated statement of financial position. All of the amounts payable have been measured in accordance with AASB 9.

s) Reserves

Accumulated surplus includes all current and prior period retained surpluses.

2. Material accounting policy information (continued)

Other components of equity include the following:

Foreign Currency Translation Reserve	Used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.
Hedging Reserve	Records the portion of the gain or loss on the interest rate swaps in the cash flow hedge that is determined to be an effective hedge. Refer further to Note 20.3
Net Unrealised Gains/(Loss) Reserve	Records the unrealised gain or loss on the financial assets designated at fair value through other comprehensive income
Realised Gain Reserve	Records the realised gain on financial assets designated at FVOCI

t) Economic dependency

For the ongoing continuance of some of its programs, the Group is dependent upon the ongoing receipt of Federal and State government grants and community and corporate donations.

The Group maintains a strong relationship with both the Federal and State governments and at the date of this report management has no reason to believe that this financial support will not continue.

u) Interests in joint operations

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

In the case of joint operations, the Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the consolidated financial statements under the appropriate headings.

3. Significant accounting judgements, estimates and assumptions

In applying the Group's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these consolidated financial statements are outlined below:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Impairment of non-financial assets

The Group determines whether non-financial assets are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the non-current assets are allocated. The Group’s accounting policy with regards to impairment of non-financial assets is discussed in Note 2.4(n).

3. Significant accounting judgements, estimates and assumptions (continued)

Impairment of goodwill and intangibles with indefinite useful lives

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in Note 2.4(b).

WA Workers compensation claims

St John of God Health Care Inc. became a licensed self-insurer under the Workers Compensation and Rehabilitation Act (WA) 1984, as from 1 July 2001. The liability for outstanding claims is measured at the present value of expected future payments. The estimation of the liability is determined by reference to an actuarial assessment performed by independent experts every six months.

Medical liability

A provision is made based on a schedule of outstanding claims and costs which are estimated based on currently available data as assessed quarterly by independent experts, and having regard to the requirements of the Group's insurance policy.

In circumstances where the Group has determined and/or been advised by its legal counsel that it is only possible, but not probable, that a claim will succeed, no provision for any liability is made in the financial statements.

Employee benefit liabilities

Liabilities for annual leave and other benefits expected to be settled within twelve months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.
Non-accumulating sick leave is recognised when the leave is taken and measured at the rates paid or payable.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using the maturity rates for 5, 7 and 10 years of Corporate bonds and inflated using a long term rate.

Measurement of other loans

These amounts due have been measured at their present value pursuant to AASB 9 using the discounted cash flow technique and applying the following assumptions:

Expected future cash flows (i.e. repayments of principal)
The expected future cash flows (i.e. repayments of principal) in relation to the amounts due to the other loans is measured under its respective agreement.

Discount Rates
The discount rates applied to expected future cash flows ranges from 4.08% to 5.15%.

Lease commitments – Group as lessor

The Group has entered into leases on some of its property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the property and the present value of minimum lease payments not amounting to substantially all of the fair value of the property, that it retains all the significant risks and reward of ownership of these properties and accounts for the contracts as operating leases.

Health Fund audits

A provision for the outcomes of Health Fund audits is made based on a percentage of revenue using the past 1- 2 years exposure as a guide.

4. Interest in joint arrangements

Joint Operations

Kangan Drive Berwick

Berwick Health Campus Limited (BHC) is a controlled entity of St John of God Health Care Inc.

Certain land and buildings at Kangan Drive Berwick are co-owned by BHC and Perpetual Corporation Trust as trustee for North West Healthcare Properties Management (formerly known as Generation Healthcare Custodian (Casey) Pty Ltd) pursuant to a "Co-ownership Deed" dated 18 December 2015.

5. Group information

Information relating to subsidiaries

Subsidiaries

Entity	Principal Activities
St John of God Midland Health Campus Ltd	Operate and maintain the Midland Public Hospital
St John of God Outreach Services	Provision of services for the disadvantaged or those with disabilities
St John of God Foundation Inc.	Fundraiser for major capital projects, clinical equipment, medical and health research and social outreach initiatives
St John of God Foundation Trust	Public ancillary fund which can receive and make donations
St John of God Hauora Trust	Provider of health, ability and social services in New Zealand
St John House Inc.	Dormant
ACN 003 667 696	Dormant
A.C.N. 071 236 176 Limited	Community housing
St John of God Berwick Health Campus Ltd	Owning hospitals
St John of God Hawkesbury District Health Campus Ltd	Provider of health, ability and social services in New South Wales (discontinued from 1 July 2024)
Marillac Limited	Provision of specialist disability accommodation services
Dencross Pty Ltd (trading as Murdoch Surgicentre)	Specialist day surgery

6. Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

	Notes	Date of valuation 30 June 2025 $'000	Date of valuation 30 June 2024 $'000
Fair value measurement hierarchy for assets:			
Financial assets designated at fair value through OCI			
Investments in equities funds and shares (Level 1)	20.1	67,348	57,805
Derivative financial instruments			
Cash flow hedges: interest rate swaps (Level 2)	20.3	6,330	17,998
		73,678	**75,803**

7. Revenue and expenses

7.1 Revenue from ordinary activities

	2025 $000	2024 $000
Patient fees	2,069,545	1,949,809
Rental income	19,030	18,744
Government grants and subsidies	9,559	13,415
Donations, fundraising and bequests	13,780	17,978
Other ancillary income	73,050	70,351
	2,184,964	**2,070,297**

Revenue is derived in Australia and New Zealand and recognised over time.

7.2 Other income

	2025 $000	2024 $000
Net gain on disposal of property, plant and equipment	4,726	6,897
Recoveries	23,108	13,664
Investment income	5,313	2,737
	33,147	**23,298**

7.3 Finance costs

	Notes	2025 $000	2024 $000
Interest expense - leases	18	4,892	4,515
Interest expense - debt		21,566	17,560
Facility fees		5,735	6,651
		32,193	**28,726**

8. Discontinued operations

St John of God Hawkesbury District Health Campus Ltd

As at 1 July 2024, St John of God Hawkesbury District Health Campus Ltd, a subsidiary of the Association, returned the operations and management of Hawkesbury District Health Service to the Nepean Blue Mountains Local Health District.

	2024 $000
Revenue from ordinary activities	103,178
Finance income	44
Employment Costs	(65,069)
Medical consumables and supply expenses	(7,692)
Contract service costs	(14,920)
Direct operating expenses	(19,198)
Depreciation and amortisation	(142)
Deficit for the year from discontinued operations	**(3,799)**
Cash and cash equivalents	641
Trade and other receivables	4,477
Inventories	1,252
Trade and other payables	(10,441)
Employee benefit liabilities	(10,459)
Provisions	(63)
Amount due to related entities	(2,095)
Net Liabilities	**(16,688)**

9. Cash and cash equivalents

	2025 $000	2024 $000
Cash at bank and on hand	27,953	12,023
Restricted cash	23,359	21,811
	51,312	**33,834**

Cash at bank earns interest at floating rates based on daily bank and term deposit rates.

Restricted cash is grant and gift fund monies tied to specific expenditure.

10. Trade and other receivables

	Notes	2025 $000	2024 $000
Current			
Trade receivables	10.1	106,516	127,775
Other receivables	10.2	153,389	165,624
Goods and services tax receivable		4,800	-
		264,705	293,399
Provision for expected credit losses	10.3	(3,057)	(1,693)
		261,648	**291,706**

10.1 Trade Receivables

Trade receivables are non-interest bearing, generally have 14-30 day terms, and are recognised and carried at original invoice amount less an allowance for any uncollectible amounts and expected credit losses.

10.2 Other Receivables

Other receivables includes unbilled revenue of $119,526,000 (2024: $124,972,000). All other receivables are non-interest bearing and have repayment terms between 14 and 30 days.

10.3 Provision for impairment of receivables

The movement in the provision for expected credit losses is shown below:

	2025 $000	2024 $000
As at 1 July	1,693	1,295
Charge for the year	2,499	2,999
Utilised	(1,134)	(2,601)
As at 30 June	**3,058**	**1,693**

11. Inventories

	2025 $000	2024 $000
Medical and general supplies	36,415	41,523
Provision for inventory obsolescence	-	(4,218)
	36,415	**37,305**

Cost of inventories consumed for the patients amounting to $491,247,000 was recognised as an expense during the year ended 30 June 2025 (2024: $468,838,000).

For the year ended 30 June 2025, $272,000 was recognised as an expense for inventory obsolescence (2024: $1,097,000 expense).

12. Property, plant and equipment

	Land $000	Buildings $000	Plant and Equipment $000	Work in progress $000	Total $000
30 June 2025					
Carrying value at the beginning of the year	131,671	652,908	180,699	324,885	1,290,163
Additions	-	5,029	36,684	218,863	260,576
Depreciation	-	(30,532)	(49,113)	-	(79,645)
Transfer	-	92,863	61,623	(154,486)	-
Transfer intangibles	-	-	-	(8,874)	(8,874)
Disposals	(1,381)	(2,639)	(250)	-	(4,270)
Transfer to assets classified as held for sale (note 14)	-	5,967	-	-	5,967
Carrying value at the end of the year	**130,290**	**723,596**	**229,643**	**380,388**	**1,463,917**
30 June 2025					
Cost	130,290	1,138,866	605,319	380,388	2,254,863
Accumulated depreciation and impairment	-	(415,270)	(375,676)	-	(790,946)
Carrying Value	**130,290**	**723,596**	**229,643**	**380,388**	**1,463,917**

	Land $000	Buildings $000	Plant and Equipment $000	Work in progress $000	Total $000
30 June 2024					
Carrying value at the beginning of the year	126,325	663,656	181,579	197,975	1,169,535
Additions	5,073	21,844	10,113	160,037	197,067
Depreciation	-	(29,090)	(41,553)	-	(70,643)
Transfer	275	-	32,846	(33,121)	-
Transfer intangibles	-	(137)	(396)	(18)	(551)
Disposals	(1,827)	(5,677)	(2,166)	-	(9,670)
Transfer to assets classified as held for sale (note 14)	1,825	2,312	276	12	4,425
Carrying value at the end of the year	**131,671**	**652,908**	**180,699**	**324,885**	**1,290,163**
30 June 2024					
Cost	131,671	1,031,849	509,782	324,885	1,998,187
Accumulated depreciation and impairment	-	(378,941)	(329,083)	-	(708,024)
Carrying Value	**131,671**	**652,908**	**180,699**	**324,885**	**1,290,163**

Impairment

The Group completed the annual impairment test, and it was determined that no impairment charges were to be recognised for the current period against property, plant and equipment (2024: nil impairment against Plant and Equipment).

12. Property, plant and equipment (continued)

Joint operation

Included within the total carrying value of property, plant and equipment at 30 June 2025 is an amount of $26,665,000 (2024: $27,625,000) which relates to a joint operation.

Project accruals

Included in additions are $3,700,000 of non-cash accruals in relation to projects under construction (2024: $4,771,000).

13. Intangible assets

	Software $000	Total $000
Cost		
Additions	9,269	9,269
30 June 2025		
At cost	78,789	78,789
Accumulated amortisation and impairment	(68,679)	(68,679)
Carrying Value	**10,110**	**10,110**

	Software $000	Total $000
30 June 2024		
Carrying value at the beginning of the year	6,660	6,660
Additions	9,269	9,269
Amortisation and impairment	(9,809)	(9,809)
Carrying value at the end of the year	**6,120**	**6,120**
30 June 2024		
At cost	69,228	69,228
Accumulated amortisation and impairment	(63,108)	(63,108)
Carrying Value	**6,120**	**6,120**

Impairment

The Group completed the annual impairment test and it was determined that no impairment charges were to be recognised for the current year against intangible assets (2024: $nil).

14. Assets classified as held for sale

	2025 $000	2024 $000
Carrying value at the beginning of the year	7,251	11,676
Assets reclassified (to)/from property, plant and equipment (note 12)	(5,967)	(4,425)
Carrying value at the end of the year	**1,284**	**7,251**

	2025 $000	2024 $000
Breakdown of assets held for sale as at 30 June is as per below:		
Buildings	1,284	7,113
Plant and equipment	-	138
	1,284	**7,251**

Eight properties were sold during FY25 and the remaining property is planned to be sold in the next twelve months.

15. Trade and other payables

	2025 $000	2024 $000
Trade payables	96,255	65,472
Accruals and other payables	110,208	137,947
	206,463	**203,419**

Trade payables, accruals and other payables are non-interest bearing and are normally settled on 7 to 30 day terms.

16. Employee benefit liabilities

	2025	2024
	$000	$000
Current		
Annual leave and other benefits	126,679	134,837
Long service leave	80,725	80,238
	207,404	**215,075**
Non-current		
Long service leave	28,496	28,159
	28,496	**28,159**

Defined benefit plan

As at 30 June 2024, five employees were members of the NSW State Authorities Superannuation Scheme and the State Authorities Non-contributory Superannuation Scheme. However as as at 1 July 2024, these employees ceased to be employed by St John of God Hawkesbury District Health Campus as the operations and management of this service returned to the Nepean Blue Mountains Local Health District. Nepean Blue Mountains Local Health District assumed control and management of the defined benefit plan for these five former employees.

17. Provisions

	2025	2024
	$000	$000
Current		
Health fund audits	6,272	11,357
Medical liability	31,060	28,175
WA workers compensation claims	9,596	8,016
	46,928	**47,548**

Movements in each class of provision during the financial year are set out below:

	Health fund audits	Medical liability	WA workers compensation claims	Total
	$000	$000	$000	$000
As at 1 July 2024	11,357	28,175	8,016	47,548
Arising during the year	6,108	7,000	10,683	23,791
Utilised	(11,193)	(4,115)	(9,103)	(24,411)
As at 30 June 2025	**6,272**	**31,060**	**9,596**	**46,928**

18. Leases

Group as a lessee

The Group has lease contracts for various items of equipment, vehicles and certain facilities used in its operations. Leases generally have lease terms between 1 and 20 years and may contain escalation clauses.

The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Plant and machinery	Other equipment	Motor vehicles	Total
	$000	$000	$000	$000
As at 1 July 2024	72,148	140	2,832	75,120
Additions	3,967	-	272	4,239
Depreciation expense	(8,238)	(157)	(1,309)	(9,704)
Amendments and modifications to existing contracts	5,110	30	1,018	6,158
As at 30 June 2025	**72,987**	**13**	**2,813**	**75,813**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2025 $000	2024 $000
As at 1 July	**87,546**	**91,009**
Additions	4,239	10,740
Accretion of interest	4,892	4,515
Payments	(14,440)	(16,654)
Terminations	(369)	(218)
Amendments and modifications to existing contracts	8,334	(2,527)
Provision for make good restoration	676	681
At 30 June	**90,878**	**87,546**
Current	**12,999**	**18,005**
Non-current	**77,879**	**69,541**

18. Leases (continued)

Group as a lessee (continued)

The maturity analysis of lease payments as at 30 June are as follows:

	2025 $000	2024 $000
Within one year	14,306	16,263
After one year but not more than five years	56,436	58,366
More than five years	83,929	49,521
	154,671	**124,150**

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 3).

Payments associated with short-term leases of property, equipment and motor vehicles are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Lease payments for short-term leases amounting to $3,156,000 for the year ended 30 June 2025 are recognised as direct operating expenses in consolidated statement of profit or loss (2024: $2,542,000).

Group as a lessor

The Group has entered into operating leases on certain medical suites and rooms.

All non-cancellable leases have remaining terms of between 1 and 10 years and may contain escalation clauses.

Future undiscounted lease payments to be received under operating leases as at 30 June are as follows:

	2025 $000	2024 $000
Within one year	18,668	12,553
After one year but not more than five years	25,803	20,962
More than five years	7,640	761
	52,111	**34,276**

19. Funding received in advance

	2025 $000	2024 $000
Funding received in advance	17,597	18,026
Public assets replacement funds	11,517	11,905
Deferred revenue - Gifts and Donations	5,678	10,501
	34,792	**40,432**

The majority of funding received in advance is in the form of grant and state funding. This includes grants to which conditions of use of the funds may be attached.

Public assets replacement funds represents specific funding received by the Group and amounts of public service revenue received set aside by the Group to expend on the replacement of public assets.

Deferred revenue represents funds from special purpose fundraising and donations, where the related performance obligation is not yet fulfilled.

20. Financial assets and financial liabilities

20.1 Financial assets

	Notes	2025 $000	2024 $000
Other financial assets at amortised cost			
Current			
Term deposits	20.1(a)	**1,298**	**10,292**
Financial instruments designated at fair value through OCI			
Investments in equities funds and shares	20.1(b)	**67,348**	**57,805**
Non-current financial assets			
Loans to other entities	20.1(c)	**-**	**2,798**
Receivables at amortised cost			
Current			
Trade and other receivables	10	**261,648**	**291,706**

a) Other financial assets

Other financial assets consist of term deposits with original maturity greater than three months and less than twelve months. The term deposits are restricted cash and tied to specific expenditure.

b) Investments in equities funds and shares

The unrealised gain on the Group's investments in equities funds and shares during the year was $4,373,000 (2024: $5,564,000). This amount has been recognised in the Net Unrealised Gains/(Loss) Reserve in equity. The Group recognised no realised gains on the Group's investments in equities funds and shares through Other Comprehensive Income for the period (2024: $nil).

c) Non-current financial assets

On the 23 June 2023, the Group as Lender executed a Facility Agreement (the Facility) with MHKP Asset 120 Pty Ltd atf MHKP Asset Trust (the Borrower) for a cash advanced facility of up to $4,000,000 in order to fund the approved expenses of the Borrower. The Facility had been executed with an interest rate of nil and a latest repayment date being 10 business days after 30 June 2025. Included within the agreement was an election for the Lender to convert the secured monies into units, by issuing a conversion notice on or before 31 December 2023, subject to certain events occurring.

On 13 December 2024, a Conversion Notice was issued with the Borrower issuing 2,797,534 Fully Paid Ordinary Units as requested in the Conversion Notice to the Group and provided the Group with all the Title Documents related to those Units on the Conversion date. On receipt of these Units, the Group cancelled the Facility.

20. Financial assets and financial liabilities (continued)

20.2 Financial liabilities: borrowings

	2025 $000	2024 $000
Current		
Congregational loans	-	156
Other loans	3,132	3,253
Bank Overdraft	33,496	33,099
NZ Bank Loan: Secured	-	307
Bank loans and borrowings	75,000	-
	111,628	**36,815**
Non-current		
Other loans	3,797	7,360
Bank loans and borrowings	663,980	554,294
	667,777	**561,654**

a) Congregational Loans

	Notes	2025 $000	2024 $000
Current			
Sisters of St Joseph of the Apparition Inc.	(i)	-	156
		-	**156**
Non-Current			
Sisters of St Joseph of the Apparition Inc.	(i)	-	-
		-	**-**

(i) Sisters of St Joseph of the Apparition Inc.

The nominal value of the amount payable to the Sisters of St Joseph of the Apparition Inc. is $nil (2024: $237,264). The amount has been reflected at its present value pursuant to AASB 9 using a 6.25% discount factor. Payments are made quarterly with a component of the repayment amount adjusted annually for movements in the Consumer Price Index. The amount payable to the Sisters of St Joseph of the Apparition Inc. is unsecured.

b) Other Loans

	Notes	2025 $000	2024 $000
Current			
Cisco Systems Capital (Australia) Pty Limited	(i)	3,132	3,253
		3,132	**3,253**
Non-Current			
Cisco Systems Capital (Australia) Pty Limited	(i)	3,797	7,360
		3,797	**7,360**

20. Financial assets and financial liabilities (continued)

20.2 Financial liabilities: borrowings (continued)

b) Other Loans (continued)

(i) Cisco Systems Capital (Australia) Pty Limited

The Group has entered into various payment agreements with Cisco Systems Capital (Australia) Pty Ltd ("Cisco") to fund the acquisition of plant and equipment. The nominal value of the amount payable to Cisco is $6,929,000 at 30 June 2025 (2024: $10,165,000). The amounts have been reflected at their present values pursuant to AASB 9 using discount factors ranging between 4.08% - 5.15%. Repayments are made quarterly. The amount payable to Cisco is secured by plant and equipment amounting to $6,196,000 as at 30 June 2025 (2024: $6,196,000).

c) Bank loans and borrowings

	Notes	Facility $	Maturity	2025 utilised $000
Current borrowings				
Group Bank Loan (Lender C): Secured [Tranche A]	20.2(f)	75M	Jun-26	75,000
Non-current borrowings				
Group Bank Loan (Lender A): Secured [Tranche A]	20.2(d)	75M	Apr-28	32,000
Group Bank Loan (Lender A): Secured [Tranche B]	20.2(d)	75M	Dec-28	72,000
Group Bank Loan (Lender A): Secured [Tranche C]	20.2(d)	74M	Apr-30	60,000
Group Bank Loan (Lender A): Secured [Tranche D]	20.2(d)	25M	Apr-29	24,000
Group Bank Loan (Lender A): Secured [Tranche E]	20.2(d)	100M	Apr-28	88,000
Group Bank Loan (Lender B): Secured [Tranche A]	20.2(e)	100M	Jun-29	84,000
Group Bank Loan (Lender D): Secured [Tranche A]	20.2(g)	25M	Jun-25	-
Group Bank Loan (Lender D): Secured [Tranche B]	20.2(g)	75M	Jun-28	-
Group Bank Loan (Lender D): Secured [Tranche C]	20.2(g)	25M	Jun-28	25,000
Group Bank Loan (Lender E): Secured [Tranche A]	20.2(h)	200M	Apr-33	200,000
Group Bank Loan (Lender F): Secured [Tranche B]	20.2(i)	25M	Jun-28	-
Group Bank Loan (Lender F): Secured [Tranche C]	20.2(i)	80M	Apr-28	80,000
Total		1.055B		740,000
Less: Establishment Fees	20.2(j)			(1,020)
				738,980

20. Financial assets and financial liabilities (continued)

20.2 Financial liabilities: borrowings (continued)

c) Bank loans and borrowings (continued)

	Notes	Facility $	Maturity	2024 $000
Non-current borrowings				
Group Bank Loan (Lender A): Secured [Tranche A]	20.2(d)	75M	Apr-28	55,000
Group Bank Loan (Lender A): Secured [Tranche B]	20.2(d)	75M	Dec-28	58,000
Group Bank Loan (Lender A): Secured [Tranche C]	20.2(d)	74M	Apr-30	67,000
Group Bank Loan (Lender A): Secured [Tranche D]	20.2(d)	25M	Apr-29	25,000
Group Bank Loan (Lender A): Secured [Tranche E]	20.2(d)	100M	Apr-28	76,000
Group Bank Loan (Lender B): Secured [Tranche A]	20.2(e)	100M	Jun-29	-
Group Bank Loan (Lender C): Secured [Tranche A]	20.2(f)	75M	Jun-26	75,000
Group Bank Loan (Lender D): Secured [Tranche A]	20.2(g)	25M	Jun-25	-
Group Bank Loan (Lender D): Secured [Tranche B]	20.2(g)	75M	Jun-28	-
Group Bank Loan (Lender D): Secured [Tranche C]	20.2(g)	25M	Jun-28	-
Group Bank Loan (Lender E): Secured [Tranche A]	20.2(h)	200M	Apr-33	200,000
Group Bank Loan (Lender F): Secured [Tranche A]	20.2(i)	50M	Jun-25	-
Group Bank Loan (Lender F): Secured [Tranche B]	20.2(i)	25M	Jun-28	-
Group Bank Loan (Lender F): Secured [Tranche C]	20.2(i)	80M	Apr-28	-
Total		1.055B		556,000
Less: Establishment Fees	20.2(j)			(1,706)
				554,294

Review of Group Secured Borrowing Facilities

The Group's Secured Borrowing Facilities were retained at same level as the previous financial year with the facility value of $1,055,000,000 (2024: $1,055,000,000). On [26 September 2025] the Group varied its Debt Facility Agreement to roll the $75M debt with Lender C from a maturity date of 30 June 2026 to over five years.

d) Group Bank Loan (Lender A): Secured

The bank loan from Lender A of $276,000,000 (2024: $281,000,000) is a series of rolling loans expiring at various times.
The undrawn portion of the bank facility is $72,450,000 as at 30 June 2025 (2024: $119,000,000).

e) Group Bank Loan (Lender B): Secured

The bank loan from Lender B of $84,000,0000 (2024: $nil) is a series of rolling loans expiring at various times.
The undrawn portion of the bank facility is $16,000,000 as at 30 June 2025 (2024: $100,000,000).

f) Group Bank Loan (Lender C): Secured

The bank loan from Lender C of $75,000,000 (2024: $75,000,000) is a series of rolling loans expiring at various times. The undrawn portion of the bank facility is $nil as at 30 June 2025 (2024: $nil).

20. Financial assets and financial liabilities (continued)

20.2 Financial liabilities: borrowings (continued)

g) Group Bank Loan (Lender D): Secured

The bank loan from Lender D of $25,000,000 (2024: $nil) is a series of rolling loans expiring at various times. The undrawn portion of the bank facility is $100,000,000 as at 30 June 2025 (2024: $125,000,000).

h) Group Bank Loan (Lender E): Secured

The bank loan from Lender E of $200,000,000 (2024: $200,000,000) is a series of rolling loans expiring at various times.
The undrawn portion of the bank facility is $nil as at 30 June 2025 (2024: $nil).

i) Group Bank Loan (Lender F): Secured

The bank loan from Lender F of $80,000,000 (2024: $nil) is a series of rolling loans expiring at various times. The undrawn portion of the bank facility is $25,000,000 as at 30 June 2025 (2024: $155,000,000).

j) Establishment fees

Establishment fees capitalised are the costs associated with debt facility negotiations and are amortised on a weighted basis over the period of the debt facility.

k) NZ Bank Loan: Secured

The NZ Bank Loan was repaid and settled during the year (2024: $307,000). The loan was replaced with a NZ$500,000 (AUD$463,339) Commercial Flexible Facility which remains undrawn.In addition there is also commercial credit card facility for NZ$125,000 (AUD$116,085) of which $97,000 remains undrawn as at 30 June 2025.

20. Financial assets and financial liabilities (continued)

20.2 Financial liabilities: borrowings (continued)

Security

St John of God Health Care Inc. has Debt Facility arrangements in place with a number of Financiers. Financiers hold first ranking mortgages and charges over the majority of SJGHC assets, with security held by Perpetual on behalf of the Financiers.

On 14 June 2012, St John of God Health Care Inc. provided the State of Western Australia with a charge over the Association's interest as a member in St John of God Midland Health Campus Ltd.

The Debt Facility arrangements are subject to the following covenants:

• Interest cover ratio exceeds 2. The interest cover ratio is calculated as Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) divided by interest expense. The interest cover ratio was 2.9 as at 30 June 2025 (2024: 2.8).

• The aggregate value of Secured Assets is at least 90% of Total Tangible Assets (excluding certain agreed properties). It is calculated as total value of Secured Assets divided by the value of Total Tangible Assets (excluding certain agreed properties). The ratio at 30 June 2025 was 97% (2024: 97%).

• Loan to Value ratio is less than 50%.The Loan to Value ratio is calculated as Total Tangible Assets (excluding certain agreed properties) divided by Total Assets secured to the Financiers. The Loan to value ratio was 49.9% (2024: 49.5%).

These covenants are tested quarterly, as 30 September, 31 December, 31 March and 30 June. St John of God Health Care Inc has no indication that it will have difficulty complying with these covenants.

	Carrying value of assets	
	2025	2024
	$000	$000
Security Holder		
Perpetual	1,857,207	1,704,740
	1,857,207	1,704,740

20. Financial assets and financial liabilities (continued)

20.3 Derivative financial instruments

	2025	2024
	$000	$000
Non- current financial assets		
Interest rate swap contracts - cash flow hedges	6,330	17,998
	6,330	**17,998**

Derivatives designated as hedging instruments

Cash flow hedges

Interest Rate Swaps

The Group has entered into interest rate swap contracts under which it has rights to receive interest at variable rates and to pay interest at fixed rates.

Interest rate swap contracts in place cover 40% (2024: 54%) of the drawn portion of the bank facilities as at 30 June 2025.

The fair value of the interest swap contracts at 30 June 2025 is an asset of $6,330,000 (2024: $17,998,000).

Details of the interest rate swap contracts are shown below:

30 Jun 2025

Start Date	Maturity Date	Notional Amount $'000	Interest Rate Fixed %	Fair Value $'000
03/08/2021	01/07/2025	3,993	0.5	10
03/08/2021	01/07/2025	3,993	0.5	11
01/07/2023	01/07/2025	6,000	3.3	13
03/07/2023	01/07/2025	3,600	3.3	8
03/07/2023	01/07/2025	7,200	3.3	16
03/07/2023	01/07/2025	7,200	3.3	16
03/01/2023	02/01/2026	35,000	3.7	(48)
01/07/2022	01/07/2026	4,000	0.9	296
01/07/2022	01/07/2026	4,000	0.9	296
01/07/2024	03/07/2028	29,404	2.1	783
01/07/2024	03/07/2028	29,404	2.1	783
01/07/2024	03/07/2028	29,404	2.1	786
01/07/2023	01/06/2029	32,053	2.1	1,310
01/07/2023	02/07/2029	32,053	2.1	1,345
03/07/2023	02/07/2029	32,053	2.1	1,333
30/06/2023	28/06/2030	22,000	3.7	(347)
30/06/2023	28/06/2030	4,000	3.7	(59)
30/06/2023	28/06/2030	4,000	3.7	(61)
30/06/2023	30/06/2030	6,000	3.7	(106)
30/06/2023	30/06/2030	4,000	3.7	(55)
				6,330

20. Financial assets and financial liabilities (continued)

20.3 Derivative financial instruments (continued)

30 Jun 2024

Start Date	Maturity Date	Notional Amount $'000	Interest Rate Fixed %	Fair Value $'000
03/08/2021	01/07/2025	27,819	0.5	247
03/08/2021	01/07/2025	27,819	0.5	247
01/07/2023	01/07/2025	10,500	3.3	99
03/07/2023	01/07/2025	12,600	3.3	119
03/07/2023	01/07/2025	6,300	3.3	59
03/07/2023	01/07/2025	12,600	3.3	118
03/01/2023	01/07/2025	35,000	3.7	370
01/07/2022	01/07/2026	10,000	0.9	1,151
01/07/2022	01/07/2026	10,000	0.9	1,147
01/07/2024	03/07/2028	28,116	2.1	1,933
01/07/2024	03/07/2028	28,116	2.1	1,942
01/07/2024	03/07/2028	28,116	2.1	1,944
01/07/2023	01/06/2029	7,930	2.1	2,582
01/07/2023	02/07/2029	10,000	2.1	2,572
03/07/2023	02/07/2029	7,930	2.1	2,544
30/06/2023	28/06/2030	22,000	3.7	510
30/06/2023	28/06/2030	4,000	3.7	102
30/06/2023	28/06/2030	4,000	3.7	123
30/06/2023	30/06/2030	6,000	3.7	95
30/06/2023	30/06/2030	4,000	3.7	94
				17,998

The variable rates average 2.5% above (2024: 1.4% above) the fixed interest rate, which at 30 June 2025 was 3.8% (2024: 2.4%).

Refer Note 21 for movement in cash flow hedge reserve.

20.4 Financial instruments risk management objectives and policies

Interest rate risk

The Association manages its interest rate risk by hedging at a minimum of 25% of its bank debt (target 50%). Such hedging is currently achieved by taking out interest rate swap agreements.

20. Financial assets and financial liabilities (continued)

20.5 Changes in liabilities arising from financing activities

	1 July 2024	Cash flows	Other	30 June 2025
	$000	$000	$000	$000
Congregational loans: Current	156	(156)	-	-
Group bank loans: Current	-	-	75,000	75,000
Other loans: Current	3,253	(4,217)	4,096	3,132
Other loans: Non-Current	7,360	-	(3,563)	3,797
Group bank loans: Non-Current	556,000	184,000	(75,000)	665,000
Establishment fees	(1,706)	-	686	1,020
Bank Overdraft	33,099	397	-	33,496
NZ Bank Loan: Secured	307	(307)	-	-
Lease liabilities	87,546	(14,440)	17,772	90,878
	686,015	**165,277**	**18,991**	**872,323**

21. Reserves

	Hedging reserve	Realised gain on Financial assets designated at FVOCI	Foreign currency translation reserve	Net unrealised gains/(loss) reserve	Total
	$000	$000	$000	$000	$000
As at 1 July 2024	17,998	27,843	303	7,337	53,481
Movement	(11,668)	-	(3)	4,373	(7,298)
As at 30 June 2025	**6,330**	**27,843**	**300**	**11,710**	**46,183**

22. Commitments and contingencies

Lease commitments

The Group has various lease contracts that have not yet commenced as at 30 June 2025. The future lease payments for these non-cancellable lease contracts are $27,000 within one year, $77,000 within five years and $nil after five years.

Refer to note 18 for all other Lease commitments.

Plant and equipment commitments

The Group has a finance agreement with Cisco Systems Capital (Australia) Pty Ltd to fund the acquisition of plant and equipment.

The Group's fair value of future repayments under the agreement are $3,224,000 within one year and $3,704,000 within five years.

22. Commitments and contingencies (continued)

Capital commitments

At 30 June 2025 the Group has commitments of $224,761,000 (2024: $204,108,000). Commitments for property, plant and equipment contracted for at reporting date but not recognised as liabilities are as follows:

	2025	2024
	$000	$000
Within one year	206,347	201,706
After one year	18,414	2,402
	224,761	204,108

The capital commitments relate principally to completion of building contracts at:

- St John of God Subiaco Hospital;
- St John of God Murdoch Hospital;
- St John of God Midland Private Hospital

and Digital technology enhancement projects across the Group.

Commitment to Manage and operate St John of God Midland Public Hospital

On 14 June 2012, St John of God Midland Health Campus (SJGMHC) entered into a number of agreements (Transaction Documents) with the State of Western Australia (State) to design, construct, operate and maintain the St John of God Midland Public Hospital (Hospital).

The two primary contracts are the:

(1) Design & Construct (D&C) Agreement governing the design and construction of the St John of God Public Hospital

(2) Services Agreement governing the operation and maintenance of the St John of God Public Hospital during the Operational Phase

SJGMHC passed through (without release from the primary obligation to perform) its obligations under the D&C Agreement to Brookfield Multiplex Constructions Pty Ltd (BMC) under the terms of a D&C Subcontract. Construction of the Hospital was completed in November 2015.

SJGMHC passed through (without release from the primary obligation to perform) its obligations under the Services Agreement to St John of God Health Care Inc (SJGHC) under the terms of a Key Services Subcontract. The term of the Services Agreement commenced on 24 November 2015 and terminates 20 years thereafter. The State has the option to extend the term of the Services Agreement for a further period of two years.

As part of the transaction, the State requires SJGMHC to provide security for its obligations to the State under the Transaction Documents. The State also requires SJGHC to provide security to further secure SJGMHC's obligations.

In summary the security consists of:

- SJGMHC providing a fixed and floating charge over its assets and undertakings (General Security Agreement).

22. Commitments and contingencies (continued)

Commitment to Manage and operate St John of God Midland Public Hospital (continued)

- In respect of the Services Agreement, SJGMHC providing the State with performance bonds initially in the amount of $40,000,000 reducing to $25,000,000 after 12 months of operation and increasing back to $40,000,000 two years before the 20 year term of the Services Agreement expires (all amounts CPI indexed). SJGHC provided the original $40,000,000 performance bond to the State on behalf of SJGMHC on 24 November 2015 which was subsequently replaced by a $25,000,000 performance bond. SJGHC provided the $25,000,000 performance bond to the State on 10 November 2016.
- A parent guarantee provided by SJGHC in favour of the State securing SJGMHC's obligations under the D&C Agreement and the Services Agreement. This parent guarantee is limited to 50% of the Contract Sum during the D&C Phase and to the equivalent of one year's revenue during Operational Phase (currently approximately $260,000,000).
- The Australian holding company of BMC, Brookfield Australia Investments Ltd provide a parent company guarantee to SJGMHC securing BMC's obligations to the Company under the D&C Subcontract noting that BMC's liability to the Company under this sub-contract will be limited to 50% of the contract sums under the D&C Subcontract.
- SJGHC providing the State with a charge over SJGHC's interest as a member in SJGMHC (Specific Security Deed).

Sale Commitment: Private Patient Facility at St John of God Midland Public Hospital

During the 2023 financial year the Group received notice that the State Government of Western Australia (State) was exercising its right to acquire 60 private beds, two operating theatres and a procedures room within the Midland Health Campus. The State will take possession of these on 1 July 2026, at which point Midland Health Campus will have transitioned to a fully public hospital. The Group has commenced planning to deliver a new standalone 120 bed St John of God Midland Private Hospital near the existing hospital with completion expected in mid-2026.

Commitment to Manage and operate Hawkesbury District Health Service

Capital commitments

There were no Group capital commitments as at 30 June 2025 (2024: $nil).

Commitment to manage and operate Hawkesbury District Health Service

As at 1 July 2024, the operations and management of Hawkesbury District Health Service was returned to the Nepean Blue Mountains Local Health District.

Guarantees

St John of God Health Care Inc. has provided the following guarantees at 30 June 2025:

- Guarantee of $12,100,000 (2024: $10,400,000) to WorkCover WA as a condition of workers compensation self-insurance.
- Various other guarantees provided during the year total to $1,211,000 (2024: $1,245,000).

23. Events after the reporting period

There have been no significant events occurring after the balance date which may affect either the Group's operations or results of those operations or the Group's state of affairs.

24. Related parties

Board members

Dr R Capolingua
Mr J de Groot
Dr M Levitt (Resigned: 31 December 2024)
Mr J McMahon
Dr M O'Brien
Mr P Prendiville
Hon K Sanderson AC
Ms S Park
Mr P Bremner
Ms J Keene
Mr M Scatena

Trustees

Rev Dr J Parkinson
Mr F Cooper AO
Mr M Murphy
Ms D Cronin
Ms S Pascoe AM
Hon N Owen AO
Ms C Hammond
Mr F Moore

Compensation of key management personnel of the Group

	2025 $000	2024 $000
Short term benefits	15,070	14,692
Termination benefits	621	410
Total compensation paid to key management personnel	**15,691**	**15,102**

25. Auditors' remuneration

The auditor of St John of God Health Care Inc. is Ernst & Young (Australia).

	2025 $	2024 $
Fees to Ernst & Young (Australia):		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	465,270	522,600
Fees for other valuation services	180,000	20,000
Total fees to Ernst & Young (Australia):	**645,270**	**542,600**
Fees to other overseas member firms of Ernst & Young (Australia):		
Fees for auditing the financial report of any controlled entities	33,405	31,230
Total fees to other overseas member firms of Ernst & Young (Australia):	**33,405**	**31,230**
Total auditor's remuneration	**678,675**	**573,830**

ST JOHN OF GOD HEALTH CARE INC.
(Association Not for Profit)
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of St John of God Health Care Inc. (the Group) we state that:

1. In the opinion of the directors:

   (a) the financial statements and notes of St John of God Health Care Inc. for the financial year ended 30 June 2025 are in accordance with the *Associations Incorporations Act 2015* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date; and

      (ii) Complying with *Australian Accounting Standards and Australian Charities and Not-for Profits Commission Regulations 2022*; and

   (b) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

On behalf of the board

Hon K Sanderson AC
Chair
Perth, WA
26 September 2025

Ms S Park
Director
Perth, WA
26 September 2025

Shape the future
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Ernst & Young
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Perth WA 6000 Australia
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Fax: +61 8 9429 2436
ey.com/au

Independent auditor's report to the members of St John of God Health Care Inc.

Opinion

We have audited the financial report of St John of God Health Care Inc. (the Association) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporation Act 2015*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act 2015* and for such internal control as the directors determine is necessary to enable the preparation of the for such internal control as the directors determine is necessary to enable the preparation of the 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 directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives 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 our 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, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 Group's internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors

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- Conclude on the appropriateness of the directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Timothy G Dachs
Partner
Perth
26 September 2025

"KB-3"

ST VINCENT'S
Better and fairer care. Always.
UNDER THE STEWARDSHIP OF MARY AIKENHEAD MINISTRIES



St Vincent's Health Australia Limited

Financial Report 2025

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Corporate Information

Directors	Mr. P McClintock AO (Chair retired 31/07/2025)	
	Ms. K Bailey-Lord	Ms. S McPhee AM
	Ms. A Barker	Mr. D O'Brien
	Dr. M Coote (retired 03/08/2025)	Mr. P O'Sullivan (Chair effective 01/08/2025)
	Ms. A Cross AM	Prof. V Perkovic
	Ms. A McDonald	Ms. J Watts
	Ms. S McGregor	
Company Secretary	Mr. P Garcia	Mr. P Fennessy
Principal registered Office	L22, 100 William Street, Woolloomooloo, NSW, 2011	
Auditor	Ernst & Young, 200 George Street, Sydney, NSW, 2000	
Website Address	www.svha.org.au	
ABN	75 073 503 536	

Directors' Report

The Directors of St Vincent's present their report together with the financial report of St Vincent's Health Australia Limited for the year ended 30 June 2025.

The financial report represents the consolidation of St Vincent's Health Australia Limited and its controlled entities (the "Group" or "SVHA").

St Vincent's is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

This financial report was authorised for issue by the Directors on 08 October 2025. The Directors have the power to amend and reissue the financial report.

About St Vincent's

St Vincent's is the nation's largest Catholic not-for-profit health and aged care provider.

Our Mission	Our Vision	Our Values
We express God's love through the healing ministry of Jesus. We are especially committed to people who are poor and vulnerable.	Every person, whoever and wherever they are, is served with excellent and compassionate care, by a better and fairer health and aged care system.	Compassion Excellence Integrity Justice

Objectives and Principal Activities

The objectives as stated in the St Vincent's constitution are:

- to provide direct relief of sickness, suffering and distress through supporting the health service facilities operating hospitals, aged care facilities and other health care facilities and by itself conducting such facilities; and
- to provide relief without discrimination.

These objectives are pursued through the principal activities of the St Vincent's, being the operation of public and private hospitals, research, aged care, virtual and home health services and community programs for people in need.

There were no significant changes in the nature of the activities of St Vincent's during the year.

The Directors monitor the progress of St Vincent's against these objectives at regular Board and committee meetings including:

- reports on all aspects of St Vincent's operations;
- the development of a multi-year strategic plan and periodic review of this plan;
- feedback from clients who have accessed St Vincent's services through a range of client-focused mechanisms such as patient satisfaction surveys; and
- reports which detail the Mission related projects across the organisation.

Operating and Financial Review

The Group is not-for-profit and so strives to make a surplus to keep the health service sustainable to further invest in the mission to promote the healing ministry of Jesus.

The Group generated an operating deficit of $92.90m for the year ended 30 June 2025 (2024: $33.73m surplus). Revenue increased by 0.3% and expense increased by 4.2%.

Revenue of $3,372.83m (2024: $3,361.61m) was impacted by: -

- Patient and resident fees increase of 3.4% to $1,135.76m. All major operating divisions increased revenue.
- Government grants and COVID-19 and general subsidies decrease of 1.5% to $1,743.02m with COVID-19 grants reducing by $10.51m as specific funding no longer required.

- Non cash fair value gains on investment properties were $nil (2024: $22.56m).

Expense of $3,465.73m (2024: $3,327.88m) was impacted by: -

- Employment expenses represent 62.1% of total expenses. The increase of 6.3% to $2,153.73m reflects the continued increase in costs compared to a 3.4% increase in patient and resident fees.
- Goods and services increase of 0.9% to $978.57m in line with inflation.
- Depreciation and amortisation reduced by $28.06m as FY24 was the final year of amortising residential aged care bed licences (bed licence amortisation expense FY25 $nil; FY24 $29.31m). The removal of the impact of the decrease in amortisation results in a total year on year expense increase of $5.6%.

Net assets remain stable at $1.20 billion. FY25 continued to be a major year of capital investments. The new Private Hospital Fitzroy Tower was opened with $35m spent in FY25. Expenditure will continue into FY26 as operating theatres are completed. Practical completion of the ACMD in Melbourne occurred on 30 June. St Vincent's spent $43m in FY25 with building commissioning expenditure to be completed in FY26. One aged care facility in North Queensland was sold generating net cash proceeds of $21.6m.

Going Concern

The Group's Balance Sheet shows an excess of current liabilities over current assets of $996.81m (2024: $867.19m).

Included within current liabilities are accommodation bonds / Refundable Accommodation Deposits (RADs) of $878.58m (2024: $859.87m) which are recorded as current under Australian accounting standards. In the normal course of business not all of these liabilities will crystallise within one year and those that do are usually replaced by incoming residential accommodation payments. In addition, current liabilities contain provisions for annual and long service leave of $471.70m (2024: $444.97m) which although presented as current, are probable to be paid out over several years.

The Group has a substantial net asset position of $1.21b for the year ended June 2025 (2024: $1.27b).

St Vincent's Hospital (Melbourne) Ltd (SVHM)

SVHM is a public health service governed and managed in accordance with the Health Services Act 1998 (Vic). SVHM provides essential services and is predominantly dependent on the continued financial support of the State Government, particularly the Department of Health, and the Commonwealth funding via the National Health Reform Agreement (NHRA). The State of Victoria plans to continue SVHM's operations and on that basis, the financial statements have been prepared on a going concern basis.

St Vincent's Hospital (Sydney) Ltd (SVHS)

SVHS has legislative rights combined with a Memorandum of Understanding with the NSW Ministry of Health (Ministry) to provide a level of surety that ongoing funding allocations will be provided by the Ministry. SVHS has a four-year (2025-29) Service Agreement with the Ministry which provides certainty of funding for those financial years. SVHS received a letter from the Ministry dated 22 October 2009 in which it accepts some liability for employee entitlements should the Company cease activities as an Affiliated Health Organisation.

St Vincent's Care Services (SVCS)

SVCS has a negative net asset position mainly driven from historical amortisation of bed licences. The Directors have reviewed the Company's going concern indicators, including the 2025-2026 budget, financial performance and cashflow forecasts and has obtained a letter of support for the Company from its parent.

Accordingly, the financial statements have been prepared on a going concern basis.

Dividends

SVHA's constitution precludes the payment of dividends and accordingly no dividend has ever been paid or declared.

Member's Guarantee

If SVHA is wound up the constitution states that each member is required to contribute a maximum of $100 each towards meeting the obligations of SVHA. At 30 June 2025 SVHA had 1 member (2024: 1) so the maximum amount to be contributed towards meeting the obligations of SVHA would be $100 (2024: $100).

Directors' Report

Subsequent Events

There have been no material transactions or events occurring subsequent to year end that require adjustment to, or disclosure in the financial statements.

Likely Developments and Expected Results

The Group will continue to operate public and private hospitals and aged care facilities, providing direct relief of sickness, suffering and distress through supporting its health service facilities and to provide relief without discrimination.

Environmental Regulation and Performance

The Group is registered under the National Greenhouse and Energy Reporting Act, under which it is required to report energy consumption and greenhouse gas emissions for its Australian facilities for the 12 months ended 30 June 2025 and future periods. The Group has data collection systems and processes in place to meet its requirements.

Indemnification and Insurance of Officers

SVHA has indemnified the Directors and executives of the Group for costs incurred, in their capacity as a Director or executive, for which they may be personally held liable, except where there is a lack of good faith. The Directors have not included details of the indemnity as disclosure of those details is prohibited under the indemnity agreement.

Indemnification of Auditors

As part of the Group's terms of engagement with Ernst & Young, the Group has agreed to indemnify Ernst & Young to the extent permitted by law and professional regulations, against any losses, liabilities, costs or expenses incurred by Ernst & Young where they arise out of or occur in relation to any negligent, wrongful or wilful act or omission, or breach of the engagement agreement by the Group. No payment has been made to Ernst & Young by the Group pursuant to this indemnity, either during or since the end of the financial year.

Rounding of Amounts

The amounts contained in Directors' report and financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($'000), or in certain cases to the nearest dollar, under the option available to the Group under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

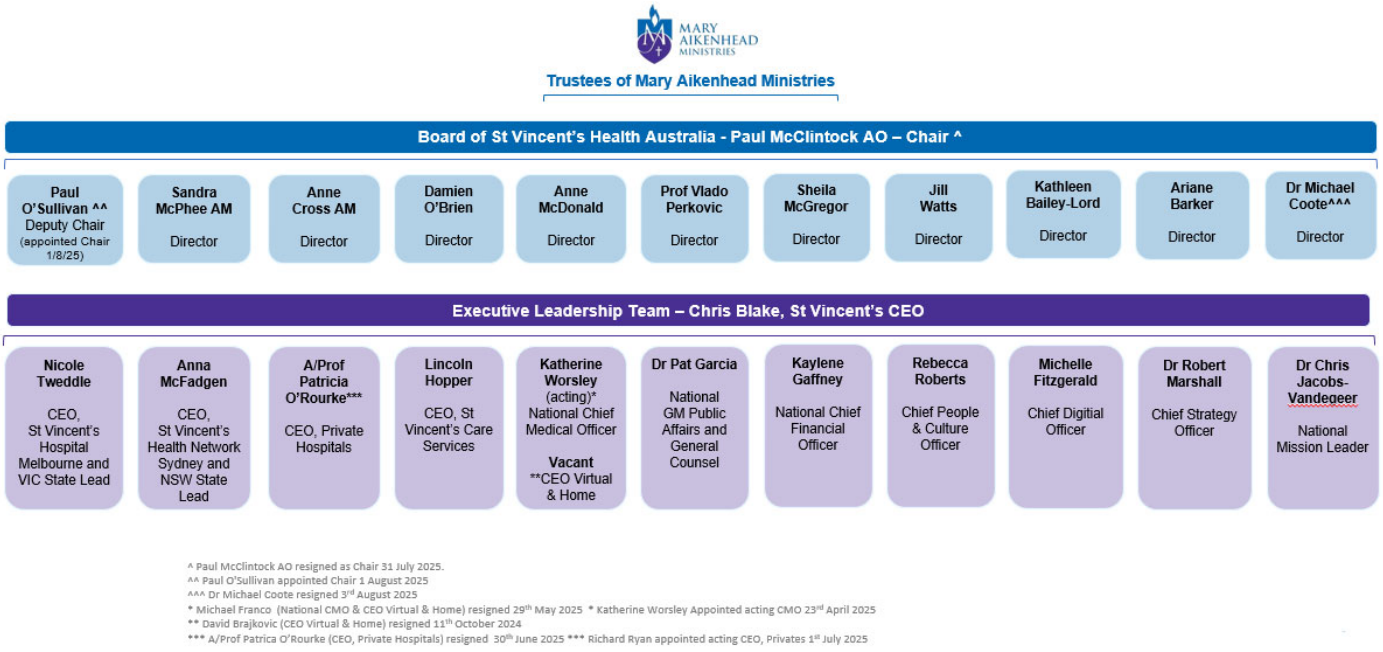
Structure and Management

SVHA is a group of not-for-profit non-listed entities. St Vincent's Health Australia Limited is a not-for-profit company limited by guarantee and is registered with the Australian Charities and Not-for-profits Commission.

SVHA is governed by a Board of Directors ("Board") chaired by Mr Paul McClintock AO (retired 31st July 2025). The Board exists to ensure there is effective integration and growth of the mission of Mary Aikenhead Ministries throughout the health and aged care services and to govern the SVHA Group of companies pursuant to the Australian Charities and Not-for-profits Commission Act 2012 (Cth), Canon law and all other relevant civil legislation. The Board must at all times operate within the Mary Aikenhead Ministries Ethical Framework and the Catholic Health Australia Code of Ethical Standards of Health and Aged Care Services in Australia (2001).

Directors' Report
Structure and Management (continued)

The day-to-day running of SVHA is the responsibility of the Executive Leadership Team led by Chris Blake, Group Chief Executive Officer.



^ Paul McClintock AO resigned as Chair 31 July 2025.
^^ Paul O'Sullivan appointed Chair 1 August 2025
^^^ Dr Michael Coote resigned 3rd August 2025
* Michael Franco (National CMO & CEO Virtual & Home) resigned 29th May 2025 * Katherine Worsley Appointed acting CMO 23rd April 2025
** David Brajkovic (CEO Virtual & Home) resigned 11th October 2024
*** A/Prof Patrica O'Rourke (CEO, Private Hospitals) resigned 30th June 2025 *** Richard Ryan appointed acting CEO, Privates 1st July 2025

Board of Directors

The Board is accountable for its key purpose to The Trustees of Mary Aikenhead Ministries ('TMAM'). Mary Aikenhead Ministries builds on the charism and traditions of the Sisters of Charity and Mary Aikenhead, founder of the Sisters of Charity. The Trustees are the canon law and civil stewards of SVHA. All Directors serve as independent non-Executive Directors and are appointed by TMAM.

Board Committees

All Board Committees operate under their own Charter which is annually reviewed and approved by the Board. All Board Committee Charters were revised and approved by the Board in April 2025. Committees are permitted to seek Board approval to appoint external experts to assist them in their consideration of matters. SVHA is grateful to those individuals who have given their time, skills and expertise to assist our Committees to operate effectively to meet the needs of those we serve.

The Board is supported by seven standing Committees. The Research and Education Committee and *ad hoc* Cyber Security Committee were closed in early 2025 and their responsibilities reallocated. The Digital Health Committee was established in April 2025.

Audit & Risk

The purpose of the Committee is to assist the Board in its oversight of financial reporting, internal controls, risk management, insurance coverage and internal and external audit in accordance with the Mission and values of the Company.

The Committee will be responsible for providing an integrated view of risk to the Board in relation to all aspects of risk across the organisation.

The Committee also considers the statutory accounts of the company and the related group, and any other such similar statements as may be considered appropriate from time to time prior to recommending them to the Board for approval.

Directors' Report
Structure and Management (continued)

Finance & Investment

The purpose of the Committee is to assist the Board in its oversight of the Company's financial performance, policies, strategies, and capital structure, in accordance with the mission and values of the organisation.

Mission, Ethics & Advocacy

The primary purpose of the Committee is to provide advice and guidance to assist the Board in its oversight in relation to delivering the Mission of SVHA.

The Committee will be primarily concerned with oversighting Mission, ethics and advocacy initiatives so that they operate within the scope of St Vincent's Mission and values.

People & Culture

The primary purpose of the Committee is to assist the Board in relation to overseeing people management, workplace relations and safety, remuneration and benefits, culture and leadership, education and learning, diversity and inclusion, in accordance with the mission and values of the organisation.

As delegated by the Board, the Committee will also make recommendations to the Board and the Trustees of Mary Aikenhead Ministries (TMAM) regarding director appointments of all SVHA owned entities, including the St Vincent's Health Australia Board (and its committees), affiliated medical research institutes and other related entities.

Clinical Governance & Experience

The primary purpose of the Committee is to assist the Board in its oversight of:

- The provision of high-quality care, a positive consumer experience, effective clinical and research governance and a culture that prioritises safety in accordance with the mission and values of the organisation.
- Understanding emerging trends and breakthroughs in clinical care and operations.

Aged Care

The purpose of the Committee is to assist the Board as Key Personnel, as defined in the Aged Care Quality and Safety Commission Act 2018 (Cth) (ACQSC Act), in its oversight related to providing effective, high quality, safe, person-centred and human rights-based and sustainable delivery of services across our aged care facilities in accordance with the Mission and Values of the organisation and applicable laws (for example, the Aged Care Act 2024 (Cth) and National Disability Insurance Scheme Act 2013 (Cth)).

The Committee will have a particular focus on assisting the Board oversee aged care strategy development and implementation, clinical governance, the quality, safety and experience of aged care residents and their families as well as the culture, capability and capacity of the aged care work force.

Digital Health

The primary purpose of the Committee is to assist the Board's oversight of key digital health activities and investments with St Vincent's strategy, including healthcare and clinical informatics, data governance, technology infrastructure, platforms and services; and finance and risk, including cybersecurity and privacy, in accordance with the mission and values of the organisation.

Directors' Report
Structure and Management (continued)

Information on Directors

Mr. Paul McClintock AO
Graduated in Arts and Law from the University of Sydney.

Honorary Fellow of the Faculty of Medicine of University of Sydney.

Life Governor of the Woolcock Institute of Medical Research

Paul was appointed to the Board of SVHA and its subsidiary Boards on 1 January 2013 and was appointed Chair on 18 October 2019 and holds the additional positions of:

- Member – SVHA Aged Care Board Committee

Paul also serves as a trustee of St Vincent's Hospital Sydney. Paul is Chair of Icon Group and Chair of Metlifecare Limited in New Zealand and is on the Board of Catholic Health Australia (CHA).

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 I-MED Network, Medibank Private, the COAG Reform Council, the Committee for the Economic Development of Australia, Symbion Health, Sydney Health Partners, Affinity Health and the Woolcock Institute of Medical Research. He has also served as Commissioner of the Health Insurance Commission.

Ms. Anne Cross AM
Master of Social Work (Research)

Bachelor of Social Work

Fellow of Australian Institute of Company Directors (FAICD)

Member of Chief Executive Women

Appointed non-executive director of SVHA and its subsidiary Boards on 1 January 2019 and holds the additional positions of:

- Chair – SVHA Aged Care Board Committee
- Member – SVHA Audit and Risk Board Committee; and Clinical Governance & Experience Board Committee.

Anne concluded her executive career as Chief Executive of Uniting Care Queensland, one of Australia's largest not for profit health, aged care and community service organisations late in 2017. Currently she is Chair of Uniting Church in Australia Redress Ltd and a Director of Deakin TopCo Pty Ltd (trading as Levande).

Anne is a Member, Senate of the University of Queensland. Anne received recognition in the Queen's Birthday 2018 Honours List for significant service to the community and to women, was named Telstra's National Businesswoman of the Year in 2014; and awarded the University of Queensland's Alumni Excellence Award in 2016.

Ms. Anne McDonald
Bachelor of Economics (Sydney University)

Chartered Accountant, Fellow of the Institute of Chartered Accountants ANZ

Graduate and Member of the Australian Institute of Company Directors

Appointed non-executive director of SVHA and its subsidiary Boards on 1 June 2017 (and previously served on the boards of several St Vincent's entities prior to 2010), and holds the additional positions of:

- Chair - Audit & Risk Board Committee
- Member - Finance & Investment Board Committee; and Aged Care Board Committee

Anne is an experienced non-executive Director (NED) with a solid understanding of corporate governance. She has pursued a full-time career as a NED since 2006. She is currently a director of Smartgroup (SIQ).

Anne has previously served as non-executive director or chair on a range of public and private companies and State Government Boards including The GPT Group, Spark Infrastructure, Link Group, Specialty Fashion Group, Sydney Water and Water NSW. Prior to her NED career, she spent 15 years as a partner of EY.

Dr. Michael Coote
MB BS FRANZCO GAICD

Clinical Professor University of Melbourne

Member of Australian Medical Association

Graduate of Australian Institute of Company Directors

Appointed non-executive director of SVHA and its subsidiary Boards on 4 August 2016 (and served on the boards of several St Vincent's entities prior to 2010), and holds the additional positions of:

- Member - Clinical Governance & Experience Board Committee, and Digital Health Committee
- Director – Board of the Aikenhead Centre for Medical Discovery Ltd

Michael is a Clinical Professor and senior glaucoma consultant at the Royal Victorian Eye and Ear Hospital (RVEEH) Melbourne and is the previous Clinical Director of Ophthalmology. He is the managing partner of Melbourne Eye Specialists - an academic private practice in Melbourne specialising in Glaucoma management. He is Lead Investigator Glaucoma Surgery Unit Centre for Eye Research Australia

Michael is an active researcher, mainly in glaucoma surgery research. He has published 65 peer reviewed manuscripts, authored eight book chapters and has given over 50 international and named lectures. He is currently running a mulitcentre human clinical trial of a new Glaucoma Drainage Device that he has co-developed.

He is currently Secretary General Board of the International Society for Glaucoma Surgery.

Ms. Kathleen Bailey-Lord
Bachelor of Arts (Honours), University of Melbourne

Fellow, Australian Institute of Company Directors (FAICD)

Graduate of the Macquarie Advanced Management Program

Harvard Executive Program

Cambridge Sustainability Leadership Program

University of Sydney, AI Literacy for Directors

Appointed non-executive director of SVHA and its subsidiary Boards on 17 April 2023 and holds the additional positions of:

- Chair – Digital Health Committee
- Member – Finance & Investment Board Committee; and People & Culture Board Committee.

Kathleen is a seasoned director and corporate advisor with a particular interest in digital technology and disruptive change. With two decades of senior executive experience navigating complex business environments, she has developed wide ranging perspectives across broad range of industries including technology, professional services, financial services and utilities.

Current boards include Janison Education Group, Datacom Group and AMP Ltd, Australian Institute of Company Directors (AICD) She is President Victorian Council AICD, member of Bain Australia Advisory Council and member of Chief Executive Women.

Between 2018 and 2022, Kathleen was the Independent Chair to the Parkville Health Precinct (comprises Melbourne Health, Royal Women's, Royal Children's, and Peter Mac Cancer Centre) Connecting Care Board which had oversight of the implementation of precinct shared services, including electronic medical records.

Ms. Sandra McPhee AM
Diploma in Education

Fellow of the Australian Institute of Company Directors (FAICD)

Member of Chief Executive Women

Member of Women Corporate Directors

Appointed non-executive director of SVHA and its subsidiary Boards on 1 October 2017 having previously served on the Sydney Regional Boards and as Chair of the Sydney Regional Advisory Committee. Holds the additional positions:

- Chair – People & Culture Board Committee
- Member – Mission, Ethics & Advocacy Board Committee

Sandra is Chancellor of Southern Cross University, and a member of the Advisory Council of JP Morgan.

In 2018 she was appointed by the Commonwealth Government to Chair the Employment Services Expert Advisory Panel Review resulting in the "'I Want to Work' Employment Services 2020 Report". The Report's recommendations were accepted by government.

Sandra has previously served as a Non-Executive Director on a number of public companies, state, federal government and not for profit boards including Scentre Group, Westfield Retail Trust, AGL Energy, Fairfax Media, Coles Group, Kathmandu Holdings, Perpetual, Australia Post, Tourism Australia, South Australia Water, Care Australia and the Starlight Foundation.

During her aviation executive career, most recently with Qantas Airways Limited she was responsible for commercial operations in a diverse range of international markets and within Australia.

Mr. Paul O'Sullivan
B.A. Economics, (First Class), Trinity College Dublin

Advanced Management Program, Harvard Business School

Appointed non-executive director of SVHA and its subsidiary Boards on 1 August 2019 and holds the additional positions of:

- Deputy Chair of the Board
- Chair – Finance & Investment Board Committee
- Member – Mission, Ethics & Advocacy Board Committee.

Paul is an experienced chief executive with extensive domestic and international experience in ASX and SGX companies driving business transformation. Previous roles include CEO Optus Australia and CEO Group Consumer Singtel (SGP).

Paul is currently Chair of Singtel Optus, Western Sydney Airport Company, and ANZ Bank.

Mr. Damien O'Brien
Bachelor of Economics (UNSW)

MBA (Columbia University)

Diploma in Theology & Philosophy (St Columban's College)

Appointed non-executive director of SVHA and its subsidiary Boards on 1 November 2019 and holds the additional positions of

- Chair - Mission, Ethics & Advocacy Committee
- Member - Audit & Risk Board Committee.

Damien is the former Chair and CEO of Egon Zehnder, a leading global advisory firm specialising in Board advisory services and executive recruitment and was based in Hong Kong, Sydney, Paris, London and Zurich, and served as chair between 2010 and 2018. Prior to that he was an Associate Consultant to McKinsey & Company.

He is currently a non-executive director at Ardagh Group, and a Member of the Board of US listed company Ardagh Metal Packaging. He previously served on the Board of St Vincent's Private Hospital Sydney from 2002 to 2008 and the Advisory Board of Jesuits Australia from 2004 to 2007.

Ms. Jill Watts
Wharton Fellow, MBA

Grad Dip Health Admin & Information Systems; RM; RN

Appointed non-executive director of SVHA and its subsidiary Boards on 1 August 2019 and holds the additional positions of:

- Member - People & Culture Board Committee; and Finance & Investment Board Committee
- Environmental Social Governance (ESG) Champion

Jill has over 40 years international business experience achieved through high profile executive and non-executive Board roles in Australia, UK, France, South Africa and South-East Asia.

Jill currently holds non-executive director roles on NIB Australia Board, Icon Group Board, and IHH Healthcare. Prior to establishing a non-executive board portfolio, Jill was an advisor to Macquarie Capital and spent 10 years in the United Kingdom as Group CEO of two of the largest hospital Groups, BMI Healthcare and Ramsay UK.

Jill has previously served on several high-profile Boards including the Australian Chamber of Commerce and the Royal Flying Doctor Service in the UK, Ramsay Santé in France and the Netcare Group in South Africa. Between 2008 and 2012 Jill was Chair of NHS Partners Network and in 2010 was voted the most influential leader in UK Private Health Care, and in 2013 as one of healthcare's most inspirational women.

In combination with over 12 years as a surveyor with the Australian College of Healthcare Standards, Jill has facilitated a unique knowledge base in managing both corporate and clinical risk.

Ms. Sheila McGregor
BA (Hons), LLB (Sydney University)

Graduate Australian Institute of Company Directors

Member of Chief Executive Women

Appointed non-executive director of SVHA and its subsidiary Boards on 1 December 2019 and holds the additional positions of:

- Member: People & Culture Board Committee; Aged Care Board Committee; and Digital Health Board Committee.

Sheila became a consultant at Gilbert+ Tobin lawyers in January 2024, after 20 years as a Partner, where she was on the Board and led the Technology team. Before Gilbert+ Tobin, she was a Partner at Herbert Smith Freehills (then Freehills).

She has held various non-executive director roles at listed and private companies, and not - for - profits, including in the finance, health, arts and media industries.

She is currently on the Board of LGT Crestone, the Gilbert+ Tobin Foundation, and is Chair of the Loreto Kirribilli School.

Prof. Vlado Perkovic
MBBS, PhD (University of Melbourne), FRACP

Doctor of Philosophy

Appointed non-executive director of SVHA and its subsidiary Boards on 1 October 2021 and holds the additional positions of:

- Chair - Clinical Governance & Experience Board Committee
- Member - Digital Health Committee.

Professor Vlado Perkovic is the Provost and Scientia Professor at the University of New South Wales in Sydney, Australia, and was previously the Dean of the Faculty of Medicine & Health at UNSW. He holds non-executive director roles at Mindgardens Network, Kidney Health Australia, and several other independent Medical Research Institutes.

He is a distinguished clinical researcher and has led several major international clinical trials that have identified new treatments to prevent kidney failure.

Vlado holds a Doctor of Philosophy from the University of Melbourne and completed his undergraduate training at The Royal Melbourne Hospital.

He is a Fellow of the Royal Australasian College of Physicians, the Australian Academy of Health and Medical Sciences, and the American Society of Nephrology. He serves on the editorial boards of a number of leading journals, including the New England Journal of Medicine.

Ms. Ariane Barker

B.A. Economics & Mathematics (Boston University, USA)

Fellow of the Australian Institute of Company Directors (FAICD)

Securities & Managed Investments Accreditation Program (ASIC RGS146)

VC Catalyst Program at the Wade Institute, MBS University of Melbourne

Appointed non-executive director of SVHA and its subsidiary Boards on 1 June 2024 and holds the additional positions of:

- Member – Finance and Investment Board Committee, Clinical Governance & Experience Board Committee, and Digital Health Board Committee.

Ariane is on the Board of Commonwealth Superannuation Corporation (CSC), serving as chair of its Governance Committee as well as a member of its HR and remuneration committee - with prior memberships to the Risk and Audit Committees of CSC. She also currently serves as Board Director and Chair of the Audit and Risk Committee for ASX listed IDP Education, as well as a member of the Remuneration and Nominations Committees.

Ariane is an experienced global executive and board member with a background in financial services spanning over 25 years. She has worked in tier 1 global investment banks in New York, London, Asia, and Australia, also experienced supporting high growth companies at C-Suite and board level across capital markets, superannuation, and venture capital.

Ariane is a member at Chief Executive Women (CEW). Former member of Murdoch Children's Research Institute (Investment Committee), Australian Institute of Superannuation Trustees (AIST), Women In Super (WIS), Association of Superannuation Funds of Australia (ASFA).

Company Secretary

Dr. Pat Garcia

Bachelor of Law (Hons) (USYD), Bachelor of Commerce (UNSW); Master of Public Policy (USYD), Master of International Law and Security (UNSW), Doctor of Social Science (USYD)

Pat Garcia is the Group General Manager Public Affairs & General Counsel. He was previously the CEO of Catholic Health Australia. He is an Adjunct Professor of Politics and International Relations at the University of Notre Dame Australia.

Pat sits on the boards of CatholicCare Sydney, the Trustees of Catholic Aged Care Sydney and the Ascham Council of School Governors. He previously sat on the boards of the St Vincent de Paul Society National Council, the Law Council of Australia, the Law Society of New South Wales, Shine for Kids, Surf Life Saving Sydney and Youth Action. He is a life member of Coogee Surf Life Saving Club and former Army Reserves Officer.

He is admitted as a Solicitor to the High Court of Australia, the Supreme Court of NSW and holds an unrestricted NSW Practicing Certificate.

Mr. Paul Fennessy

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

Paul is the Group General Counsel for St Vincent's Health Australia.

Paul joined the group legal team at St Vincent's in 2014 and was appointed as alternate Company Secretary in 2016. He has over 25 years' experience as a lawyer, having worked in law firms in Australia and the UK, and as part of in-house legal teams for ASX listed organisations. 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.

Directors' Report
Structure and Management (continued)

Meetings of the Board and Committees

number of meetings held	8	6	7	5	3	5	4	5	3	1
Directors	Board +	Audit & Risk	Finance & Investment	Clinical Governance & Experience	Research & Education	People & Culture	Mission, Ethics & Advocacy	Aged Care	Cybersecurity (adnoc) *	Digital Health Committee **
Mr Paul McClintock AO **Chair**	8/8							4/5	3/3●	
Ms Anne McDonald	8/8	6/6●	7/7					1/1^	3/3	
Ms Sandra McPhee AM	8/8					5/5●	4/4			
Mr Paul O'Sullivan	8/8		7/7●				2/4		3/3	
Ms Anne Cross AM	7/8	6/6		4/5				5/5●		
Prof Michael Coote	8/8			5/5	3/3●					0/1
Ms Jill Watts	8/8		6/7			5/5				
Ms Sheila McGregor	8/8			4/5		5/5		5/5	3/3	1/1
Mr Damien O'Brien	8/8	6/6			2/3		4/4●			
Prof Vlado Perkovic	8/8			5/5●	3/3					
Ms Kathleen Bailey-Lord	8/8		6/7			5/5			3/3	1/1●
Ms Ariane Barker	6/8		5/6>							1/1

Notes:
● denotes committee chair
+ AGM included in total Board meetings held
* Cybersecurity Committee ceased January 2025
** Digital Health Committee established April 2025
^appointed to Aged Care Committee May 2025
> appointed September 2024

Remuneration

Under the legislation, the Group is not required to present a Remuneration Report but seeks to provide fair and responsible remuneration within the bands expected for a not-for-profit organisation. Note E1 contains the required remuneration disclosures.

Auditor

The Directors have received an Independence Declaration from Ernst & Young, a copy of which is attached at page 12.

This report is made in accordance with a resolution of the Directors.

Mr. Paul O'Sullivan, Chair
Sydney
09 October 2025

Ernst & Young
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Sydney NSW 2000 Australia
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Shape the future with confidence

Auditor's independence declaration to the directors of St Vincent's Health Australia Limited and its Controlled Entities

As lead auditor for the audit of the financial report of St Vincent's Health Australia Limited (the Company) and its Controlled Entities (collectively the Group) for the financial year ended 30 June 2025, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of St Vincent's Health Australia Limited (the Company) and the entities it controlled during the financial year.

Ernst & Young

Anton Ivanyi
Partner
Sydney
9 October 2025

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 $'000	2024 $'000
Revenue	A1	**3,314,470**	3,262,174
Other Income	A1	**58,358**	99,431
Total revenue and other income		**3,372,828**	3,361,605
Employment expenses	A2	**2,153,734**	2,025,464
Goods and services		**978,572**	970,278
Finance costs		**95,502**	93,218
Repairs and maintenance		**33,300**	39,444
Depreciation and amortisation	A5/A7/A11	**148,543**	176,607
Other expenses from ordinary activities		**56,079**	22,868
Total expenses		**3,465,730**	3,327,879
Operating surplus/(deficit)		**(92,902)**	33,726
Capital funding received	A1	**21,762**	20,392
Profit from sale of business	A1	**15,963**	-
Surplus/(deficit)		**(55,177)**	54,118
Other comprehensive income			
Revaluation of assets		**1,574**	3,136
Net (loss)/gain on cash flow hedges		**(5,438)**	(4,447)
Total comprehensive income/(deficit)		**(59,041)**	52,807

BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 $'000	2024 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	B1	**255,835**	373,853
Trade and other receivables	A3	**269,837**	227,164
Inventories	A4	**38,118**	37,915
Investments	B2	**379,500**	344,872
Total current assets		**943,290**	983,804
Non-current assets			
Receivables	A3	**91,454**	86,971
Investments	B2	**214,112**	183,851
Property, plant and equipment	A5	**1,918,698**	1,830,470
Right-of-use assets	A11	**158,295**	161,374
Investment properties	A6	**377,257**	364,770
Intangible assets	A7	**168,680**	175,369
Total non-current assets		**2,928,496**	2,802,805
Total assets		**3,871,786**	3,786,609
LIABILITIES			
Current liabilities			
Trade and other payables	A8	**473,082**	436,897
Accommodation bonds and payables	A9	**878,577**	859,866
Lease liabilities	A11	**11,524**	13,113
Borrowings	B4	**92,724**	79,815
Provisions	A10	**484,189**	461,299
Total current liabilities		**1,940,096**	1,850,990
Non-current liabilities			
Payables	A8	**91,292**	50,899
Lease liabilities	A11	**167,570**	167,248
Borrowings	B4	**395,686**	392,085
Provisions	A10	**70,625**	59,829
Total non-current liabilities		**725,173**	670,061
Total liabilities		**2,665,269**	2,521,051
Net assets		**1,206,517**	1,265,558
Reserves		**110,486**	114,350
Retained surplus		**1,096,031**	1,151,208
Total equity		**1,206,517**	1,265,558

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Member's reserve	Revaluation reserve	Cash flow hedge reserve	Retained surpluses	Total
	$'000	$'000	$'000	$'000	$'000
2025					
Balance 1 July 2024	**204**	**108,530**	**5,616**	**1,151,208**	**1,265,558**
Surplus for the year	-	-	-	**(55,177)**	**(55,177)**
Other comprehensive loss	-	**1,574**	**(5,438)**	-	**(3,864)**
Total comprehensive loss	-	**1,574**	**(5,438)**	**(55,177)**	**(59,041)**
Balance 30 June 2025	**204**	**110,104**	**178**	**1,096,031**	**1,206,517**
2024					
Balance 1 July 2023	204	105,394	10,063	1,073,007	1,188,668
Adjustment for prior period	-	-	-	24,083	24,083
	204	105,394	10,063	1,097,090	1,212,751
Surplus for the year	-	-	-	54,118	54,118
Other comprehensive loss	-	3,136	(4,447)	-	(1,311)
Total comprehensive loss	-	3,136	(4,447)	54,118	52,807
Balance 30 June 2024	204	108,530	5,616	1,151,208	1,265,558

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 $'000	2024 $'000
Cash flows from operating activities			
Receipts from patients, residents and grants (including GST)		**3,382,082**	3,361,423
Payments to suppliers and employees (including GST)		**(3,329,752)**	(3,299,483)
Interest and dividends received		**41,440**	36,286
Donations received		**33,967**	55,154
Interest paid		**(31,780)**	(32,168)
Net cash inflow/(outflow) from operating activities		**95,957**	121,212
Cash flows from investing activities			
Net payments for property, plant, equipment and intangibles		**(236,957)**	(257,648)
Net (payments)/proceeds for investments		**(44,502)**	22,496
Capital funding received	A1	**21,762**	20,392
Net proceeds from the sale of business		**21,606**	-
Payments for investment properties		**(14,827)**	(18,437)
Net cash inflow/(outflow) used from investing activities		**(252,918)**	(233,197)
Cash flows from financing activities			
Loan proceeds/(repayments) from related party		**10,371**	49,089
RAD, accommodation bond and ILU entry contribution inflows		**253,472**	268,791
RAD, accommodation bond and ILU entry contribution outflows		**(207,061)**	(199,266)
Payment of principal portion of lease liabilities	A11	**(15,596)**	(16,028)
Repayments of borrowings		**(8,435)**	(6,209)
Proceeds from borrowings		**6,192**	4,600
Net cash inflow/(outflow) from financing activities		**38,943**	100,977
Net increase/(decrease) in cash and cash equivalents held		**(118,018)**	(11,008)
Cash at the beginning of the financial year	B1	**373,853**	384,861
Cash at the end of the financial year		**255,835**	373,853

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SVHA is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

The financial report represents the consolidation of St Vincent's Health Australia Limited and its controlled entities (the "Group" or "SVHA"). The financial report was authorised for issue by the Directors on 8th October 2025. The Directors have the power to amend and reissue the financial report.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards – Simplified disclosures and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012 (Cth).

The financial statements comprise the consolidated financial statements of St Vincent's Health Australia and the entities it controls (the "Group" or "SVHA"). For the purposes of preparing the consolidated financial statements, the Group is a not-for-profit entity.

The financial report has also been prepared on a going concern basis, using historical cost conventions, except for investment properties and financial assets at fair value through profit or loss which are carried at fair value.

The financial report is presented in Australian dollars with all values rounded to the nearest thousand dollars unless otherwise stated and presents reclassified comparative information where required for consistency with the current year's presentation.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. A list of subsidiaries at year end is contained in note C3. Subsidiaries are those over which the Group has the power to govern the financial and operating policies.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity and using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed.

Going concern

The Group's Balance Sheet shows an excess of current liabilities over current assets of $996.81m (2024: $867.19m).

Included within current liabilities are accommodation bonds / Refundable Accommodation Deposits (RADs) of $878.58m (2024: $859.87m) which are recorded as current under Australian accounting standards. In the normal course of business not all of these liabilities will crystallise within one year and those that do are usually replaced by incoming residential accommodation payments. In addition, current liabilities contain provisions for annual and long service leave of $471.70m (2024: $444.97m) which although presented as current, are probable to be paid out over several years.

The Group has a substantial net asset position of $1.21b for the year ended June 2025 (2024: $1.27b).

St Vincent's Hospital (Melbourne) Limited (SVHM)

SVHM is a public health service governed and managed in accordance with the Health Services Act 1998 (Vic). SVHM provides essential services and is predominantly dependent on the continued financial support of the State Government, particularly the Department of Health, and the Commonwealth funding via the National Health Reform Agreement (NHRA). The State of Victoria plans to continue SVHM's operations and on that basis, the financial statements have been prepared on a going concern basis.

St Vincent's Hospital Sydney Limited (SVHS)

SVHS has legislative rights combined with a Memorandum of Understanding with the NSW Ministry of Health (Ministry) to provide a level of surety that ongoing funding allocations will be provided by the Ministry. SVHS has a four-year (2025-29) Service Agreement with the Ministry which provides certainty of funding for those financial years. SVHS received a letter from the Ministry dated 22 October 2009 in which it accepts some liability for employee entitlements should the Company cease activities as an Affiliated Health Organisation.

St Vincent's Care Services (SVCS)

SVCS has a negative net asset position mainly driven from historical amortisation of bed licences. The Directors have reviewed the Company's going concern indicators, including the 2025-2026 budget, financial performance and cashflow forecasts and has obtained a letter of support for the Company from its parent. Accordingly, the financial statements have been prepared on a going concern basis.

The notes to the financial statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Group. Information is considered material and relevant if, for example:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the Group;
- it helps to explain the impact of significant changes in the Group's business; or
- it relates to an aspect of the Group's operations that is important to its future performance.

Key accounting estimates and judgements
The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and judgements which are considered material to the financial report are found in the following notes:

Area of Estimation	Note
Long-term employee obligations – assumptions underlying assessment of employee departures and periods of service	A2
Property, plant and equipment – assessment of useful lives and impairment assessment	A5
Investment properties - assumptions underlying valuation	A6
Intangible assets – assumptions underlying recoverable value	A7
Insurance deductible excess provision – assumptions underlying assessment of future costs	A10(ii)
Leases – determining lease term and incremental borrowing rate	A11
Estimated fair value of certain financial assets	E4

This section explains the results and performance of the Group. It provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of the entity, including accounting policies that are relevant for understanding the items recognised in the financial statements.

A1 REVENUE, OTHER INCOME AND CAPITAL FUNDING

Revenue, other income and capital funding recognised during the year are set out below.

	2025 $'000	2024 $'000
Patient and resident fees	**1,135,758**	1,098,655
Government grants and subsidies	**1,743,023**	1,758,484
COVID-19 government subsidies	**27**	10,539
Non-medical revenue	**130,144**	115,779
Lease income	**40,186**	38,373
Interest and dividend income	**41,199**	36,347
Imputed revenue on RAD and Bond balances under AASB16 Leases (ii)	**55,551**	53,229
Other revenues	**168,582**	150,768
Total revenue	**3,314,470**	3,262,174
Donations	**33,967**	55,154
Net gain from fair value adjustment – investment properties	**-**	22,558
Gain from fair value adjustments – investments	**24,332**	19,129
Net gain from disposal of assets	**59**	2,590
Total other income	**58,358**	99,431
Health Infrastructure Funding	**27**	4,684
Mater Hospital Sydney redevelopment	**4,736**	9,953
St Vincent's Hospital Sydney Trust contributions	**15,149**	2,748
St Vincent's Private Hospital Griffith	**-**	1,157
St Vincent's Private Hospital Toowoomba redevelopment	**1,850**	1,850
Total capital funding (including in non-operating income)	**21,762**	20,392
Proceeds on disposal	**21,607**	-
Less: Net assets directly associated with business	**(5,125)**	-
Less: Related selling expense	**(519)**	-
Total profit from sale of business	**15,963**	-

On 15 November 2024, Group entered into a land and business sale agreement with Ozcare to sell Douglas aged care facility. Profit from the sale of Douglas business is excluded from the operating results and is presented as a single amount as profit from sale of business in the statement of profit or loss.

(i) Accounting policy

Refer to Note E6, Other Accounting Policies, Revenue from Contracts with Customers

(ii) Imputed revenue on RAD and Bond balances under AASB 16 Leases

Total revenue includes an imputed non-cash charge for accommodation in respect of residents who have chosen to pay a RAD or Bond. Refer to Note A11 Leases.

A2 EMPLOYMENT EXPENSES

Employment expenses recognised during the year are set out below.

	2025 $'000	2024 $'000
Salaries and wages and on-costs	**1,951,245**	1,845,744
Superannuation	**202,489**	179,720
	2,153,734	2,025,464

(i) Accounting policy

This disclosure note includes the accounting policies for all items related to employment expenses. This includes the treatment of balance sheet items such as provision for employee benefits (note A10).

Superannuation

The Group contributes to several defined contribution superannuation plans. Contributions are recognised as an employment expense as they are incurred.

Termination benefits

The Group recognises termination benefits when it commits to either terminating a current employee's employment according to a detailed formal plan without the possibility of withdrawal or providing termination benefits following an offer made to encourage voluntary redundancy.

Short-term employee obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave which are expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled and are classified as current where the Group does not have an unconditional right to defer the liability beyond 12 months of the reporting date.

The liability for annual leave and long service leave is recognised in the provision for employee benefits. All other short-term employee obligations are presented as payables.

Long-term employee obligations

Liabilities for long service leave which are expected to be settled more than 12 months from the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on Commonwealth Government bonds and High Quality Corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

A3 TRADE AND OTHER RECEIVABLES

	2025 $'000	2024 $'000
Current		
Trade receivables	**162,315**	120,423
Less: Allowance for expected credit losses (ii)	**(4,995)**	(5,440)
Net trade receivables	**157,320**	114,983
Loans to related parties (note C4)	**4,592**	7,088
Other receivables	**54,327**	55,802
Accrued revenue	**24,054**	24,700
Prepayments	**29,544**	24,591
Total current receivables	**269,837**	227,164
Non-current		
Loans to related parties	**311**	733
Derivative asset (iv)	**178**	5,616
Other receivables	**90,965**	80,622
Total non-current receivables	**91,454**	86,971

(i) Accounting policy

Refer to Note E6, Other Accounting Policies, Financial Instruments

(ii) Financial risk management

Market risk - interest rate risk

Receivables are generally non-interest bearing and are not, therefore, subject to interest rate risk.

Credit risk

Credit risk in respect of trade and other receivables is generally considered to be low given that the majority of receivables relate to funds owed by State and Commonwealth government departments and private health insurance funds who are subject to prudential standards governed by the Private Health Insurance Act and monitored by the Private Health Insurance Administration Council. It is the Group's policy that all health funds trading on credit terms are subject to credit verification procedures. Receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

Allowance for expected credit losses

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Amounts due from related parties

Credit risk in respect of amounts due from related parties (primarily associated entities to the Group) is considered to be low given the history and stability of these entities. Credit risk is also assessed by reviewing current financial information including management and statutory accounts, budgets and cash forecasts.

(iii) Fair value

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

(iv) Derivative asset

Derivative asset represents mark to market valuation of effective interest rate swaps which hedge interest rate exposure on core debt.

A4 INVENTORIES

Inventories of $38,118,000 (2024: $37,915,000) comprise medical and other consumables.

A5 PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Buildings $'000	Leasehold improvements $'000	Plant and equipment $'000	In course of construction $'000	Total $'000
Year ended 30 June 2025						
Cost	**261,137**	**880,800**	**1,099,843**	**874,857**	**365,147**	**3,481,784**
Accumulated depreciation	-	**(438,802)**	**(520,654)**	**(603,630)**	-	**(1,563,086)**
Net carrying amount	**261,137**	**441,998**	**579,189**	**271,227**	**365,147**	**1,918,698**
Movement						
Net carrying amount at 1 July	**263,937**	**384,391**	**575,701**	**259,719**	**346,722**	**1,830,470**
Additions – operating	-	1,331	4,708	48,183	80,167	134,389
Additions – development	-	-	-	-	108,828	108,828
Revaluation	-	-	-	176	-	176
Transfer to investment properties (Note A6)	-	-	-	(1,801)	(3,831)	(5,632)
Transfers	-	103,645	41,096	27,397	(172,138)	-
Transfers from Intangibles	-	-	-	54	5,676	5,730
Disposals	-	(1,354)	(1,950)	(934)	(277)	(4,515)
Sale of business	(2,800)	(19,956)	-	(1,859)	-	(24,615)
Depreciation	-	(26,059)	(40,366)	(59,708)	-	(126,133)
Net carrying amount at 30 June	**261,137**	**441,998**	**579,189**	**271,227**	**365,147**	**1,918,698**
Year ended 30 June 2024						
Cost	263,937	802,767	1,056,727	817,561	346,722	3,287,714
Accumulated depreciation	-	(418,376)	(481,026)	(557,842)	-	(1,457,244)
Net carrying amount	263,937	384,391	575,701	259,719	346,722	1,830,470

A5 PROPERTY, PLANT AND EQUIPMENT (continued)

(i) Accounting policy

Property, plant and equipment (including in the course of construction) is measured at historical cost less accumulated depreciation and impairment losses.

Cost includes purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs incurred in relation to the asset are included in cost, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation

Items of property, plant and equipment are depreciated on the straight-line method over their estimated useful lives. Land is not depreciated. The depreciation rates used for each class of assets are detailed below:

Buildings	up to 40 years
Leasehold improvements	up to 40 years (shorter of (a) the unexpired period of the lease or (b) the estimated useful life of the improvement to the Group)
Plant and equipment	up to 10 years

The estimation of useful lives, residual value and the depreciation method applied to an asset are reviewed at least annually.

Impairment

If the carrying value of an item of property, plant and equipment is greater than its estimated recoverable amount, then its carrying value is written down immediately to its recoverable amount.

Derecognition

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits. Any gain or loss on derecognising an item of property, plant and equipment (difference between the proceeds of disposal and the carrying amount of property, plant and equipment) is included in profit or loss in the year of disposal.

Componentisation of buildings

Buildings are split into their various components including physical structure, fire services, mechanical services, vertical transport services, and electrical services. Estimates of useful lives for each of these components are based on advice from quantity surveyors and as a result, with the exception of the structural components, the other components have estimated useful lives less than 40 years.

(ii) Net gain on the disposal of property, plant and equipment

The Group incurred a net gain on the disposal of property, plant and equipment of $59,152 (2024: $2,590,375) The income is included in other income in the profit or loss.

A6 INVESTMENT PROPERTIES

	2025 $'000	2024 $'000
Independent Living Units (i)	**297,522**	292,125
Other investment properties	**79,735**	72,645
	377,257	364,770

(i) Independent Living Units

Independent Living Units are held to earn rent or for capital appreciation rather than service delivery obligations. Independent Living Units include units located on land held under long-term Crown leases at Heathcote and Enoggera.

	2025 $'000	2024 $'000
Fair value on 1 July	**292,125**	268,623
Additions	**3,040**	4,165
Transfer from Property, plant and equipment (Note A5)	**4,649**	10,024
Net gain/(loss) from fair value adjustment on Independent Living Units	**(2,292)**	9,313
Carrying amount at 30 June	**297,522**	292,125

(ii) Other investment properties

Other Investment properties, principally comprising strata titled suites used by doctors, are held for long-term rental yields and are not occupied by the Group.

	2025 $'000	2024 $'000
Opening balance on 1 July	**72,645**	55,151
Additions	**6,155**	4,249
Transfer from Property, plant and equipment (Note A5)	**983**	-
Net gain/(loss) from fair value adjustment on other Investment Properties	**(48)**	13,245
Closing balance at 30 June	**79,735**	72,645

(iii) Accounting policy

Investment properties are initially recognised at cost including any acquisition costs and subsequently stated at fair value at each balance date as described in (iv) below. Changes in fair values are recorded in the statement of profit or loss and other comprehensive income as a Net (loss) gain from fair value adjustment - investment properties.

If an investment property is disposed, the gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal and is recognised in the profit or loss in the year of disposal. If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

A6 INVESTMENT PROPERTIES (continued)

(iv) Fair value

The measurement of fair value may in some cases be subjective and may depend on the inputs used in the calculations. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is included in note E4.

The Group has classified investment properties as level 3 in that one or more of the significant inputs are not based on observable market data. Where such information is not available the Directors consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

Investment properties are independently valued at least every 3 years. In the intervening years, the Directors assess if there are any significant changes to the valuation assumptions and will obtain a valuation in the event that there are significant changes.

Independent Living Units

The fair value of Independent Living Units was determined to be the aggregate of the resident entry contributions, expressed as a nominal value and including capital gain share, the net fair value of occupied properties on a going concern basis and the fair value of any new unsold properties.

Each Independent Living Unit is independently valued at least every 3 years.

During 2024, the Independent Living Units were independently valued by Knight Frank, a member of the Australian Property Institute. The basis of the Independent Living Units valuation was fair value. The valuation is net of the liabilities payable to the existing residents of the Independent Living Units.

SVHA has performed internal valuations for all the ILU properties except Heathcote as at 30 June 2025. Heathcote was independently valued by Knight Frank.

The key assumptions used by SVHA in determining fair value for the Group's portfolio of properties were in the following ranges:

Valuation technique	**Inputs used to measure fair value**	**Range of inputs**
Discounted cash flow approach	Discount rates	13.25% – 16%
	Growth rates	2.55% – 2.75%
	Average tenure of residents	8.2 – 10.4 years

Increasing the discount rate and average subsequent tenure periods would reduce the fair value of the investment properties and vice-versa. Increasing the assumptions made about the market value of units and property price growth rates would increase the fair value of investment properties and vice-versa.

	2025 $'000	2024 $'000
Valuation reconciliation		
Carrying amount of Independent Living Units	**297,522**	292,125
Less ingoing contributions (Note A9)	**(185,489)**	(183,024)
Valuation at 30 June 2025	**112,033**	109,101

A6 INVESTMENT PROPERTIES (continued)

(iv) Fair value (continued)

Other Investment Properties

Other investment properties are independently valued at least every 3 years. In the intervening years, the Directors assess if there are any significant changes to the valuation assumptions and will obtain a valuation in the event that there are significant changes.

On 31 May 2024 other investment properties were independently valued by Nicholas Brady Valuations ("NBV"), a member of the Australian Property Institute. The basis of the doctors suites valuation was fair value, being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction based on current prices in an active market.

The key assumptions used by NBV in determining fair value for the Group's portfolio of properties were in the following ranges:

Valuation technique	Inputs used to measure fair value	Range of inputs
Direct comparison approach	Gross market rent (rate per m2)	$10,000 - $32,000

The Directors have assessed the fair value of investment properties as at 30 June 2025 using an independent desktop valuation by Nicholas Brady Valuation ("NBV") and consider the fair value to be appropriate.

(v) Non-current assets pledged as security

Refer to Note B4 for information on non-current assets pledged as security by the Group.

(vi) Leasing arrangements

Lease income and expenses relating to investment properties are recorded in the books of a related party.

(vii) Other

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties.

A7 INTANGIBLE ASSETS

	Goodwill $'000	Residential aged care bed licences $'000	Development costs and other intangibles $'000	Total $'000
Year ended 30 June 2025				
Cost	**156,308**	**88,678**	**79,145**	**324,131**
Accumulated amortisation and impairment	**-**	**(88,678)**	**(66,773)**	**(155,451)**
Net carrying amount	**156,308**	**-**	**12,372**	**168,680**
Movement				
Net carrying amount at 1 July	**157,430**	**-**	**17,939**	**175,369**
Additions	-	-	8,611	8,611
Transfer to PPE	-	-	(5,730)	(5,730)
Disposal	-	-	(3,447)	(3,447)
Sale of business	(1,122)	-	-	(1,122)
Amortisation	-	-	(5,001)	(5,001)
Net carrying amount at 30 June	**156,308**	**-**	**12,372**	**168,680**
Year ended 30 June 2024				
Cost	157,430	88,678	79,812	325,920
Accumulated amortisation and impairment	-	(88,678)	(61,873)	(150,551)
Net carrying amount	157,430	-	17,939	175,369

(i) Accounting policy

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Goodwill of $50,641,000 is in relation to the acquisition of 50% membership of St Vincent's Private Hospital Melbourne in 31 March 2011, $1,595,000 from the acquisition of St Vincent's Care Services Arundel in 1 September 2016, $3,056,000 from the acquisition of St Vincent's Care Services Hawthorn on 1 July 2018, $29,628,000 from the acquisition of 50% membership of St Vincent's Private Hospital Northside on 1 July 2018, $7,015,000 from the acquisition of Rosary Village on 1 December 2018, $475,000 from the acquisition of St Joan of Arc Villa on 1 March 2019, $23,498,000 from the acquisition of Holy Spirit Care Service Brisbane and Holy Spirit Care Service Boondall on 1 June 2019, $20,707,000 from the acquisition of Heathcote on 1 September 2019 and $20,815,000 from the acquisition of Prescare on 29 July 2021.

On 18 February 2025, goodwill of $1,122,000 was derecognised following the sale of Douglas facility which was initially acquired as part of Prescare.

Residential aged care bed licences

Residential aged care bed licences obtained through the Aged Care Approvals Round (ACAR) represent an asset contribution under AASB 1004 Contributions.

In May 2021, the Federal Government announced that it will end the Aged Care Approvals Round ("ACAR") process. On this basis, in 2021, the Group reassessed that the useful life of the residential care places would end on 30 June 2024. The Group fully amortised the residential aged care bed licences on 30 June 2024.

A7 INTANGIBLE ASSETS (continued)

(i) Accounting policy (continued)

Development costs and other intangibles

Development costs and other intangibles represent identifiable non-monetary assets without physical substance such as computer software development costs. Intangible assets are recognised at initial cost with subsequent costs only capitalised when it is expected that additional future economic benefits will flow to the entity.

Amortisation

The Group amortises intangibles with a finite useful life using the straight-line method over a period up to 10 years. The estimation of useful lives and amortisation method are reviewed at least annually.

Impairment

Intangibles that have an 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 might be impaired. An intangible is considered impaired when its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. As a not-for-profit entity, value in use is determined using depreciated replacement cost.

Impairment losses are recognised in the profit or loss in the year it arose. Impairment losses recognised for goodwill are not subsequently reversed.

Derecognition

An intangible asset is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits. Any gain or loss on derecognising an intangible asset (difference between the proceeds of and the carrying amount of property, plant and equipment) is included in profit or loss in the year of disposal.

(ii) Key assumptions used for value-in-use calculations

Goodwill

For the purposes of assessing impairment of goodwill, assets are grouped at the lowest levels for which goodwill is monitored for internal management purposes and allocated to cash-generating units ("CGU's"). The allocation is made to those CGUs or groups of CGU's that are expected to benefit from the business combination in which the goodwill arose.

The recoverable amount for goodwill is based on detailed 5-year forecast cash flows, a terminal value growth rate of 3% and a discount rate of 10.5%. The value-in-use calculations and impairment reviews are sensitive to changes in key assumptions, particularly relating to discount rates and terminal rate growth. A sensitivity analysis was performed and it was concluded that the recoverable amount of the goodwill amount exceeded its carrying value and that no impairment existed. There is no reasonably possible change in a key assumption that could result in impairment. Private hospitals at Melbourne, Toowoomba, Brisbane and Griffith are not commercial operations and therefore carrying value of intangibles were assessed against depreciated replacement value rather than value in use.

A8 TRADE AND OTHER PAYABLES

	2025 $'000	2024 $'000
Current		
Trade creditors and accrued expenses	**294,738**	275,328
Other payables	**178,344**	161,569
Total current payables	**473,082**	436,897
Non-current		
Other payables	**91,292**	50,899
Total non-current payables	**91,292**	50,899

Other payables for the year ended 30 June 2025 includes prepaid ground lease premium received from ISPT Pty Ltd $38.1m (FY24: $39m). The premium will be recognised on straight line basis over the lease term of fifty two years. Other payables also include ACMD partner contributions $49.9m (FY24: $49.9m) which gives each partner an entitlement to occupy dedicated floor area of the facility for an initial period of 25 years.

A8 TRADE AND OTHER PAYABLES (continued)

(i) Accounting policy

Payables are initially recognised at fair value less transaction costs and subsequently carried at amortised cost. Trade payables are unsecured and are usually paid within 30 days of recognition.

(ii) Financial risk management

Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flow and matching the maturity profiles of financial assets and liabilities.

(iii) Fair value

Due to the short-term nature of these payables, their carrying amount is assumed to approximate their fair value.

A9 ACCOMMODATION PAYABLES

	2025 $'000	2024 $'000
Refundable accommodation deposits (RADs)	**686,418**	667,952
Accommodation bonds	**6,670**	8,890
Independent living unit (ILU) entry contributions (Note A6)	**185,489**	183,024
	878,577	859,866

(i) Accounting policy

Refundable accommodation deposits (RADs) and accommodation bonds (ABs)

A refundable accommodation deposit (RAD) is a non-interest bearing deposit paid or payable to an Approved Provider by a resident for the resident's accommodation in an aged care facility. Prior to 1 July 2014, lump sum refundable accommodation deposits were referred to as an accommodation bond (AB). RADs and ABs are in effect an interest-free loan. Not all residents are required to pay RADs – the Australian Government conducts an assessment of residents' income and assets and determines if residents can be asked to pay towards their accommodation costs. Residents who are required to pay for accommodation can chose to pay a full lump sum (RAD), a regular rental-type payment called a 'daily accommodation payment' (DAP), or a combination of both.

Accommodation bonds were not payable by residents upon their admission to non-extra service high care accommodation facilities. Under the Living Longer Living Better reforms the distinction between low care and high care has been removed.
Accommodation bond balances are reduced by annual retention fees charged in accordance with the Aged Care Act 1997, however, retention fees are not applicable to post 1 July 2014 RADs. RAD and AB refunds are guaranteed by the government under the prudential standards legislation. Providers are required to have sufficient liquidity to ensure they can refund RAD and AB balances as they fall due in the following twelve months. Providers are also required to implement and maintain a liquidity management strategy.

Independent living unit (ILU) entry contributions

Entry contributions relate to Independent Living Unit residents. Entry contributions are settled after a resident vacates the property and the terms and conditions are governed by applicable State-based Retirement Village Acts and the individual resident contract.

(ii) Classification as a current liability

As there is no unconditional right to defer payment for 12 months, RADs, ABs and ILU entry contributions are recorded as current liabilities, the settlement of entry contribution is typically replaced by the receipt of a new entry contribution from an incoming resident. However, based on past history, the Group expects accommodation payables to be settled as follows:

	2025 $'000	2024 $'000
Expected to be settled within 12 months	**324,796**	280,053
Expected to be settled greater than 12 months	**553,781**	579,813
	878,577	859,866

A9 ACCOMODATION PAYABLES (continued)

(ii) Movement in accommodation payables

	2025 $'000	2024 $'000
Opening balance at 1 July	**859,866**	799,626
Proceeds from residents	**253,472**	268,364
Repayments to former residents	**(207,061)**	(198,838)
Interest payable to former residents	**1,884**	1,787
Interest, retentions and other deductions charged to residents	**(10,546)**	(11,073)
Sale of business	**(19,038)**	-
Closing balance at 30 June	**878,577**	859,866

(iv) Financial risk management

Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flow and matching the maturity profiles of financial assets and liabilities.

Maturity of accommodation payables

Accommodation payables have no fixed repayment dates.

A10 PROVISIONS

	2025 $'000	2024 $'000
Current		
Employee benefits (Note A2(i))	**471,699**	444,970
Insurance deductible excess (ii)	**2,540**	2,302
Other provisions	**9,950**	14,027
Total current provisions	**484,189**	461,299
Non-current		
Employee benefits (Note A2 (i))	**58,132**	53,567
Insurance deductible excess (ii)	**6,726**	6,262
Other provisions	**5,767**	-
Total non-current provisions	**70,625**	59,829

	Employee benefits $'000	Insurance deductible excess $'000	Other $'000	Total $'000
Movement				
Carrying amount at 1 July	**498,537**	**8,564**	**14,027**	**521,128**
Provisions recognised	**137,225**	**1,136**	**9,902**	**148,263**
Payments	**(105,108)**	**(434)**	**(8,212)**	**(113,754)**
Sale of business	**(823)**			**(823)**
Carrying amount at 30 June	**529,831**	**9,266**	**15,717**	**554,814**

A10 PROVISIONS (continued)

(i) Accounting policy

A provision is recognised when a present legal or constructive obligation exists as a result of a past event and it is probable that a future outflow of cash or other benefit will be required to settle the obligation, the timing or amount of which is uncertain.

(ii) Insurance deductible excess

Insurance deductible excess is a provision for medical malpractice claims based on an independent assessment of open claims made to reporting date and past experience on the level of claim outcomes. Estimates of the insurance deductible excess obligations are based on an assessment of future costs, which have been discounted to their present value. In determining the insurance deductible excess provision, the Group have assumed no significant changes will occur in the relevant Federal and State legislation in relation to medical malpractice claims in the future.

A11 LEASES

Leases as a lessee

The Group leases assets including land and buildings and medical equipment. The leases are secured by the assets leased and represent the discounted future rentals payable by the Group for:

- Certain of its office properties and leased property, plant and equipment.
- Leases of medical equipment.

Further information about leases for which the Group is a lessee is presented below.

(i) Rights-of-use assets

	Property $'000	**Medical equipment $'000**	**Total $'000**
Balance at 1 July 2024	**153,803**	**7,571**	**161,374**
Additions	**15,005**	**2,748**	**17,753**
Depreciation charge for the year	**(14,408)**	**(3,001)**	**(17,409)**
Disposals	**(3,393)**	**(30)**	**(3,423)**
Balance at 30 June 2025	**151,007**	**7,288**	**158,295**
Balance at 1 July 2023	137,974	10,337	148,311
Additions	33,196	4,583	37,779
Depreciation charge for the year	(16,598)	(800)	(17,398)
Disposals	(769)	(6,549)	(7,318)
Balance at 30 June 2024	153,803	7,571	161,374

A11 LEASES (continued)

(ii) Lease liabilities

	2025 $'000	2024 $'000
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**18,627**	20,392
One to five years	**47,975**	47,145
More than five years	**422,392**	409,281
Total undiscounted lease liabilities as 30 June	**488,994**	476,818
Lease liabilities included in the statement of financial position at 30 June		
Current	**11,524**	13,113
Non-current	**167,570**	167,248

(iii) Amounts recognised in profit or loss

	2025 $'000	2024 $'000
Depreciation on right-of-use assets	**17,409**	17,398
Interest on lease liabilities	**7,670**	8,008
Variable lease payments not included in the measurement of lease liabilities	**-**	206
Expenses relating to short-term leases	**7,542**	5,300

(iv) Amounts recognised in the statement of cash flows

	2025 $'000	2024 $'000
Payment of principal portion of lease liabilities	**15,596**	16,028
Payment of interest portion of lease liabilities	**7,670**	8,008
Total cash outflow for lease	**23,266**	24,036

Leases as a lessor

The Group leases out its investment property (Note A6). All leases are classified as operating leases from a lessor perspective because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group during 2025 was $40,186,000 (2024: $38,373,000)

A11 LEASES (continued)

At reporting date, the Group had contracts with tenants for the following future minimum lease payments:

	2025 $'000	2024 $'000
Within one year	**29,864**	29,560
In the second to fifth year	**90,264**	90,381
Later than five years	**221,275**	238,295
	341,403	358,236

Residential aged care and retirement living accommodation

Contracts with residential aged care and retirement living customers contain provisions for accommodation, use of common areas/facilities for provision of care and other services. The Group has concluded that its contractual arrangements relating to the provision of residential aged care and retirement living accommodation are an operating lease pursuant to AASB 16, being the exclusive right to the use of a room/unit by a resident.

For residential aged care accommodation arrangements where the resident has elected to pay a RAD or Bond, the Group receives a financing benefit, being non-cash consideration, in the form of an interest free loan. On adoption of AASB 16, the fair value of this non-cash consideration is required to be recognised as income (to reflect the interest free loan financing benefit received on RADs and Bonds) and, correspondingly, interest expense (to record the financial liability associated with RADs and Bonds at fair value) with no net impact on profit or loss.

The application of AASB 16 for the year ended 30 June 2025 has been calculated based on:

- monthly average RAD / Bond balances; and
- interest rate equal to the Maximum Permissible Interest Rate (MPIR) which is a Government set interest rate used to calculate the Daily Accommodation Payment to applicable residents. The weighted average interest rate for the year was 8.3% (2024: 8.2%).

The Group's Statement of Profit or Loss and Other Comprehensive Income presents Income of $55,551,000 (2024: $53,229,000) and an additional Finance cost (i.e. interest expense) of $55,551,000(2024: $53,229,000), with $nil impact to net profit for the period.

The accounting treatment for residential aged care accommodation arrangements where residents have elected to pay a DAP has not changed upon adopting AASB 16.

This section provides information which will help users understand the financing activities of Group.

B1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents of $255,835,000 (2024: $373,853,000) comprise cash at bank and short term deposits.

(i) Accounting policy

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

B2 INVESTMENTS

	2025 $'000	2024 $'000
Current		
Fair value through profit or loss financial assets	**328,340**	306,009
Other financial assets at amortised cost	**51,160**	38,863
	379,500	344,872
Non-current		
Fair value through profit or loss financial assets	**185,898**	153,990
Fair value through OCI	**28,214**	29,861
	214,112	183,851

(i) Accounting policy

Refer to Note E6, Other Accounting Policies, Financial Instruments.

(ii) Fair value

The measurement of fair value may in some cases be subjective and may depend on the inputs used in the calculations. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is included in note E4.

The Group has classified investments as level 1 in that the fair value is traded in active markets. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (or for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity specific inputs.

B3 CASH AND INVESTMENTS – FINANCIAL RISK MANAGEMENT

Interest rate risk

The Group's main interest rate risk arises from cash and bank deposits earning variable rates and long-term borrowings with variable rates. These expose the Group to the risk that the fair value or cash flows of financial instruments will fluctuate due to changes in market interest rates.

The variable risk on financial assets is managed by an investment policy that restricts the type and term of investments. The Group also retains independent advisors to recommend and place investments in accordance with this policy. The term of the investments is determined after consideration of the liquidity needs of the Group.

B4 BORROWINGS

	2025			2024		
	Current $'000	Non-current $'000	Total $'000	Current $'000	Non-current $'000	Total $'000
Secured						
Amounts due to TMAM (ii)	**6,277**	**86,537**	**92,814**	6,154	87,451	93,605
	6,277	**86,537**	**92,814**	6,154	87,451	93,605
Unsecured						
Bank loan (iii)	**1,192**	**308,100**	**309,292**	-	303,100	303,100
Loans from related parties (Note C4)	**85,255**	**1,049**	**86,304**	73,661	1,534	75,195
	86,447	**309,149**	**395,596**	73,661	304,634	378,295
	92,724	**395,686**	**488,410**	79,815	392,085	471,900

Borrowings are managed within a Group Treasury policy. This includes ensuring that the Group at all times has sufficient liquid cash resources to meet anticipated financial as well as ensuring compliance with borrowing facilities including financial covenants. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period. Financial risk management approach is covered further in this section.

(i) Accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost. If a substantial modification is made to a loan arrangement, that loan is remeasured at fair value at the date of modification and subsequently carried at amortised cost. Fees paid on loan facilities' establishment is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(ii) Amounts due to the Trustees of Mary Aikenhead Ministries ('TMAM') (secured) (current and non-current)

On 1 January 2003, the Group acquired $369,547,000 of freehold land and buildings and $15,246,000 of investment properties from the Trustees of the Sisters of Charity of Australia (TSCA). The acquisition of these assets was financed by the provision of a loan from TSCA and the assumption of certain liabilities payable previously by TSCA. On 1 July 2009, the loan was assigned by TSCA to TMAM.

On 14 May 2014, TMAM advised the Group that there is no present intention to charge interest on the loan and that should this intention change, interest would only be charged prospectively (after providing 12 months' notice). This resulted in a significant change to the terms and conditions of the loan. Consequently, the loan which previously was reflected in the balance sheet at its nominal value is now reflected in the Balance Sheet at its present value.

On 2 December 2015, the Group made a prepayment of $12,000,000 at the request of TMAM. This resulted in a significant change to the terms and conditions of the loan including the present value of the loan. Consequently, $10,990,000 was recognised as an equity transaction with the parent.

On 11 November 2018, the Group agreed to prepayments of $250,000 per annum at the request of TMAM. This resulted in a change to the present value of the loan. Consequently, $1,802,000 was recognised as an equity transaction with the parent.

In 2021 the carrying value of the loan was increased by $10,554,000 as a result of a downwards revision of the effective interest rate. This was accounted for as an equity distribution. In the 2023 financial year, there was a reversal of this adjustment due to a review of the original accounting treatment. This resulted in a reduction of the loan value and a corresponding increase in equity of $10,554,000.

B4 BORROWINGS (continued)

(ii) Amounts due to the Trustees of Mary Aikenhead Ministries ('TMAM') (secured) (current and non-current) (continued)

The terms of the loan are reviewed annually and agreed between the parties. Relevant aspects of the terms and conditions of the loan as currently agreed include:

- **Repayment amount** - loan repayments are made quarterly each year and comprise a base amount which is indexed each year in line with consumer price index and an additional element as agreed but constrained such that the overall Health Ministry of the SVHA Company would not be adversely impacted by any request for payments under this element. The repayment amount for the 2025 year was $8,435,135 and will change in 2026 by the change in CPI.
- **Security** - the loan is secured by a mortgage over the majority of the assets of the Group.
- **Interest** – nil at present, however, TMAM reserve the right to charge interest however interest will only be charged prospectively (after providing 12 months' notice).

The carrying amounts of non-current assets pledged as security are:

	2025 $'000	2024 $'000
Subordinated mortgage		
Freehold land and buildings	**178,494**	186,012
Investment properties	**51,265**	51,265
Total assets pledged as security	**229,759**	237,277

(iii) Bank loans (unsecured)

$304,692,000 bilateral bank loan (2024: $298,500,000)

St Vincent's Healthcare Limited has an established $500m Cash Advance Facility with various maturity dates; ($50,000,000: 21 March 2028; $50,000,000: 21 April 2030; $300,000,000: 4 March 2030; $100,000,000: 4 March 2032).

The principal is repayable in full at the maturity date of the loan. Loans within the facility limit can be drawn in a minimum of $1,000,000 face value and multiples of $500,000 thereafter for terms of one, two, three and six months.

Interest is payable at maturity of each loan drawdown. The bank loan attracts a variable average rate of interest at 4.9% at 30 June 2025 (2024: 4.15%)

The loan is unsecured, except for security granted by the Trustees of the Sisters of Charity of Australia and The Congregation of Religious Sisters of Charity of Australia over the assets used to conduct the business of St Vincent's Private Hospital Sydney and any interest in St Vincent's Private Hospital Medical Imaging.

$4,600,000 Archdiocese of Melbourne Catholic Development Fund loan (2024: $4,600,000)

The Archdiocese of Melbourne Catholic Development Fund Facility is a variable interest fund with the loan due for repayment on the 31 December 2035.

(iv) Financial risk management

Market risk - interest rate risk

The Group's main interest rate risk arises long-term borrowings with variable rates. These expose the Group to the risk that the fair value or cash flows of financial instruments will fluctuate due to changes in market interest rates.

The variable risk on financial liabilities is managed by ensuring that the term for loan repayments reflect the underlying duration of the cash flow generated, cash inflows provide a prudent level of coverage of principal and interest repayments and that there are sufficient cash reserves held to maintain principal and interest repayments for a sufficient period of time to enable longer term corrective actions to occur should underlying cash flows be disrupted.

The Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

B4 BORROWINGS (continued)

(iv) Financial risk management (continued)

Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flow and matching the maturity profiles of financial assets and liabilities. The Group maintains cash equivalents and short term investments with appropriately rated financial institutions and the maturity of these investments is such that funds mature as needed.

Financing arrangements

The Group has limited undrawn borrowing facilities that are not committed to current capital projects. Given the nature of the Group and the financial obligations that it currently has, this position is considered to be of low risk. As at year end, the Group has access to $195,308,000 in undrawn borrowing facilities, at variable rates (2024: $201,500,000).

This section provides information which will help users understand how the Group structure affects the financial position and performance of the Group as a whole.

C1 ULTIMATE PARENT ENTITY AND MEMBERS GUARANTEE

On 1 July 2009, the Congregation of the Religious Sisters of Charity of Australia and the Trustees of the Sisters of Charity of Australia transferred the incorporated Health Ministry to TMAM. From an accounting viewpoint, the ultimate parent entity is the Trustees of the Sisters of Charity of Australia on the basis that it is the sole member of TMAM. In practice, TMAM, however constituted, exercises ultimate control.

If SVHA is wound up the constitution states that each member is required to contribute a maximum of $100 each towards meeting the obligations of SVHA. At 30 June 2025, SVHA had 1 member (2024: 1) so the maximum amount to be contributed towards meeting the obligations of SVHA would be $100 (2024: $100).

C2 PARENT ENTITY FINANCIAL INFORMATION

The parent entity in the wholly-owned Group is St Vincent's Health Australia Limited. As the parent entity, it holds the interest in the subsidiaries and joint ventures and acts as a holding company, employing staff and paying fees for service. These costs are then recovered from the operating subsidiaries, joint ventures and other related parties such that the parent entity eventually breaks even.

The results of the parent entity are as follows:

	2025 $'000	2024 $'000
Current assets	**28,563**	81,118
Total assets	**323,330**	335,814
Current liabilities	**111,998**	163,914
Total liabilities	**226,968**	230,371
Reserves	**204**	204
Retained earnings	**96,158**	105,239
Total equity	**96,362**	105,443
Operating deficit recorded by the parent entity	**(9,080)**	4,833
Total comprehensive loss of the parent entity	**(9,080)**	4,833

C3 SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries. SVHA is the sole member of each of these controlled entities.

Name of Entity	Country of Incorporation	Equity Holding		Carrying Amount	
		2025	2024	**2025**	2024
		%	%	**$'000**	$'000
St Vincent's Community Health Ltd [1]	Australia	100	100	-	-
St Vincent's Clinic	Australia	100	100	6,402	6,402
St Vincent's Care Services Ltd	Australia	100	100	9,545	9,545
St Vincent's Healthcare Limited	Australia	100	100	5,261	5,261
St Vincent's Hospital (Melbourne) Limited	Australia	100	100	45,653	45,653
St Vincent's Hospital Sydney Limited	Australia	100	100	20,348	20,348
St Vincent's Private Hospitals Ltd	Australia	100	100	141,701	144,472
St Vincent's Curran Foundation	Australia	100	100	-	-
Aikenhead Centre for Medical Discovery Limited	Australia	100	100	-	-
St Vincent's Foundation Queensland [3]	Australia	100	100	2,771	-
St Vincent's Health Australia Foundation Victoria	Australia	100	100	-	-
Victor Chang Cardiac Research Institute [2]	Australia	100	100	-	-
St Vincent's Institute of Medical Research [2]	Australia	100	100	-	-
St Vincent's Private Hospital Northside Limited	Australia	100	100	-	-
SVC Research Foundation Ltd	Australia	100	100	-	-
				231,681	231,681

[1] St Vincents & Mater Health Sydney Limited renamed to St Vincent's Community Health Ltd
[2] Reporting date 31 December
[3] During the year, an investment worth $2,771,161 was transferred from St Vincent's Private Hospitals Ltd to St Vincent's Foundation Queensland

C4 RELATED PARTIES TRANSACTIONS

Transactions with related parties during the year ended 30 June 2025 consisted of:

(a) Loans advanced by St Vincent's Health Australia Limited;

(b) Loans repaid by St Vincent's Health Australia Limited;

(c) Payment of interest on the above loans;

(d) Receipt for leases;

(e) Recovery of costs for the provision of management and administrative services; and

(f) Payment for the provision of management and administrative services.

Management and administrative services referred to in (d) and (e) above are provided at cost. Otherwise the above transactions were made on normal commercial terms and conditions and at market rates.

The following transactions occurred with related parties:

	2025 **$'000**	2024 $'000
Lease income from:		
St Vincent's Private Hospital Sydney	**17,462**	17,463
Income from the provision of management and administrative services to:		
St Vincent's Private Hospital Sydney	**36,127**	31,314
Trustees of Sydney Public	**6,500**	2,906
Expenses relating to the provision of management and administrative services by:		
St Vincent's Private Hospital Sydney	**28,230**	25,686
Trustees of Sydney Public	**1,487**	1,299
Repayment of interest-free amounts advanced from:		
TMAM	**8,435**	6,209

C4 RELATED PARTIES TRANSACTIONS (continued)

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2025			2024		
	Current $'000	**Non-current $'000**	**Total $'000**	**Current $'000**	**Non-current $'000**	**Total $'000**
Receivables						
Loans to related parties						
St Vincent's Private Hospital Sydney	**4,178**	**311**	**4,489**	6,707	733	7,440
Trustee of St Vincent's Hospital Sydney	**414**	-	**414**	381	-	381
	4,592	**311**	**4,903**	7,088	733	7,821
Borrowings						
Loan from related parties (i)						
St Vincent's Private Hospital Sydney	**85,255**	**1,049**	**86,304**	73,400	1,534	74,934
Trustee of St Vincent's Hospital Sydney	-	-	-	261	-	261
	85,255	**1,049**	**86,304**	73,661	1,534	75,195
TMAM (B4)	**6,277**	**86,536**	**92,814**	6,154	87,451	93,605

(i) Loan from related parties

The Group has a loan from St Vincent's Private Hospital Sydney Limited amounting to $86,304,000 (2024: $74,934,000). The loan is unsecured and attracts a variable interest rate of 3.39% (2024: 3.39%).

This section provides information about items that are not recognised in the financial statements but could potentially have a significant impact on the Group's financial position and performance.

D1 COMMITMENTS

	2025 $'000	2024 $'000
Capital commitments		
Commitments for capital projects contracted for at the balance date but not recognised as liabilities are as follows:		
Within one year	**55,117**	131,342
Later than one year but not later than 5 years	**5,089**	17,455
	60,206	148,797
Operating expenditure commitments		
Within one year	**6,326**	10,640

D2 CONTINGENT LIABILITIES

A contingent liability is a liability that is not sufficiently certain to qualify for recognition as a provision where uncertainty may exist regarding the outcome of future events.

The contingent liabilities of the Group are detailed below. No material losses are anticipated in respect of any of these contingent liabilities.

Entity with Rights	**Nature of Security or Obligation**	**2025 $'000**	2024 $'000
Doctors owning strata title suites in the St Vincent's Clinic building	St Vincent's Healthcare Limited ("SVHC") has given an undertaking to buy back certain clinic suites for which an approved buyer cannot be found within 90 days after the service of a Sale Notice. The amount shown represents the full value of all suites that SVHC has committed to repurchase in the event that they cannot be sold.	101,510	103,126
Commonwealth Department of Health & Ageing	In the financial year ended 30 June 2011, SVPHN entered into a capital funding agreement with the Commonwealth Department of Health & Ageing which enabled SVPHN to receive funding for capital works under the Commonwealth Government's Innovative Clinical Teaching and Training Grants Program. Under the agreement SVPHN received capital grant funding of $4,857,000 to assist in the funding of the construction of a Clinical Education Centre which was completed and opened on 8 November 2012. Pursuant to agreement, SVPHN may be liable to repay any funds advanced by the Commonwealth Department of Health & Ageing if SVPHN ceases to operate the Clinical Education Centre or if there is a breach in the terms and conditions of the capital funding agreement prior to 8 November 2032.	1,943	2,185

D3 SUBSEQUENT EVENTS

There have been no material transactions or events occurring subsequent to year end that require adjustment to, or disclosure in the financial statements.

This section includes information that the Directors do not consider to be significant in understanding the financial performance and position of the Group but must be disclosed to comply with the Accounting Standards and the Australian Charities and Not-for-profits Commission Regulations 2022.

E1 KEY MANAGEMENT PERSONNEL

Directors

The names of persons who were Directors of St Vincent's Health Australia Limited at any time during the financial year are set out below:

Mr. P McClintock AO	Ms. A Cross AM
Dr. M Coote	Ms. S McGregor
Prof. V Perkovic	Ms. J Watts
Ms. S McPhee AM	Mr. P O'Sullivan
Ms. A McDonald	Mr. D O'Brien
Ms. K Bailey-Lord	Ms. A Barker

Executives

Other than Directors, key management personnel include those having the authority and responsibility for planning, directing and controlling the Group's activities directly or indirectly.

The names and position of key management personnel (other than Directors) are:

Mr. C Blake	Group Chief Executive Officer
Ms. K Gaffney	Group Chief Financial Officer
A/Prof. P Garcia	Group General Manager, Public Affairs & General Counsel
Mr. L Hopper	Chief Executive Officer, St Vincent's Care Services
A/Prof. P O'Rourke	Chief Executive Officer, Private Hospitals Division
Ms. N Tweddle	Public Hospitals Chief Executive Officer, VIC State Lead
Ms. A McFadgen	Public Hospitals Chief Executive Officer, NSW State Lead

Compensation

The compensation paid to Directors and specified executives noted above is as follows:

	2025	2024
	$	$
Total compensation paid to key management personnel	**6,609,478**	6,746,897

There were no loans or transactions between the Group and its key management personnel during the financial year (2024: $nil).

E2 ECONOMIC DEPENDENCY

Various controlled entities involved in the provision of public health and aged care services source a significant volume of their revenue from a number of Government entities including:

- Queensland Department of Health
- NSW Ministry of Health
- Victorian Department of Health and Human Services
- Commonwealth Department of Health and Ageing
- Commonwealth Department of Veterans' Affairs

The revenues from these Government entities are expected to continue in the foreseeable future.

E3 NATURE AND PURPOSE OF RESERVES

Member's reserve was created on the incorporation of the parent entity.

The revaluation reserve records movements in the fair value of financial assets measured at fair value through other comprehensive income.

The cash flow hedge reserve records movements in derivatives.

E4 FAIR VALUE HIERARCHY

Investment properties and financial assets at fair value through the profit or loss are measured at fair value in the Balance Sheet. The measurement of this fair value may in some cases be subjective and may depend on the inputs used in the calculations. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment properties. Where such information is not available the Directors consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

There were no transfers between the levels during the financial year.

E5 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretation

Several amendments and interpretations apply for the first time in the period beginning on or after 1 July 2024, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The nature of each new standard or amendment is described below:

Reference	Description
AASB 2022-5 Amendments to Australian Accounting Standards- Lease Liability in a Sale and Leaseback	The amendments in AASB 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.
AASB 2023-3 Amendments to Australian Accounting Standards- Disclosure of Non- current Liabilities with Covenants: Tier 2	The amendments to AASB 1060 specify the requirements for classifying liabilities as current or non-current. The amendments clarify: • That a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period • That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.
AASB 2024-1 Amendments to Australian Accounting Standards – Disclosures of Supplier Finance Arrangements: Tier 2 Disclosures	The amendments to AASB 1060 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

E6 OTHER ACCOUNTING POLICIES

AASB 16 Leases

At Inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of the physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either the Group has the right to operate the asset, or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

E6 OTHER ACCOUNTING POLICIES (continued)

AASB 16 Leases (continued)

Significant accounting judgements, estimates and assumptions

In applying AASB 16, the Group has made the following judgements.

In determining the lease term used to ascertain total future lease payments, the Group considers all facts and circumstances that create an economic benefit to exercise an extension option. Renewal options are only considered to be part of the lease term if the lease is reasonably certain to be extended. The Group has included renewal periods as part of the lease term for leases where it is reasonably certain they will be extended. This assessment is reviewed if a significant event or significant changes in circumstances occurs which affects this assessment and is also within the control of the Group.

Where the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to calculate the present value of future lease payments. The IBR is the interest rate that the lessee would have to pay to borrow over a similar term of each lease. The Group estimates the IBR using market interest rates.

Short term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Concessionary leases

Concessionary leases are leases where the consideration paid by the lessee is significantly less than its fair value. The Group has identified one concessionary lease for St Vincent's Hospitals Network Sydney ("SVHNS"), the Lowy Packer building which is leased by the Trustees of SVHNS until 2035.

Extension options

Some property leases contain extension options exercisable by the Group. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under purchase option that Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be

E6 OTHER ACCOUNTING POLICIES (continued)

AASB 16 Leases (continued)

payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies AASB 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers applies to all revenue arising from contracts with customers unless the contracts are in the scope of other standards. The Group is required to consider the five-step model to contracts with customers, and is required to recognise revenue to depict the transfer of goods or services in an amount that reflects consideration to which the Group expects to be entitled to.

Under AASB 15, revenue is recognised on satisfaction of the performance obligations of the entity, being the provision of medical services to patients and residents.

Revenue is recognised over time as services are provided:

- Patient and resident income is recognised when services are provided.
- Government grants and subsidies income is recognised as the right to receive payment is established.
- Non-medical revenue is recognised when services are provided.
- Donations (including trust estate distributions income) are recognised upon receipt.

Finance costs

Finance costs include interest, amortisation of discounts or premiums related to borrowings and other costs incurred in connection with the arrangement of borrowings. Financing costs are expensed as incurred unless they relate to a qualifying asset. A qualifying asset is an asset which generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, the financing costs are capitalised to the cost of the asset. Where funds are borrowed by the Group for the construction of a qualifying asset, the amount of financing costs capitalised are those incurred in relation to that borrowing.

Goods and services tax

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST) except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority (in which case the GST is recognised as part of the cost of the acquisition of the asset or as part of the expense).

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement including GST in the operating cash flows. Commitments and contingencies are disclosed net of GST recoverable from, or payable to, the taxation authority.

Income tax

St Vincent's and its controlled entities are exempt from income tax under the provisions of Section 50-30 of the Income Tax Assessment Act 1997.

E6 OTHER ACCOUNTING POLICIES (continued)

Government grants and subsidies

Government grants, subsidies and COVID-19 subsidies are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as AFS, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of AASB 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with AASB 9.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Included within current liabilities are accommodation bonds / Refundable Accommodation Deposits (RADs) which are recorded as current under Australian accounting standards. In the normal course of business not all of these liabilities will crystallise within one year and those that do are usually replaced by incoming residential accommodation payments. In addition, current liabilities contain provisions for annual and long service leave which although presented as current, are probable to be paid out over several years.

Cash flow hedges (interest rate swap contracts)

The Group uses interest rate swap contracts to hedge its interest rate risks, predominantly arising from financing activities. Interest rate swap contracts are initially recognised at fair value on the date the contract is entered into and are subsequently re-measured

E6 OTHER ACCOUNTING POLICIES (continued)

Cash flow hedges (interest rate swap contracts) (continued)

at fair value. Interest rate swap is carried as financial asset when the fair value is positive and as financial liability when the fair value is negative.

At the inception of a hedge relationship, the Group designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

Before 1 January 2018, the documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting cash attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedge that meets all the qualifying criteria for hedge accounting are accounted for cash flow hedges by the Group.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the cash flow exposures on the variable rate debt and are accounted for as cash flow hedges. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract.

The Group's cash flow hedges settle on a quarterly basis. The Group settles the difference between the fixed and floating interest rate payable / (receivable) under each cash flow hedge on a net basis.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges as they reduce the Group's cash flow exposure resulting from variable interest rates on its Gross Bank Loans.

The effective portion of the gain or loss on the interest rate swaps is recognised in other comprehensive income (OCI) in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the interest rate swaps and the cumulative change in fair value of the hedged liability.

The interest rate swaps and the interest payments on the underlying financial liability occur simultaneously and the amount accumulated in OCI is reclassified to the profit or loss as a reclassification adjustment over the period that the floating rate interest payments on the underlying financial liability affect the profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Financial Instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

E6 OTHER ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the assets

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss
-

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes loans, advances, receivables (including trade receivables and other receivables), and held-to-maturity investments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the

E6 OTHER ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Trade receivables note A3

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings

E6 OTHER ACCOUNTING POLICIES (continued)

Loans and borrowings (continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. As such the Group does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

- Recognise as an operating expense over the term of the service contract - Fee for use of application software, customisation costs
- Recognise as an operating expense as the service is received - Configuration costs, data conversion and migration costs, testing costs, training costs

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets. Refer to Note A7 for an outline of accounting for intangible assets.

E7 REMUNERATION OF AUDITORS

	2025 $'000	2024 $'000
Ernst & Young and related network firms:		
Audit of the Group and its subsidiaries financial reports	**840**	922
Non audit fees	**440**	85
	1,280	1007
Other auditors and their related network firms:		
Audit of St Vincent's Hospital Melbourne by HLB Mann Judd	**121**	105
Audit of Victor Chang by Price Waterhouse Cooper	**28**	28
Audit of St Vincent's Institute by BDO	**61**	49
Audit of Aikenhead Centre for Medical Discovery Limited by BDO	**15**	15
	225	197

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2025

In accordance with a resolution of the directors of St Vincent's Health Australia Limited, I state that in the opinion of the directors:

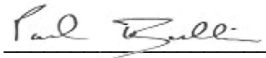
(a) the financial statements and notes of the Group are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

  (i) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-Profits Commission Regulations 2022*; and

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Mr. Paul O'Sullivan, Chair
Sydney
09 October 2025

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Independent auditor's report to the members of St Vincent's Health Australia Limited and its Controlled Entities

Opinion

We have audited the financial report of St Vincent's Health Australia Limited (the Company) and its controlled entities (collectively the Group), which comprises the consolidated balance sheet as at 30 June 2025, the consolidated profit or loss account and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a. Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the directors for the financial report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the 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 directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives 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 our 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, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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.

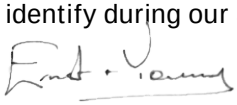
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an

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opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young



Anton Ivanyi
Partner
Sydney
9 October 2025

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FINANCIAL REPORT 2025

"KB-4"



UnitingCare

Proudly representing
BlueCare | Lifeline | ARRCS | The Wesley Hospital | Buderim Private Hospital
St Stephen's Hospital | St Andrew's War Memorial Hospital

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30 June 2025

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UnitingCare Queensland

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

	Note	2025 $'000	2024 $'000
Revenue			
Revenue from contracts with clients	B1	2,254,806	2,083,107
Other income	B1	127,351	98,173
Total revenue		**2,382,157**	**2,181,280**
Share of surplus in joint ventures	F3	68	655
Change in fair value of investment properties	C4	28,218	10,338
Expenses			
Salaries and employee expenses[1]		(1,462,516)	(1,370,633)
Supplies and services expenses	B2	(481,442)	(439,965)
Depreciation and amortisation expenses		(133,920)	(130,937)
Property expenses	B2	(170,046)	(154,198)
Other expenses	B2	(131,229)	(165,445)
Finance costs	B2	(39,292)	(28,848)
Total expenses		**(2,418,445)**	**(2,290,026)**
Deficit for the year		**(8,002)**	**(97,753)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Gains on equity instruments measured at FVOCI[2]	D2	1,465	2,702
Items that will subsequently be reclassified to profit or loss			
Gains on debt instruments measured at FVOCI[2]	D2	688	117
Other comprehensive income for the year		**2,153**	**2,819**
Total comprehensive loss for the year		**(5,849)**	**(94,934)**

[1] Salaries and employee expenses includes agency staffing costs.

[2] Fair value through other comprehensive income (FVOCI).

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

UnitingCare Queensland

Consolidated statement of financial position

For the year ended 30 June 2025

	Note	2025 $'000	2024 $'000
Current assets			
Cash and cash equivalents	D1.1	417,763	362,439
Trade and other receivables	C1.1	105,531	118,524
Financial assets	D2	47,580	41,426
Inventories	C1.2	23,905	23,092
Other assets	C1.3	75,149	50,796
Disposal group assets classified as held for sale	C6	36,600	-
Assets classified as held for sale		782	5,217
Total current assets		**707,310**	**601,494**
Non-current assets			
Property plant and equipment	C2.1	999,569	1,048,702
Right of use assets	C3	78,325	73,714
Investment properties	C4	737,508	670,355
Intangible assets	C5	24,771	36,729
Other assets	C1.3	2,548	2,446
Interests in other entities	F3	-	1,813
Total non-current assets		**1,842,721**	**1,833,759**
TOTAL ASSETS		**2,550,031**	**2,435,253**
Current liabilities			
Trade and other payables	C1.4	179,831	167,325
Ingoing contributions, RADs[1] and accommodation bonds	D3	1,002,752	944,326
Lease liabilities	D4.1	24,160	19,127
Borrowings	D5	-	55,000
Employee benefits	E1	184,544	178,994
Other liabilities	C1.5	66,038	74,803
Provisions	C1.6	48,329	5,640
Liabilities directly associated with disposal group assets classified as held for sale	C6	65,914	-
Total current liabilities		**1,571,568**	**1,445,215**
Non-current liabilities			
Trade and other payables	C1.4	6,425	6,547
Lease liabilities	D4.1	62,929	62,904
Employee benefits	E1	22,074	20,199
Other liabilities	C1.5	50,452	44,644
Provisions	C1.6	6,793	20,105
Total non-current liabilities		**148,673**	**154,399**
TOTAL LIABILITIES		**1,720,241**	**1,599,614**
NET ASSETS		**829,790**	**835,639**
Equity			
Contributed funds		5,234	5,234
Properties revaluation reserve		23,689	23,689
Financial assets at FVOCI reserve		7,049	4,896
Accumulated funds		793,818	801,820
TOTAL EQUITY		**829,790**	**835,639**

[1] Refundable Accommodation Deposits (RADs)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

UnitingCare Queensland

Consolidated statement of changes in funds

For the year ended 30 June 2025

	Note	Contributed funds $'000	Properties revaluation reserve $'000	FVOCI reserve $'000	Accumulated funds $'000	Total equity $'000
Balance at 1 July 2023		**5,234**	**23,689**	**2,077**	**899,573**	**930,573**
Deficit for the year		-	-	-	(97,753)	(97,753)
Other comprehensive income	D2	-	-	2,819	-	2,819
Balance at 30 June 2024		**5,234**	**23,689**	**4,896**	**801,820**	**835,639**
Balance at 1 July 2024		**5,234**	**23,689**	**4,896**	**801,820**	**835,639**
Deficit for the year		-	-	-	(8,002)	(8,002)
Other comprehensive income	D2	-	-	2,153	-	2,153
Balance at 30 June 2025		**5,234**	**23,689**	**7,049**	**793,818**	**829,790**

The above consolidated statement of changes in funds should be read in conjunction with the accompanying notes.

	Note	2025 $'000	2024 $'000
Cash flows from operating activities			
Receipts from clients, funding and others		2,260,610	2,139,234
Payments to suppliers and employees		(2,190,413)	(2,148,692)
Interest received		18,157	16,839
Interest and financing costs paid		(6,757)	(5,928)
Net cash inflow from operating activities	D1.2	**81,597**	**1,453**
Cash flows from investing activities			
Receipts from the sale of property, plant and equipment		19,691	15,370
Payments for property, plant and equipment		(109,666)	(138,302)
Payments for intangible assets		(96)	(225)
Receipts from capital grants for property, plant and equipment		13,373	22,789
Dividends received from investments in financial assets		1,322	443
Receipts from the sale of interests in joint ventures		7,500	-
Payments for investment properties		(266)	(2,047)
Receipts from the sale of financial assets		8,488	2,354
Payments to acquire financial assets		(11,897)	(2,571)
Net cash outflow from investing activities		**(71,551)**	**(102,189)**
Cash flows from financing activities			
Receipts from ingoing contributions and accommodation bonds		287,969	217,961
Repayments of ingoing contributions and accommodation bonds		(167,579)	(152,192)
Net receipts from ingoing contributions and accommodation bonds	D6	**120,390**	**65,769**
Receipts from borrowings		-	55,000
Repayments of borrowings		(55,000)	-
Net receipts from / (repayments of) borrowings	D6	**(55,000)**	**55,000**
Payments to reduce lease liabilities	D6	(20,112)	(17,801)
Net cash inflow from financing activities		**45,278**	**102,968**
Net increase in cash and cash equivalents		**55,324**	**2,232**
Cash and cash equivalents at beginning of year		362,439	360,207
Cash and cash equivalents at end of year	D1.1	**417,763**	**362,439**

A About UnitingCare Queensland

This section sets out the basis on which UnitingCare Queensland's financial report is prepared. Where a material accounting policy is specific to a note, the policy is described within that note.

A1 Our organisation

These financial statements comprise the consolidated financial statements of UCQ Ltd (the Company) and the entities it controls (together the Group, or UnitingCare Queensland). For the purposes of preparing the consolidated financial statements, UCQ Ltd is a not-for-profit entity.

UCQ Ltd is a public company limited by guarantee incorporated in Australia under the *Corporations Act 2001* and a registered charity under the *Australian Charities and Not-for-profits Commission Act 2012*. On 1 July 2024 UCQ Ltd became the parent entity of the Group and commenced transitioning the businesses of UnitingCare Queensland, UnitingCare Community, BlueCare and UnitingCare Health to UnitingCare Queensland Ltd. See Note A2.5 for information relating to the Group reorganisation.

The sole member of the Company is the Uniting Church in Australia Property Trust (Q.) (the Property Trust). The Property Trust has appointed the Board of UCQ Ltd to govern its activities in accordance with the *Australian Charities and Not-for-profits Commission Act 2012,* the *Australian Charities and Not-for-profits Commission Regulations 2022,* the *Uniting Church in Australia Act 1977* (Qld), the Uniting Church in Australia Basis of Union, Constitution & Regulations, the Uniting Church in Australia Queensland Synod By-Laws, and the UCQ Ltd Constitution.

Legal title to all real property beneficially utilised in the services provided by the Group is held by the Property Trust, or Australian Regional and Remote Community Services Ltd (ARRCS).

UnitingCare Queensland's principal continuing activities are delivering quality health, aged care, disability and community services across Queensland and the Northern Territory. The Group provides person-centred care and support services to thousands of people every day of the year, helping people live life in all its fullness.

The consolidated financial statements of the Group were authorised for issue on 7 October 2025 in accordance with a resolution of the Board of Directors.

The registered office and principal place of business of UnitingCare Queensland is Level 5, 192 Ann Street, Brisbane, Queensland 4000.

A2 Our financial statements

A2.1 Basis of preparation

These consolidated financial statements:

- are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs), other authoritative pronouncements issued by the Australian Accounting Standards Board, and the *Australian Charities and Not-for-profits Commission Act 2012*. In some circumstances, where permitted under the AASBs, the Group has elected to apply exemptions available to not-for-profit entities such as for volunteer services and concessional leases;
- have been prepared on the basis of historical cost, except for investment properties and financial assets which are measured at fair value;
- present all values in Australian dollars, which is the Group's functional currency, and have been rounded to the nearest thousand dollars, unless otherwise stated;
- adjust comparative balances, where applicable, to conform to changes in presentation for the current year; and
- do not early adopt any Australian Accounting Standards and Interpretations issued or amended but which are not yet effective.

A2.2 Statement of compliance

The Group does not have 'public accountability' as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards* (AASB 1053) and is therefore eligible to apply the 'Tier 2' reporting framework under the Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements of those standards as modified by AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements of AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

A2 Our financial statements (continued)

A2.3 New and amended standards adopted

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for accounting periods beginning on or after 1 July 2024. These are as follows:

Pronouncement	Impact
AASB 2022-5 *Amendments to Australian Accounting Standards - Lease liability in a sale and leaseback*	This Standard requires a seller-lessee to measure lease liabilities arising from a sale and leaseback transaction in a way that does not result in recognition of a gain or loss that relates to the right of use it retains. The Group does not currently have sale and leaseback arrangements. The Group will apply the amendments if sale and leaseback arrangements are entered into in the future.
AASB 2023-3 *Amendments to Australian Accounting Standards - Disclosure of non-current liabilities with covenants*	This Standard clarifies when liabilities should be presented as current or non-current in the statement of financial position, including the impact of covenants on that classification. It requires additional disclosures about the risk that non-current liabilities could become payable within 12 months after the reporting period because of difficulties with complying with the covenants. The amendments did not impact the classification of the Group's financial liabilities. Disclosures about covenants the Group is required to comply with are provided in Note D5.
AASB 2024-1 *Amendments to Australian Accounting Standards - Supplier finance arrangements*	This Standard requires the disclosure of information about the Group's supplier finance arrangements and their effect on the Group's liabilities and cash flows. The Group does not have any supplier finance arrangements in place. The Group will apply the amendments if supplier finance arrangements are entered into in the future.

None of the above standards have had a material impact on the Group.

A2.4 Standards and interpretations in issue but not yet adopted

Apart from those presented below, there are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions:

Pronouncement	Effective for annual reporting periods beginning on or after	Impact
AASB 2014-10 *Amendments to Australian Accounting Standards - Sale or contribution of assets between an investor and its associates or joint venture (as amended)*	1 January 2028	This Standard limits the recognition of a gain or loss arising from the loss of control of a subsidiary that does not control a business in a transaction with an associate or joint venture to the extent of the unrelated investors' interest in that associate or joint venture. Similar limitations apply to remeasurements of retained interests in former subsidiaries. The Group does not currently have such arrangements. The Group will apply the amended requirements if such arrangements are entered into in the future.
AASB 2023-5 *Amendments to Australian Accounting Standards - Lack of exchangeability*	1 January 2025	This Standard specifies how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not. The Group does not currently hold foreign currencies. The Group will apply the amended requirements if it holds foreign currencies in the future.

A2 Our financial statements (continued)

A2.4 Standards and interpretations in issue but not yet adopted (continued)

Pronouncement	Effective for annual reporting periods beginning on or after	Impact
AASB 2024-2 *Amendments to Australian Accounting Standards – Clarification and measurement of financial instruments*	1 January 2026	This Standard amends AASB 9 *Financial Instruments* (AASB 9) to introduce an option to derecognise financial liabilities settled through electronic transfer before the settlement date, clarifies how contractual cash flows should be assessed for financial assets with environmental, social and governance (ESG) and similar features, includes additional guidance in respect of non-recourse features and contractually linked instruments and amends specific disclosure requirements. The Group is currently investigating the impact of this amendment.
AASB 2025-1 *Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity*	1 January 2026	This Standard amends AASB 9 and AASB 7 *Financial Instruments: Disclosures* (AASB 7) by introducing additional guidance for contracts referencing nature-dependent electricity (often structured as power purchase agreements), including contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity. Amendments added applications guidance to AASB 9 to clarify the 'own-use' criteria for contracts to buy electricity generated from nature-dependent sources. In respect of hedges for forecast electricity transactions the amendments to AASB 9 permit a variable nominal amount of the forecast electricity transaction to be designated as the hedged item that is aligned with the variable amount of nature-dependent electricity expected to be delivered by the generation facility as referenced in the hedging instrument. The Group in currently investigating the impact of this amendment.
AASB 18 *Presentation and disclosure in financial statements (not-for-profit entities)*	1 January 2028	AASB 18 *Presentation and Disclosure in Financial Statements* (AASB 18) replaces AASB 101 *Presentation of Financial Statements* (AASB 101). It will not change the recognition and measurement of items in the financial statements, but it will affect presentation and disclosure in the financial statements, including introducing new categories and defined subtotals in the statement of profit or loss, requiring the disclosure of management-defined performance measures, and changing the grouping of information in the financial statements. The Group is currently investigating the impact of this Standard.

A2.5 Basis of consolidation

The consolidated financial statements for UnitingCare Queensland consist of UCQ Ltd and its controlled entities as at and for the year ended 30 June each year. See Note F1 for information relating to subsidiaries. The Group controls an entity when it is exposed to, or has rights to, variable financial or non-financial returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Where the Group has less than a majority of the voting or similar rights of an investee, the Group considers all facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangements with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

A2 Our financial statements (continued)

A2.5 Basis of consolidation (continued)

Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised gains and losses from intra-group transactions, are eliminated in the preparation of the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Group reorganisation

In July 2024 the Group commenced transitioning the businesses of UnitingCare Queensland, UnitingCare Community, BlueCare and UnitingCare Health to UnitingCare Queensland Ltd, a not-for-profit public company limited by guarantee incorporated in Australia. The principal activities of the Group remain unchanged as a result of the group reorganisation.

Management has assessed that there has been no change in ultimate control over the businesses that have transitioned to UnitingCare Queensland Ltd. Accordingly, UnitingCare Queensland Ltd is not able to be identified as the acquiring entity, and the Group reorganisation does not constitute a business combination in accordance with AASB 3 *Business Combinations* (AASB 3). Management has chosen to adopt the predecessor value approach to measure the assets and liabilities of the businesses that have transitioned to UnitingCare Queensland Ltd. The predecessor value approach (i) measures assets and liabilities at their previous carrying value, with no fair value adjustments made at date of reorganisation, and (ii) does not require a restatement of comparative amounts in the financial statements.

A2.6 Going concern

The consolidated financial statements include the assumption that the Group will continue to operate as a going concern. The Group expects to be able to settle its liabilities as they arise in the ordinary course of business for at least the next 12 months. The following considerations have been taken into account when making this assumption.

Net current asset deficiency

The Group has a net current asset deficiency of $864,258,000 (2024: $843,721,000). This mainly arises because of the requirement to classify ingoing contributions, refundable accommodation deposits (RADs) and accommodation bonds of $1,002,752,000 (2024: $944,326,000) as current liabilities.

Ingoing contributions, RADs and accommodation bonds are classified as current liabilities because the Group does not have an unconditional right to defer settlement of any specific balance for at least 12 months after the reporting date. The total ingoing contributions, RADs and accommodation bonds liability represents the sum of separate payments from individual residents in different locations with differing circumstances, and frequently a departing resident may be replaced quickly by a new ingoing contribution or RAD paying resident. The Group expects that, of the total ingoing contributions, RADs and accommodation bonds disclosed as a current liability, $832,909,000 (2024: $774,304,000) will not be repaid within 12 months (see Note D3).

In addition of the total employee benefits classified as a current liability, $107,373,000 (2024: $103,965,000) are expected to be settled after 12 months (see Note E1);

The Group has a cash advance facility of $140,000,000 (2024: $140,000,000) of which $140,000,000 remains undrawn at 30 June 2025 (2024: $85,000,000). This facility can be drawn upon to fund ingoing contributions, RADs and accommodation bond refunds should the Group experience significant RADs and bond net outflows. The Group also has a revolving bank guarantee facility of $11,000,000 (2024: $11,000,000) of which $4,824,000 remains unused at 30 June 2025 (2024: $4,824,000) (see Note D5).

A2 Our financial statements (continued)

A2.6 Going concern (continued)

The Group's adjusted net current asset position is reflected as follows:

	2025 $'000	2024[1] $'000
Net current asset deficiency	**(864,258)**	**(843,721)**
Add back: Ingoing contributions and accommodation bonds not expected to be repaid within 12 months	832,909	774,304
Add back: Ingoing contributions and accommodation bonds expected to be repaid within 12 months and replaced by new ingoing contributions and accommodation bonds	169,843	170,022
Add back: Current employee benefits not expected to be settled within 12 months	107,373	103,965
Total adjusted net current asset position	**245,867**	**204,570**

[1] The comparative information related to certain current assets and liabilities has been reclassified. Refer to Note A2.10 for more information.

A2.7 Economic dependency

The Group is partially dependent on Commonwealth, State and Territory Government subsidies and grants to fund its operations. The continued support and funding of community care and aged care program facilities by Commonwealth, State and Territory Governments are subject to regular reviews and accreditation requirements. The revenue from these Government entities is expected to continue in the foreseeable future. See Note G5.2 for information relating to government funding.

A2.8 Significant accounting judgements, estimates and assumptions

In preparing these consolidated financial statements, the Board and management have made judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical accounting judgements, estimates and assumptions are included in the following notes:

Accounting judgements, estimates and assumptions	Note
Deferred management fees	B1
Imputed DAP revenue on RAD and bond balances	B1
Expected credit losses on trade receivables	C1.1
Construction provision	C1.6
Perpetual lease arrangements	C2.1
Estimated useful life of property, plant and equipment	C2.1
Classification of investment properties	C4
Fair value estimate of investment properties	C4
Construction work in progress	C4
Capitalisation of configuration and customisation costs in software-as-a-service arrangements	C5
Refundable accommodation deposits	D3
Lease term and option renewals	D4.1
Incremental borrowing rates	D4.1
Annual and long service leave assumptions	E1

A2 Our financial statements (continued)

A2.9 Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or a cash equivalent unless being restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

A2.10 Comparatives

During the year the Group made the following reclassifications to the financial statements:

i. Fair value loss on resident loans was reclassified from other income to other expenses;

ii. Construction provision was reclassified from non-current other liabilities to non-current provisions;

iii. Accrued income for services provided not yet invoiced was reclassified from other receivables to contract receivables;

iv. Portable long service leave reimbursement receivable was reclassified from employee benefits to other current assets; and

v. Reclassifications of other minor asset and liability accounts were made to enhance comparability with the current year presentation.

Comparative amounts in the primary financial statements and relevant notes were reclassified for consistency.

A2.11 Goods and Services Tax (GST)

The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as a current asset or liability in the consolidated statement of financial position. Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows within the receipts from clients, funding and others, and payments to suppliers and employees.

A2.12 Income taxes

No provision for income tax has been made as the Group and each of the not-for-profit entities that comprise the Group is exempt from income tax under Division 50 of the *Income Tax Assessment Act (1997)* and have been so endorsed by the Commissioner of Taxation.

B Results for the Year

This section provides additional information on UnitingCare Queensland's results for the year, including details on revenue and expenses, that are considered most relevant in the context of the Group's operations.

B1 Revenue and other income

The Group primarily derives revenue from the provision of health, aged care, disability and community services across Queensland and the Northern Territory.

	2025 $'000	2024[1] $'000
Revenue from contracts with clients		
Aged care and community services	1,038,527	957,102
Hospital patient services	651,392	598,590
Family and disability services (grant funded programs)	226,771	196,648
Recoverable revenue (prosthesis)	125,435	122,090
National Disability Insurance Scheme (NDIS) services	53,386	60,622
Lifeline sales	68,078	64,358
Daily accommodation payments (DAP)	63,536	58,870
Deferred management fees (DMF)	18,171	16,401
Other hospital revenue[2]	8,933	7,846
Other revenue from contracts with clients[3]	577	580
Total revenue from contracts with clients	**2,254,806**	**2,083,107**
Other income		
Other not-for-profit income		
Capital grants	17,949	12,706
Fundraising and donations	7,165	5,911
Bequests (without performance obligations)	4,756	7,086
Lessor income		
Lessor income	20,556	21,821
Gain on sale of assets		
Gain on sale of property, plant and equipment	8,534	6,719
Gain on sale of investment in joint venture	5,619	-
Other income		
Investment income[4]	2,413	1,459
Impairment reversals of non-financial assets	5,029	2,246
Other income[5]	6,491	2,305
Interest income		
Uniting Church Investment Services (UCIS)	8,977	7,904
Imputed DAP revenue on RAD and bond balances	30,310	21,081
Other interest[6]	9,552	8,935
Total other income	**127,351**	**98,173**

[1] The comparative information related to certain revenue items has been reclassified. Refer to Note A2.10 for more information.

[2] Other hospital revenue includes student placement and teaching fees, and onsite café and retail sales for hospitals.

[3] Other revenue from contracts with clients includes onsite café and retail sales for residential aged care facilities and retirement villages.

[4] Investment income includes fair value gains on financial assets measured at fair value through profit and loss, realised gains on sales of financial assets, and dividends on financial assets (see Note D2).

[5] Other income includes income from insurance recoveries.

[6] Other interest includes interest on cash at bank and short-term deposits held with banking institutions other than UCIS, interest on financial assets (see Note D2), and unwinding of discounts on deferred consideration receivable (see Note C1.3).

B1 Revenue and other income (continued)

Accounting judgements, estimates and assumptions	
Deferred management fees	A significant source of estimation for the recognition of deferred management fees is the calculation of the expected resident occupancy period. This is calculated with reference to the Australian Bureau of Statistics Life tables and historical resident occupancy trends.
Imputed DAP revenue on RAD and bond balances	The Group has determined the use of the Maximum Permissible Interest Rate (MPIR) prevailing at the date of admission as the interest rate to be used in the calculation of the imputed DAP revenue on RAD and bond balances. The MPIR is a rate set by the Government and is used to calculate the DAP to applicable residents.

Accounting policies

Revenue from contracts with clients

Revenue is measured based on the consideration the Group expects to be entitled to in exchange for transferring promised goods or services as specified in a contract with a client. The Group recognises revenue when it transfers control over goods or provides a service to a client.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with clients, including significant payment terms, and the related revenue recognition policies.

Where an agreement is enforceable and contains sufficiently specific performance obligations for the Group to transfer goods or services to a third-party, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers* (AASB 15). Otherwise, revenue is accounted for under AASB 1058 *Income from Not-for-Profit Entities* (AASB 1058), whereby revenue is recognised upon receipt, except for certain capital grants noted below.

Type of good or service	Revenue recognition policies including nature and timing of satisfaction of performance obligations and significant payment terms
Aged care and community services	This revenue stream includes revenue derived from Home Care Packages (HCP), Commonwealth Home Support Programme (CHSP), residential funding under Australian National Aged Care Classification (AN-ACC), basic daily fees, aged care supplements and client fees for services relating to aged care and community services. Performance obligations are deemed to be the delivery of the services relevant to the above programs. Services are provided primarily on a daily or monthly basis. Revenue is recognised over time when the services are performed and delivered. An accrued income asset representing the Group's right to consideration for services delivered but not yet invoiced is also recognised (see Note C1.3).
Hospital patient services	Performance obligations are deemed to be the delivery of the hospital patient services. Services are provided daily. Revenue is recognised daily as services are provided to hospital patients. A contract asset representing the Group's right to consideration for services delivered but not yet invoiced is also recognised (see Note C1.1).
Family and disability services (grant funded programs)	Grants are received for the funding of family, aged care, community and disability services programs. Where these specify certain specific performance obligations, the Group recognises revenue from services over time as performance obligations are satisfied. Such services are primarily provided on a daily or monthly basis. Any unused funds are to be returned to the funder unless otherwise agreed, and an associated grant funding liability is recognised (see Note C1.5). Cyclic and annual acquittals are required to be submitted to the funder for the majority of funded programs, in addition to output-based performance reporting. Funding is generally received quarterly or bi-annually in advance or in arrears.

B1 Revenue and other income (continued)

Accounting policies (continued)

Revenue from contracts with clients (continued)

Type of good or service	Revenue recognition policies including nature and timing of satisfaction of performance obligations and significant payment terms
Recoverable revenue (prosthesis)	The Group performs medical procedures that require prosthesis. Performance obligations for prosthesis revenue are deemed to be the delivery of the contracted prosthesis. The Group is considered the principal in these transactions and therefore recognises revenue on a gross basis. Revenue is recognised on delivery of the goods to the patient.
NDIS services	The Group provides services to clients under the National Disability Insurance Scheme (NDIS) as identified in individual contracts. After the provision of the agreed services, the Group may submit a claim through the National Disability Insurance Agency (NDIA) or invoice a client directly for recoupment of revenue for the service. The Group recognises revenue from services over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily or a monthly basis. There are no related unused funds as claims or invoices for payment are submitted after services are provided.
Lifeline sales	The Group sells new and second-hand goods at its network of Lifeline Retail stores, including online. Goods sold in store come with a 14-day right of return. Goods sold online come with a 60-day right of return. Revenue is recognised on delivery of the goods to the client. Historically the amount of returns has not been material. As such, the full selling price is recognised as revenue.
Daily accommodation payments (DAP)	The Group has assessed its resident agreements relating to residential aged care accommodation arrangements to be leases under AASB 16 *Leases* (AASB 16) due to the security of tenure that these offer to its residents. The resident agreement only requires 14 days written notice to vacate. For arrangements where residents have elected to pay a DAP, the associated lessor revenue is accounted for under AASB 16.
Deferred management fees (DMF)	DMFs are amounts retained as income from ingoing contributions and are recognised over the expected period of resident occupancy in line with AASB 16. Where the expected period of resident occupancy differs from the contractual entitlement to DMF under the resident agreement, the Group recognises this difference as a deferred revenue liability (see Note C1.5).

Other not-for-profit income

The Group is the recipient of income that is accounted for in accordance with AASB 1058, which covers transactions where the consideration to acquire an asset is significantly less than fair value principally to enable the Group to further its objectives. This includes the following:

(i) Capital grants

For capital grants received under an enforceable agreement where it includes a transfer to enable the Group to acquire or construct a recognisable non-financial asset to identified specifications which will be controlled by the Group when completed, the Group recognises a capital grant funding liability for the excess of the fair value of the transfer over any related amounts recognised, and recognises income as it satisfies its obligations under the transfer (see Note C1.5).

As the capital grants received by the Group are primarily for the construction of buildings, the Group recognises income as the buildings are constructed (when it satisfies its obligations).

B1 Revenue and other income (continued)

Accounting policies (continued)

Other not-for-profit income (continued)

(ii) Fundraising, donations and bequests

Income is recognised when received, unless it contains sufficiently specific performance obligations that require it to be recognised in accordance with AASB 15, in which case the Group recognises an unearned income liability for the amount received, and recognises income as it satisfies its obligations under the donation (see Note C1.5).

Lessor income

Lessor income includes lease payments from operating leases recognised on a straight-line basis over the lease term in accordance with AASB 16. Lessor income also includes hospital car park income.

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate (EIR), which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Imputed DAP revenue on RAD and bond balances

Accommodation services provided to residents who have chosen to pay a RAD or accommodation bond are accounted for as a lease under AASB 16. The Group has recognised as revenue an imputed non-cash charge for accommodation representing the resident's right to occupy a room under the arrangement. The accounting treatment results in a non-cash increase in revenue for accommodation and a non-cash increase in finance costs on the outstanding RAD and accommodation bond balance, with no net impact on profit and loss for the year. See Note B2 for imputed interest expense on RAD and bond balances.

Sale and leaseback transactions

When the Group sells and leases back the same asset, the accounting treatment depends on whether the control of the asset has been transferred to the buyer and whether the lease is not exempt from the recognition requirements of AASB 16:

- If so, the Group measures the right of use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the rights retained by the Group as a seller-lessee. Accordingly, the Group recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor;
- If not, as a seller-lessee the Group continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds.

Unrecognised revenue

(i) Volunteer services

The Group regularly receives volunteer services as part of its operations. Under AASB 1058, private sector not-for-profit entities have a policy option to account for donated services at fair value if the fair value can be reliably measured. The Group has elected not to recognise the receipt of volunteer services as revenue as the fair value cannot be measured reliably.

(ii) Donated inventories

As part of its operations, the Group receives donations of second-hand goods which may then be used in its activities. AASB 102 *Inventories* (AASB 102) requires donated inventories to be measured at current replacement cost and any related amounts to be accounted for under AASB 1058.

The Group has decided to make use of the practical expedient under AASB 102 and apply the materiality assessment at the individual item level (instead of the portfolio level) when recognising donated inventories. Based on an assessment, the Group has noted that it only receives individually immaterial donations of inventory and accordingly will not be required to recognise such donated inventories. Accordingly, no amounts are recognised in the financial statements for donated inventories (see Note C1.2).

B2 Expenses

This note presents a breakdown of specific expenses to help users understand the Group's financial performance.

	2025 $'000	2024[1] $'000
Supplies and services expenses		
Patient services and supplies	271,891	256,890
Resident services and supplies	95,544	88,175
Cleaning and housekeeping	35,653	34,249
Other supplies and services[2]	78,354	60,651
Total supplies and services expenses	**481,442**	**439,965**
Property expenses		
Repairs and maintenance expense	76,689	68,689
Communications and utilities expense	35,522	36,223
Motor vehicle expense	15,529	14,738
Property insurance	12,976	11,528
Rental expense	7,337	9,607
Rates and taxes	10,083	8,417
Other property expense[3]	4,764	4,409
Impairment of non-financial assets expense	7,146	587
Total property expenses	**170,046**	**154,198**
Other expenses		
Consulting and professional fees	38,871	78,553
Software-as-a-service expense[4]	13,751	20,981
Business expenses	20,494	20,833
Administrative and other expenses	24,843	22,002
Fair value loss on resident loans	23,577	13,756
Stewardship expenses	9,693	9,320
Total other expenses	**131,229**	**165,445**
Finance costs		
Imputed interest expense on RAD and bond balances	30,310	21,081
Interest expense on leases[5]	4,097	3,931
Interest expense on borrowings	1,090	1,197
Interest expense	1,846	1,079
Bank charges and fees	1,949	1,560
Total finance costs	**39,292**	**28,848**

[1] The comparative information related to certain expense items has been reclassified. Refer to Note A2.10 for more information.

[2] Other supplies and services expenses include brokerage fees incurred under the Escaping Violence Program of $65,933,000 (2024: $48,380,000), and cost of inventories for Lifeline Retail of $6,489,000 (2024: $6,018,000) (see Note C1.2).

[3] Other property expenses include fire prevention, security, waste disposal and workplace health and safety costs.

[4] Software-as-a-service (SaaS) expense contains costs of developing and implementing SaaS platforms for the Group that do not meet the criteria for recognition as an intangible asset (see Note C5).

[5] Includes interest expense on lease liabilities (see Note D4.1) and unwinding of discounts on lease restoration provisions (see Note C1.6).

B2 Expenses (continued)

Expense classifications

The Group's major categories of expenses have been disclosed above. We note that:

- Supplies and services expenses include the cost of goods sold and costs incurred in delivering services to patients, residents and customers;
- Property expenses comprise all costs associated with the ownership and maintenance of the Group's property, plant and equipment, investment properties, intangible assets, and leased assets;
- Other expenses include external contractors, consulting and professional fees, software-as-a-service expenses, stewardship and general business and administrative expenses; and
- Finance costs comprise interest expense on lease liabilities (see Note D4.1) and bank loans recognised using the effective interest method, imputed interest expense on RAD and bond balances under AASB 16 (see Note B1), and bank fees.

C Operating Assets and Liabilities

This section explains UnitingCare Queensland's operating asset base used to support the provision of health, aged care, disability and community services, and the liabilities incurred as a result.

C1 Working capital

C1.1 Trade and other receivables

Trade and other receivables primarily consist of amounts outstanding from governments, health funds, self-insured patients, and residents of aged care facilities and retirement villages, for delivering health, aged care, disability and community services.

	2025 $'000	2024[1] $'000
Trade receivables	95,916	100,298
Loss allowance	(17,106)	(12,826)
Net trade receivables	**78,810**	**87,472**
Contract assets[2]	24,069	27,022
GST recoverable	2,560	3,426
Other receivables[3]	92	604
Total trade and other receivables	**105,531**	**118,524**

[1] The comparative information related to trade receivables, contract assets, other receivables and GST recovered has been reclassified. Refer to Note A2.10 for more information.

[2] Contract assets include accrued income for services provided to patients not yet invoiced.

[3] Other receivables include minor items such as fuel tax receivable and sundry debtors.

Ageing analysis

The ageing analysis of trade receivables at reporting date is as follows:

	Current - 90 days past due $'000	90+ days past due $'000	Total $'000
30 June 2025			
Gross carrying amount - trade receivables	76,362	19,554	95,916
Loss allowance	(3,003)	(14,103)	(17,106)
Net trade receivables	**73,359**	**5,451**	**78,810**
30 June 2024			
Gross carrying amount - trade receivables	77,276	23,022	100,298
Loss allowance	(2,363)	(10,463)	(12,826)
Net trade receivables	**74,913**	**12,559**	**87,472**

Credit risk

Refer to Note D7.1(a) for details of the Group's exposure to credit risk on trade receivables.

Related party balances

Trade receivables contain balances with related parties. Refer to Note G2 for further details.

C1 Working capital (continued)

C1.1 Trade and other receivables (continued)

Allowance for expected credit losses

Movements in the allowance for expected credit losses were as follows:

	2025 $'000	2024 $'000
Opening loss allowance at the start of the year	12,826	9,605
Allowance arising during the year	8,026	3,939
Allowance utilised during the year	(3,746)	(718)
Closing loss allowance at the end of the year	**17,106**	**12,826**

Accounting judgements, estimates and assumptions	
Expected credit losses on trade receivables	To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the ageing profile. The expected loss rates are based on the historical payment profiles of debtors over a period of up to 12 months before 30 June 2025 and 30 June 2024 respectively. The historical loss rates are adjusted to reflect current and forward-looking information on economic factors affecting the ability of the clients to settle the receivables.

Accounting policies

Trade receivables

Trade receivables are amounts due from clients for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are classified as current. No interest is charged on outstanding balances. Trade receivables are recognised initially at the transaction price unless they contain significant financing components, then they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and measures them subsequently at amortised cost using the effective interest method.

Loss allowance

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due. Impairment losses on trade receivables and contract assets are presented as net impairment losses in the statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

An allowance for expected credit loss is recognised based on the difference between the contractual cash flows and the expected cash flows. The Group applies the simplified approach to measuring expected credit losses and uses a lifetime expected loss allowance for all trade receivables.

Contract assets

Contract assets representing the Group's right to consideration for services delivered but not yet invoiced is recognised as hospital patient services are rendered but not yet invoiced (see Note B1).

C1 Working capital (continued)

C1.2 Inventories

Inventories mainly include medical supplies and prosthetics to be consumed in providing future patient services.

	2025 $'000	2024 $'000
Medical supplies	18,812	18,250
Other[1]	5,093	4,842
Total current inventories	**23,905**	**23,092**

[1] Other inventories include purchased consumer goods available for sale in Lifeline Retail stores.

Inventories expense

The cost of inventories recognised as an expense during the year was $247,414,000 (2024: $236,235,000). This expense has been included in the following expense categories in the statement of profit or loss and other comprehensive income: 'patient services and supplies' and 'other supplies and services.'

The Group has not recognised any impairment losses in profit or loss on inventories during the year (2024: $Nil). The Group has also not pledged any inventories as security during the year (2024: $Nil).

Accounting policies

Inventories

Purchased inventories are valued at the lower of weighted average cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Second-hand inventory donations are not recognised as an asset (see Note B1).

C1.3 Other assets

Other assets comprise prepayments, accrued income, deferred consideration, portable long service leave reimbursement, and funds held in trust.

	2025 $'000	2024[1] $'000
Current		
Prepayments	23,363	19,581
Accrued income	26,336	8,386
Deferred consideration	16,454	16,184
Other current assets[2]	8,996	6,645
Total other current assets	**75,149**	**50,796**
Non-current		
Funds held in trust	2,548	2,446
Total other non-current assets	**2,548**	**2,446**

[1] The comparative information related to prepayments, accrued income and other current assets has been reclassified. Refer to Note A2.10 for more information.

[2] Other current assets include provision for portable long service leave reimbursement, security deposits on leased properties and imputation credits receivable arising on receipt of dividends from financial assets.

C1 Working capital (continued)

C1.3 Other assets (continued)

Deferred consideration

Deferred consideration comprises amounts receivable for the sale of financial or non-financial assets of the Group and includes the sale of two properties to the Property Trust of $4,454,000 (2024: $4,454,000) and $12,000,000 (2024: $11,730,000). This is disclosed as a related party balance (see Note G2).

Portable long service leave reimbursement

Portable long service leave for community services workers within Queensland's community services industry came into effect with the passing of the *Community Services Industry (Portable Long Service Leave) Act 2020*. The scheme is administered by QLeave. Other current assets comprise an estimate for the probable reimbursement receivable from QLeave under the scheme.

Funds held in trust

Funds held in trust are restricted in use to the purposes intended under the trust agreements. Only interest income earned from investment of the principal amounts is permitted to be used. Permitted uses include but are not limited to the promotion of staff development and training and the support of community care services.

Accounting policies

Deferred consideration

Deferred consideration comprises amounts due for sales of financial or non-financial assets. Deferred consideration expected to be settled within 12 months is recognised initially at the transaction price. Where deferred consideration is expected to be settled after 12 months, the transaction price is discounted to present value using an appropriate discount rate. The discount is recognised as other interest income in the statement of profit or loss and other comprehensive income (see Note B1).

C1.4 Trade and other payables

Trade and other payables consist of amounts owing to suppliers for goods and/or services delivered.

	2025 $'000	2024[1] $'000
Current		
Trade payables	74,455	79,428
Accrued expenses	105,376	87,897
Total current trade and other payables	**179,831**	**167,325**
Non-current		
Maintenance reserve funds	6,425	6,547
Total non-current trade and other payables	**6,425**	**6,547**

[1] The comparative information related to trade payables and accrued expenses has been reclassified. Refer to Note A2.10 for more information.

Maintenance reserve funds

Maintenance reserve funds are established under section 97 of the *Retirement Villages Act 1999* (Qld) for maintaining and repairing retirement villages' capital items. The amounts held in the maintenance reserve funds are solely for the benefit of the residents and the residents are solely responsible for contributing to the funds. The budget of the fund is set annually by an external quantity surveyor and drawn down as the allowed items are incurred.

Supplier finance arrangements

The Group has not entered into any supplier finance arrangements in the current financial year (2024: $Nil).

Related party balances

Trade payables contain balances with related parties. Refer to Note G2 for further details.

C1 Working capital (continued)

C1.5 Other liabilities

Other liabilities predominantly comprise amounts received in advance of provision of services and include operational and capital grant funding, patient deposits, deferred revenue (being the difference between contractually accrued ingoing contributions and DMF revenue recognised based on expected resident occupancy), and prepaid long-term leases.

	2025 $'000	2024[1] $'000
Current		
Grant funding liabilities	32,380	36,079
Capital grant funding liabilities	24,030	28,606
Deferred revenue	3,911	3,968
Unearned income	5,474	4,363
Other current liabilities[2]	243	1,787
Total other current liabilities	**66,038**	**74,803**
Non-current		
Deferred revenue	42,929	36,962
Unearned income	7,523	7,682
Total other non-current liabilities	**50,452**	**44,644**

[1] The comparative information related to grant funding liabilities, unearned income and other non-current liabilities has been reclassified. Refer to Note A2.10 for more information.

[2] Other current liabilities include resident fund account liabilities.

Unearned income

Unearned income includes a lease to Wesley Research Institute Ltd for a 99-year term that has been prepaid of $7,682,000 (2024: $7,842,000). This is disclosed as a related party balance (see Note G2). This lease does not have an option to renew or purchase the underlying asset at the expiry of the lease period. The Group has assessed this as an operating lease as it does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset.

Accounting policies

Grant funding liabilities

Grant funding liabilities (including capital grants) comprise unfulfilled performance obligations for government and other grants received. Liabilities are released to the statement of profit or loss and other comprehensive income as performance obligations are satisfied or returned to the funder unless otherwise agreed (see Note B1).

Unearned income

Unearned income comprises unfulfilled performance obligations for donations, bequests and other receipts from clients or customers. Liabilities are released to the statement of profit or loss and other comprehensive income as performance obligations are satisfied (see Note B1).

Deferred revenue

Deferred revenue represents the difference between DMF income recognised over the expected period of resident occupancy and the contractual entitlement to DMF under the resident agreement. Liabilities are released to the statement of profit or loss and other comprehensive income as performance obligations are satisfied beyond the contractual DMF period (see Note B1).

C1 Working capital (continued)

C1.6 Provisions

A provision is a liability with uncertain timing and amount, but the expected settlement amount can be reliably estimated by the Group. The main provisions held are in relation to construction provision for Sunrise Beach Retirement Village and lease restoration provisions on leased properties.

	2025 $'000	2024[1] $'000
Current		
Construction provision	40,230	-
Lease restoration provision	2,674	2,949
Other provisions[2]	5,425	2,691
Total current provisions	**48,329**	**5,640**
Non-current		
Construction provision	-	13,773
Lease restoration provision	6,793	6,332
Total non-current provisions	**6,793**	**20,105**

[1] The comparative information related to non-current provisions has been reclassified. Refer to Note A2.10 for more information.

[2] Other provisions include estimated costs arising from private health fund audits.

Movements in provisions were as follows:

	Construction $'000	Lease Restoration $'000	Other $'000	Total $'000
Carrying amount at 1 July 2024	13,773	9,281	2,691	25,745
Provisions arising during the year[1]	26,457	1,692	4,374	32,523
Provisions utilised during the year	-	(1,506)	(1,640)	(3,146)
Carrying amount at 30 June 2025	**40,230**	**9,467**	**5,425**	**55,122**
Carrying amount at 1 July 2023	-	10,941	2,074	13,015
Provisions arising during the year[1]	13,773	1,631	2,192	17,596
Provisions utilised during the year	-	(3,291)	(1,575)	(4,866)
Carrying amount at 30 June 2024	**13,773**	**9,281**	**2,691**	**25,745**

[1] Provisions arising during the year includes the unwinding of discounts on lease restoration provision (see Note B2).

C1 Working capital (continued)

C1.6 Provisions (continued)

Accounting judgements, estimates and assumptions	
Construction provision	A construction provision is recognised for estimated construction costs incurred to date on the Sunrise Beach Retirement Village development. Management uses a construction cost and stage of completion estimate performed by an independent quantity surveyor to estimate the value of the construction provision and associated investment property capital work in progress at reporting date (see Note C4).

Accounting policies

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Construction provision

The Group has appointed an external development manager who is responsible for funding the development of the BlueCare Sunrise Beach Retirement Village and bears the development and construction risk. In consideration, the development manager is entitled to a development fee equal to the entry fee paid by each first resident of the completed village.

The Group has the right to terminate the development during construction at which point it would become liable for construction costs incurred to date. Whilst it is considered unlikely that any liability will become payable for early termination, the Group has determined that it has an irrevocable obligation for costs incurred at reporting date.

The retirement village is to be completed in stages. On completion of construction of each stage, the Group will have a present obligation to pay the development manager the development fee equal to the entry fee paid by each first resident of the completed stage. The provision relating to each stage will be reclassified as a development fee liability (a financial liability to be presented within other liabilities) and initially measured as the entry fee payable on by each first resident. The development fee is paid to the development manager on a per unit basis when the entry fee is paid by the first resident. As the entry fee is equivalent to an ingoing contribution, and the Group contracts with each individual resident, an ingoing contribution liability is subsequently recognised on derecognition of the development fee liability.

Lease restoration provisions

Lease restoration provisions comprise an estimate of the cost to restore leased properties to their original condition on expiry (or surrender) of the lease agreement. Lease restoration provisions on lease agreements are initially measured at the present value of the estimated cost of restoration on expiry (or surrender) of the lease agreement, discounted to present value using an appropriate discount rate. Lease restoration provisions are included in the cost of the right of use asset for leases subject to the recognition and measurement requirements of AASB 16 (see Note C3). If the lease agreement is short-term and exempt from AASB 16, the Group initially measures the lease restoration provision at the undiscounted estimated cost of restoration.

Lease restoration provision values are reviewed at each reporting date and adjusted if appropriate.

C2 Property, plant and equipment

C2.1 Property, plant and equipment

Property plant and equipment represents the investment by the Group in tangible assets such as land, buildings and plant and equipment. It also includes capital works in progress.

	Work in progress $'000	Land and buildings $'000	Plant and equipment $'000	Total $'000
2025				
Cost	54,284	1,394,208	702,728	2,151,220
Accumulated depreciation	-	(654,289)	(497,362)	(1,151,651)
Carrying amount at 30 June 2025	**54,284**	**739,919**	**205,366**	**999,569**
Carrying amount at 1 July 2024	56,981	759,450	232,271	1,048,702
Additions	85,648	4,330	19,688	109,666
Disposals and derecognitions	(2,965)	(591)	(1,836)	(5,392)
Transfers: from work in progress[2]	(78,234)	48,316	16,521	(13,397)
Transfers: to disposal group assets classified as held for sale	-	(29,222)	(7,378)	(36,600)
Transfers: from assets classified as held for sale	-	358	-	358
Depreciation	-	(47,751)	(53,900)	(101,651)
Impairment reversals	-	5,029	-	5,029
Impairment losses	(7,146)	-	-	(7,146)
Carrying amount at 30 June 2025	**54,284**	**739,919**	**205,366**	**999,569**
2024[1]				
Cost	56,981	1,421,833	708,305	2,187,119
Accumulated depreciation	-	(662,383)	(476,034)	(1,138,417)
Carrying amount at 30 June 2024	**56,981**	**759,450**	**232,271**	**1,048,702**
Carrying amount at 1 July 2023	105,686	723,534	223,952	1,053,172
Additions	106,520	7,620	23,818	137,958
Disposals and derecognitions	(3,243)	(1,958)	(1,959)	(7,160)
Transfers: from work in progress	(151,395)	85,531	38,551	(27,313)
Transfers: to assets held for sale	-	(5,217)	-	(5,217)
Transfers: between asset classes	-	(3,094)	3,094	-
Depreciation	-	(46,966)	(55,185)	(102,151)
Impairment losses	(587)	-	-	(587)
Carrying amount at 30 June 2024	**56,981**	**759,450**	**232,271**	**1,048,702**

[1] The comparative information related to work in progress and plant and equipment has been reclassified. Refer to Note A2.10 for more information.

[2] Certain transfers out of work in progress have been recognised as additions to investment properties and intangible assets in Note C4 and Note C5.

C2 Property, plant and equipment (continued)

C2.1 Property, plant and equipment (continued)

Assets classified as held for sale

Land assets with a cost of $1,140,000 that were previously classified as held for sale did not sell in the current financial year. Of these, the Group continues to actively market $782,000 of land for sale and expects a sale to occur within the next 12 months. The Group has ceased actively marketing $358,000 of land which has been returned to land and buildings in the current financial year. No additional assets have been classified as held for sale by the Group (2024: $5,217,000).

The Group has not recognised any impairment losses in respect of the above reclassifications.

Disposal group assets classified as held for sale

In May 2025 the Group signed a contract to sell a number of Residential Aged Care Facilities and Retirement Villages which completed in July 2025. Land, buildings, plant and equipment totalling $36,600,000 have been reclassified to disposal groups held for sale (see Note C6).

The Group has not recognised any impairment losses in respect of the above reclassifications.

Property, plant and equipment pledged as security

Freehold land and buildings with a carrying amount of $160,734,000 (2024: $165,839,000) have been pledged as security by the Property Trust for the ANZ cash advance facility. The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity without the approval from the ANZ Banking Group Ltd (see Note D5).

As at 30 June 2025, freehold land and buildings with a carrying amount of $3,466,000 (2024: $3,631,000) have been pledged to the Queensland Government by the Property Trust to secure grant funding under a mortgage. The Group is able to pledge these assets as security for other borrowings provided that the funder remains as a second mortgagee. In addition, freehold land and buildings with a carrying amount of $284,000 (2024: $330,000) have been pledged to the Commonwealth Government to secure grant funding under a mortgage.

In total, property, plant and equipment of $3,750,000 (2024: $3,961,000) which is 0.4% (2024: 0.4%) of total property, plant and equipment, has been or will be pledged to secure government grants.

Land held under Deed of Grant in Trust (DOGIT)

The Group holds 5 (2024: 5) properties with a carrying amount of $3,901,000 (2024: $3,901,000) that are subject to a Deed of Grant In Trust (DOGIT) in accordance with the *Land Act 1994* (Qld). A DOGIT is a form of land tenure that restricts land use for a specific purpose. The Group classifies land subject to a DOGIT as land measured at cost less accumulated impairment losses.

Accounting judgements, estimates and assumptions	
Perpetual lease arrangements	Legal title to all real property beneficially utilised in the services provided by the Group is held by the Property Trust (except for ARRCS Ltd which retains legal title to its own real property). Management has determined that this arrangement is a perpetual lease as the Property Trust provides the Group with rights to use real property into perpetuity. Perpetual leases are effectively a form of ownership interest in an asset that lasts forever. As the Group controls the underlying assets into perpetuity, is exposed to the risks and rewards of ownership, and uses the assets in its operations, it classifies perpetual leases of real property as property plant and equipment in its financial statements.
Estimated useful life of property, plant and equipment	The estimated useful lives of property, plant and equipment are assessed annually. This assessment takes into consideration legislative and safety requirements and plans to ensure continued compliance therewith. The estimated useful lives reflect existing redevelopment plans which are also subject to review based on requirements and cost. Future changes to the redevelopment program may impact on the assessment of useful lives with a corresponding impact on depreciation expense in future periods.

C2 Property, plant and equipment (continued)

C2.1 Property, plant and equipment (continued)

Accounting policies

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the consolidated statement of profit or loss and other comprehensive income.

The cost of capital works in progress includes directly attributable expenditure including the cost of materials, direct labour, an initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located, an appropriate proportion of production overheads and directly attributable borrowing costs.

Assets whose carrying amounts will be recovered principally through a sale transaction rather than through continuing use are classified as assets held for sale. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable. For a sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset, an active program to locate a buyer and complete the plan must have been initiated, and the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in the consolidated statement of profit or loss and other comprehensive income. Land is not depreciated.

The depreciation expense is recognised in 'depreciation and amortisation expenses' in the statement of profit or loss and other comprehensive income.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings and improvements	Up to 50 years
Plant and equipment - general	1 to 50 years
Plant and equipment - motor vehicles	1 to 13 years

Assets are depreciated on a straight-line basis from the date of acquisition or from the time an asset is completed and held ready for use.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

C2 Property, plant and equipment (continued)

C2.1 Property, plant and equipment (continued)

Accounting policies (continued)

Impairment of assets

The carrying values of property, plant and equipment are reviewed annually to determine whether there is any indication of impairment. If any indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Group would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the current replacement cost of the asset.

Impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive income.
Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

C2.2 Commitments for capital expenditure

Commitments for capital expenditure are the Group's contractual obligation to make future payments in relation to purchases of property plant and equipment. Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2025 $'000	2024[1] $'000
Not later than one year		
Buildings	23,903	19,926
Plant and equipment	3,323	988
Total not later than one year	**27,226**	**20,914**
Later than one year and not later than five years		
Buildings	-	974
Total commitments for capital expenditure	**27,226**	**21,888**

[1] The comparative information related to commitments for capital expenditure has been reclassified. Refer to Note A2.10 for more information.

C3 Right of use assets

A right of use asset represents the Group's right to use an asset over the life of a lease. See Note D4.1 for the Group's lease arrangements and related lease liabilities recognised.

	Land and buildings $'000	Motor vehicles $'000	Equipment $'000	Total $'000
2025				
Cost	133,224	19,093	3,414	155,731
Accumulated depreciation	(70,539)	(5,656)	(1,211)	(77,406)
Carrying amount at 30 June 2025	**62,685**	**13,437**	**2,203**	**78,325**
Carrying amount at 1 July 2024	68,880	4,817	17	73,714
Additions	7,918	10,807	2,500	21,225
Depreciation	(17,586)	(2,818)	(314)	(20,718)
Lease modifications	3,473	631	-	4,104
Carrying amount at 30 June 2025	**62,685**	**13,437**	**2,203**	**78,325**
2024				
Cost	125,054	8,134	3,554	136,742
Accumulated depreciation	(56,174)	(3,317)	(3,537)	(63,028)
Carrying amount at 30 June 2024	**68,880**	**4,817**	**17**	**73,714**
Carrying amount at 1 July 2023	30,866	2,257	34	33,157
Additions	10,532	4,619	-	15,151
Depreciation	(16,950)	(2,059)	(17)	(19,026)
Lease modifications	42,186	-	-	42,186
Impairment reversals	2,246	-	-	2,246
Carrying amount at 30 June 2024	**68,880**	**4,817**	**17**	**73,714**

Right of use assets pledged as security

Leased motor vehicle right of use assets with a carrying amount value of $13,437,000 (2024: $4,817,000) are pledged as security under the terms of the lease (see Note D4.1).

Accounting policies

Recognition and measurement

The Group recognises right of use assets at the commencement date of the lease which is when the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised (see Note D4.1), lease payments made at or before the commencement date less any lease incentives received, initial direct costs incurred by the Group, and an estimate of costs incurred in restoring the underlying asset to the condition required by the terms and conditions of the lease (see Note C1.6). Unless the Group is reasonably certain to be able to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight line basis over the shorter of the estimated useful life of the assets and the lease term. The depreciation expense is recognised in the 'Depreciation and amortisation expenses' in the statement of profit or loss and other comprehensive income. Right of use assets are subject to annual impairment testing.

C4 Investment properties

Investment properties comprise the property held by the Group to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services, or sale in the ordinary course of business.

	Work in progress $'000	Investment properties $'000	Total $'000
Fair value at 1 July 2024	13,773	656,582	670,355
Additions	26,457	266	26,723
Disposals and derecognitions	-	(312)	(312)
Transfers: from work in progress	-	12,524	12,524
Change in fair value of investment properties	-	28,218	28,218
Fair value at 30 June 2025	**40,230**	**697,278**	**737,508**
Fair value at 1 July 2023	-	636,227	636,227
Additions	13,773	2,469	16,242
Disposals and derecognitions	-	(379)	(379)
Transfers: from work in progress	-	7,927	7,927
Change in fair value of investment properties	-	10,338	10,338
Fair value at 30 June 2024	**13,773**	**656,582**	**670,355**

Amounts recognised in consolidated statement of profit or loss and other comprehensive income are as follows:

	2025 $'000	2024 $'000
Deferred management fees	18,171	16,401
Change in fair value of investment properties	28,218	10,338
Valuation reconciliation:		
Fair value of investment properties	697,278	656,582
Less:		
Ingoing contributions	(470,804)	(449,555)
Deferred revenue	(35,716)	(34,010)
Valuation	**190,758**	**173,017**

Valuation approach

In determining market values, the Group obtains independent external valuations for its investment properties on a rolling basis at least every three years. As a result, 2 (2024: 3) investment properties accounting for 25% (2024: 37.5%) of the total number of investment properties have been independently valued. The remainder of the investment property portfolio is measured using the Group's internal valuation model.

Investment properties pledged as security

Freehold land with a carrying amount of $4,344,000 (2024: $4,237,000) has been pledged by the Property Trust to Keyton Retirement Villages as security for the Sunrise Beach Retirement Village development. The Group is not allowed to pledge these assets as security for other borrowings or sell them without the approval from Keyton.

Commitments for capital expenditure

The Group has not entered into any contractual obligations to make future payments in relation to purchases of investment property (2024: $Nil).

C4 Investment properties (continued)

Accounting judgements, estimates and assumptions

Classification of investment properties

Significant management judgement has been applied to determine the classification of retirement units as investment properties. The Group has assessed the risks and rewards associated with ownership of the retirement units as remaining with the Group and not transferring to the occupier. The Group therefore recognises resident loans in respect of those occupied retirement units. The gross carrying amount of these units is recognised with reference to the relevant resident loan.

Fair value estimate of investment properties

Investment properties are classified as level 3 in the fair value hierarchy as key assumptions used in their valuation are not observable. The following assumptions have been used in calculating the fair values of investment properties:

Unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	2025	2024	
Expected market growth	2.6% to 3.5%	2.6% to 3.5%	Fair value increases with higher expected market growth
Average length of stay	5.0 to 13.7 years	3.9 to 13.7 years	Fair value decreases with higher length of stay
Risk adjusted discount rates	13.0% to 16.0%	13.0% to 16.0%	Fair value increases with lower discount rate

Construction work in progress

Management uses construction cost and stage of completion estimate performed by an independent quantity surveyor to estimate the value of capital work in progress at reporting date and the associated construction provision (see Note C1.6).

Accounting policies

Recognition and measurement

Investment properties comprise the resort style retirement villages of the Group. This includes Independent Living Units, Serviced Apartments, common facilities and integral plant and equipment. Investment properties are initially measured at cost including any acquisition costs and are held to generate income from deferred management fees and the Group's share of the change in the market value of the investment.

Subsequently, investment properties are measured at fair value with any change therein recognised in the consolidated statement of profit or loss and other comprehensive income.

Fair value of investment properties under construction is primarily determined using direct comparison of active market prices, adjusted for any difference in the nature, location or stage of completion of the specific asset. Any gain or loss arising from a change in fair value is recognised in the consolidated statement of profit or loss and other comprehensive income.

The Group transfers property, plant and equipment to investment property when and only when there is a change in use. A change in use occurs when the property meets the definition of investment property and there is evidence of a change in use. At the date of reclassification, the relevant item of property, plant and equipment is measured at fair value, with the fair value gain recognised as other comprehensive income and taken to the properties revaluation reserve (see below).

Deferred management fee income from investment property is recognised as revenue on a straight-line basis over the expected period of the resident occupancy in line with AASB 16 (see Note B1).

Properties revaluation reserve

On 1 July 2018, the Group reclassified its resort-style retirement villages from property plant and equipment to investment properties. The difference at the date of change between carrying value and fair value was recognised in other comprehensive income and created the properties revaluation reserve. Fair value gains on subsequent transfers of property, plant and equipment to investment property on change in use have been treated consistently with this approach. On subsequent disposal of an investment property, the properties revaluation reserve relating to that property will be reclassified to accumulated funds. If any investment property is disposed, the gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal and is recognised in the consolidated statement of profit or loss and other comprehensive income in the year of disposal.

C5 Intangible assets

The Group's investment in intangible assets includes computer software acquired from third party vendors or developed in-house.

	2025 $'000	2024 $'000
Computer software		
Cost	182,187	184,553
Accumulated amortisation	(157,416)	(147,824)
Carrying amount at the end of the year	**24,771**	**36,729**
Computer software		
Carrying amount at the start of the year	36,729	26,878
Additions	96	225
Disposals and derecognitions	(1,376)	-
Transfers: from work in progress	873	19,386
Amortisation	(11,551)	(9,760)
Carrying amount at the end of the year	**24,771**	**36,729**

Significant intangible assets

During the year ended 30 June 2025, the Group carried the following significant intangible assets: client management systems (myCMS and Alayacare). The carrying value related to these intangible assets at year-end was $5,709,000 and is expected to be amortised between four to eight years.

Commitments for capital expenditure

The Group has not entered into any contractual obligations to make future payments in relation to purchases of intangible assets (2024: $Nil).

Accounting judgements, estimates and assumptions	
Capitalisation of configuration and customisation costs in software-as-a-service arrangements	In implementing SaaS arrangements, the Group has developed software code that either enhances, modifies or creates additional capability to the existing owned software. This software is used to connect with the SaaS arrangement's cloud-based application. Judgement has been applied in determining whether the changes to the owned software meets the definition and recognition criteria for an intangible asset in accordance with AASB 138 *Intangible Assets* (AASB 138).

C5 Intangible assets (continued)

Accounting policies

Recognition and measurement

Expenditure on research activities for software development is recognised in the consolidated statement of profit and loss and other comprehensive income when incurred.

Software development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development to be able to use or sell the asset. Otherwise, it is recognised in profit and loss and other comprehensive income as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the consolidated statement of profit and loss and other comprehensive income as incurred.

Amortisation

Amortisation is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit and loss. The amortisation expense is recognised in 'depreciation and amortisation expenses' in the statement of profit or loss and other comprehensive income.

The estimated useful life for software development costs is 1 to 15 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment

Intangible assets are tested for impairment when an indicator of impairment exists. If the recoverable amount is less than its' carrying value, an impairment loss is recorded to adjust the carrying value. The Group does not have intangibles with indefinite lives.

Software-as-a-service arrangements

Software-as-a-service (SaaS) arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud providers application software, are recognised as operating expenses when the services are received.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability of, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate. Judgement is required to determine whether the additional code meets the definition of an intangible asset.

C6 Disposal group classified as held for sale

In May 2025 the Group entered into a binding agreement to sell the following BlueCare Residential Aged Care Facilities and Retirement Villages:

- Emerald Avalon Aged Care Facility;
- Gracemere Aged Care Facility and Gracemere Gardens Retirement Village;
- Hervey Bay Masters Lodge Aged Care Facility and Masters Lodge Retirement Village;
- Ingham Bluehaven Aged Care Facility;
- Maleny Erowal Aged Care Facility and Ben Bryce Retirement Village;
- Mareeba Aged Care Facility; and
- Toogoolawah Alkira Aged Care Facility and Toogoolawah Alkira Retirement Village.

The Group completed the sale in July 2025 and has disclosed this as an event occurring after the reporting date (see Note G4). The assets and liabilities of the above sites have been reclassified as a disposal group held for sale as at 30 June 2025. The Group has not recognised any impairment losses in respect of this reclassification.

The carrying amounts of assets and liabilities in the disposal group are as follows:

	2025 $'000	2024 $'000
Disposal group assets classified as held for sale		
Property plant and equipment	36,600	-
Total disposal group assets classified as held for sale	**36,600**	**-**
Liabilities directly associated with disposal group assets classified as held for sale		
Ingoing contributions, RADs and accommodation bonds	61,460	-
Employee benefits	4,454	-
Total liabilities directly associated with disposal group assets classified as held for sale	**65,914**	**-**
Net assets of disposal group classified as held for sale	**(29,314)**	**-**

D Capital Structure and Financing

This section provides additional information on UnitingCare Queensland's capital structure, including cash and cash equivalents, financial assets, ingoing contributions, RADs and accommodation bonds, leases and bank borrowings. It also contains a summary of the Group's exposure to key financial risks, including interest rate, credit and liquidity risks, along with the Group's policies and strategies to mitigate these risks.

D1 Cash and cash equivalents

D1.1 Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, cash at bank and short-term deposits that are readily convertible to cash. This note presents the amount of cash at year end, together with a reconciliation of the Group's deficit to net cash flow from operating activities.

	2025 $'000	2024[1] $'000
Cash on hand	106	132
Cash at bank	198,744	144,924
Deposits – UCIS	183,913	182,383
Deposits – other	35,000	35,000
Total cash and cash equivalents	**417,763**	**362,439**
Restricted balances included within cash and cash equivalents		
Grant agreements and donations	30,568	25,759
Restricted funds held under Retirement Villages Act 1999		
Capital replacement funds	21,459	13,071
Maintenance reserve funds	6,266	6,275
General services funds	509	637
Total restricted balances	**58,802**	**45,742**

[1] The comparative information for cash on hand has been reclassified. Refer to Note A2.10 for more information.

Deposits with UCIS

Uniting Church Investment Services (UCIS) is the Treasury arm of the Property Trust. UCIS is a Religious Charitable Development Fund (RCDF) as it meets the definition of a banking business under the *Banking Act 1959* but is exempt from the requirement to be authorised under the Act. Deposits held with UCIS are disclosed as a related party balance (see Note G2).

Restricted balances

Restricted balances are restricted in use for certain purposes defined in either a grant agreement, trust agreement or other externally imposed requirements. The *Retirement Villages Act 1999* imposes statutory restrictions over all amounts held in capital replacement funds, maintenance reserve funds, and general services funds, which restricts the use for which these funds can be applied. These amounts are required to be held separately. In addition, all residential aged care bond deposits received since 1 October 2011, that have been expended on projects, meet the *Aged Care Act 1997* definition of "permitted purposes".

Interest

Cash at bank earns interest at floating rates based on daily bank deposit rates. Deposits are made for varying terms depending on the immediate cash requirements of the Group and earn interest at the respective deposit rates.

Interest rate risk

Refer to Note D7.2(a) for details of the Group's exposure to interest rate risk on cash and cash equivalents.

D1 Cash and cash equivalents (continued)

D1.1 Cash and cash equivalents (continued)

Accounting policies

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short-term deposits that are readily convertible to cash. For the purpose of the statement of cash flows, cash and cash equivalents are as defined above.

D1.2 Reconciliation of deficit to net cash flow from operating activities

	2025 $'000	2024 $'000
Deficit for the year	**(8,002)**	**(97,753)**
Depreciation and amortisation expense	133,920	130,937
Capital grants from government	(17,949)	(12,706)
Write-offs and impairment expense	7,146	587
Impairment reversals	(5,029)	(2,246)
Gain on sale of property, plant and equipment	(8,534)	(6,719)
Gain on sale of investments in joint ventures	(5,619)	-
Fair value loss on resident loans	23,577	13,756
Deferred management fee revenue and retentions	(18,171)	(16,401)
Share of profit in joint ventures	(68)	(655)
Change in fair value of investment properties	(28,218)	(10,338)
Fair value gain / (loss) on financial assets at Fair Value through Profit or Loss (FVTPL)	178	(514)
Investment income	(2,591)	(982)
Non-cash transactions included in the deficit for the year	200	1,424
Change in operating assets and liabilities:		
Decrease in trade and other receivables	12,993	2,465
(Increase) / decrease in prepayments	(3,782)	2,201
(Increase) in inventories	(813)	(1,989)
(Increase) / decrease in other assets	(20,571)	4,661
Increase / (decrease) in trade and other payables	12,506	(6,668)
(Decrease) in other liabilities	(4,189)	(3,625)
Increase in employee benefits and other provisions	14,613	6,018
Net cash inflow from operating activities	**81,597**	**1,453**

D2 Financial assets

The Group has established an investment portfolio comprising investments in financial assets including debt and equity instruments.

	2025 $'000	2024 $'000
Financial assets measured at fair value through profit or loss (FVTPL)	6,609	4,485
Investments in debt instruments classified as fair value through other comprehensive income (FVOCI)	18,399	15,332
Investments in equity instruments designated as fair value through other comprehensive income (FVOCI)	22,572	21,609
Total financial assets	**47,580**	**41,426**

Amounts recognised in profit or loss and other comprehensive income are as follows:

Income recognised in profit or loss		
Included in investment income		
Fair value (loss) / gain on financial assets measured at FVTPL	(178)	514
Realised gain on sale of financial assets and investments	1,695	333
Dividends on financial assets and investments	896	612
Total investment income	**2,413**	**1,459**
Included in interest income		
Interest on financial assets and investments	511	498
Total income included in interest income	**511**	**498**
Total income recognised in profit or loss	**2,924**	**1,957**
Income recognised in other comprehensive income		
Fair value gain on investments in equity instruments designated as FVOCI	1,465	2,702
Fair value gain on investments in debt instruments classified as FVOCI	688	117
Total income recognised in other comprehensive income	**2,153**	**2,819**

Investment management strategy

The Group has established an investment portfolio which is managed in accordance with the Group's Investment Management Strategy (IMS). The IMS provides a framework within which the Group can invest funds in a considered, sustainable and compliant way.

Interest rate, foreign currency and price risk

Refer to Note D7.2 for details of the Group's exposure to interest rate, foreign currency and price risk on financial assets.

D2 Financial assets (continued)

Accounting policies

Recognition and initial measurement

Debt and equity instruments are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Debt and equity instruments are initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Classification

On recognition, a financial asset is classified as measured at:

- Amortised cost;
- Fair value through profit or loss;
- Debt instruments at fair value through other comprehensive income;
- Equity instruments at fair value through other comprehensive income.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Classification and subsequent measurement

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity instrument is measured at FVOCI if on initial recognition it is not held for trading and the Group makes an irrevocable election to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The fair value of financial assets at FVTPL and FVOCI is determined based on current bid prices for all quoted investments at reporting date.

D2 Financial assets (continued)

Accounting policies (continued)

Classification and subsequent measurement (continued)

Subsequent measurement, gains and losses

Financial assets measured at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt instruments classified as FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains or losses are recognised in OCI. On derecognition, gains or losses accumulated in OCI are reclassified to profit or loss.
Equity investments designated as FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

D3 Ingoing contributions, RADs and accommodation bonds

Accommodation bonds, including RADs, are held in respect of clients in residential aged care facilities. Ingoing contributions are held for clients of retirement living units covered under the *Retirement Villages* Act 1999.

	2025 $'000	2024 $'000
Expected to be paid within 12 months		
Ingoing contributions	36,723	37,488
RADs and accommodation bonds	133,120	132,534
Total expected to be paid within 12 months	**169,843**	**170,022**
Not expected to be paid within 12 months		
Ingoing contributions	544,020	530,219
RADs and accommodation bonds	288,889	244,085
Total not expected to be paid within 12 months	**832,909**	**774,304**
Total ingoing contributions, RADs and accommodation bonds	**1,002,752**	**944,326**

Liabilities directly associated with disposal group assets classified as held for sale

At reporting date, the Group held ingoing contributions and RADs of $61,460,000 related to residents of the BlueCare Residential Aged Care Facilities and Retirement Villages that were sold in July 2025. The Group has reclassified these to liabilities directly associated with the disposal group assets classified as held for sale (see Note C6).

Accounting judgements, estimates and assumptions	
Refundable accommodation deposits	Management use historical performance for resident exits and the average value of current RADs held for the basis of estimating the expected payment periods for current RADs.

D3 Ingoing contributions, RADs and accommodation bonds (continued)

Accounting policies

Ingoing contributions

Ingoing contributions received from residents represent non-interest-bearing deposits that are refundable in accordance with the relevant legislation and the individual resident agreements in the event the resident leaves a Group facility. They are recognised at fair value with resulting fair value adjustments recognised in profit or loss. Fair value is the amount payable on demand and is measured at the principal amount plus the residents' share of any increase in the market value of the occupied unit (for contracts that contain a capital gain share clause) less deferred management fees contractually accruing up to reporting date.

They are repayable on demand and classified as current liabilities because the Group does not have an unconditional right to defer settlement of any specific balance for at least 12 months after the reporting date. As they are considered to be repayable on demand, they are recorded at the amount initially received less any contractually accrued DMF the Group is allowed to deduct and are not discounted.

This classification does not reflect the expected annual net movement of cash received from the receipt and refund of accommodation balances over the normal course of business.

RADs

RADs are repayable on demand and are classified as current liabilities because the Group does not have an unconditional right to defer settlement of any specific balance for at least 12 months after the reporting date. This classification does not reflect the expected annual net movement of cash received from the receipt and refund of accommodation balances over the normal course of business.

RADs are recorded at the amount initially received less any retention the Group is allowed to deduct in accordance with the relevant legislation and resident agreement. Retentions may take the form of DAPs, interest on unpaid amounts, additional service fees, and any other fees drawn from the RAD balances, and are not discounted. DAPs are accounted for under AASB 16 (see Note B1).

Interest is payable to residents on RADs from the date of the resident's death or departure to the date of repayment. Interest is charged on RADs and fees that are received after their due date.

The cash required to cover the refund of RADs is subject to a documented liquidity management strategy.

D4 Lease liabilities

D4.1 Lease liabilities

The Group has lease contracts for the use of properties, motor vehicles and equipment which it uses in its operations.

	2025 $'000	2024 $'000
Current		
Lease liabilities	24,160	19,127
Total current lease liabilities	**24,160**	**19,127**
Non-current		
Lease liabilities	62,929	62,904
Total non-current lease liabilities	**62,929**	**62,904**
Interest expense (included in finance costs)	3,821	3,652
Expense relating to short-term leases (included in property expenses)	5,166	3,891

Total cash outflows for leases (excluding short-term leases) for the year ended 30 June 2025 was $23,932,000 (2024: $21,453,000).

D4 Lease liabilities (continued)

D4.1 Lease liabilities (continued)

Accounting judgements, estimates and assumptions	
Lease term and option renewals	The lease term is determined to be the non-cancellable term of a lease, together with any periods covered by an option to extend if it is reasonably certain to be exercised. Where the Group has the option to extend a lease for additional terms, judgement is applied in evaluating whether it is reasonably certain to exercise the option to renew, taking into account relevant factors that create an economic incentive to exercise the renewal option. After commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not exercise) the option to renew.
Incremental borrowing rates	Where the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to calculate the present value of future lease payments. The Group estimates the IBR using market interest rates and adjusts these rates to include the effect of its own stand-alone credit rating.

Accounting policies

Identification of lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Recognition and measurement

Lease liabilities are initially measured at the present value of the lease payments to be made over the lease term that have not paid at the commencement date, discounted using the Group's incremental borrowing rate (IBR) if the interest rate implicit in the lease cannot be determined. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Variable payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs. See Note C3 for the Group's right of use assets on lease arrangements.

After commencement date, the carrying amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments, or a change in the assessment to purchase the underlying asset. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in consolidated statement of profit and loss and other comprehensive income if the carrying amount of the right of use asset has been reduced to zero.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of profit or loss and other comprehensive income. Short-term leases are leases with a lease term of 12 months or less, while low-value assets include items such as IT equipment.

Concessionary leases

The Group has applied the option to measure these leases at cost in accordance with AASB 16 and expenses them on a straight-line basis when incurred.

D4 Lease liabilities (continued)

D4.1 Lease liabilities (continued)

Accounting policies (continued)

Lessor accounting

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies AASB 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as 'lessor income' (see Note B1).

Significant leasing arrangements

Lease liabilities are secured by the assets leased and represented the discounted future rentals payable by the Group for:

- Office, retail, warehouse and residential properties – these leases are negotiated on an individual basis for between 1 to 75 years. Rentals are increased annually based on a fixed, market rate or other index and may contain options to extend for up to a further 20 years at the then prevailing market rate;
- Motor vehicles used in the provision of community and disability services – these leases are negotiated on an individual basis for between 3 to 9 years. The majority of the Group's motor vehicle leases are governed by an overarching fleet management agreement. Rentals are fixed but may be adjusted for changes in vehicle usage; and
- Equipment used in the provision of healthcare services and administration – these leases are negotiated on an individual basis for between 2 to 7 years.

The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Sale and leaseback transactions disclosures

The Group has not entered into any sale and leaseback arrangements in the current financial year (2024: $Nil).

Concessionary leases

The Group has 40 (2024: 39) below market leases accounting for 2.3% (2024: 5.8%) of the total number of leases. The Group is dependent on these leases to further its objectives as it utilises the land and buildings to run its operations and deliver its services. The Group is restricted on the use of the land and buildings subject to these leases as agreed with the respective lessors being local, state or territory governments and commercial suppliers**.**

Category	Source	Group Objectives	Lease term	Avg payment p.a. ($)
Aged care 4: land and buildings	State/Territory government	Regional and remote high care, hostel and remote accommodation	10 to 34 years Average of 26 years	466
Community services 7: land and buildings	Local government	Respite centres, counselling, charity stores and other community services	1 to 50 years Average of 22 years	570
Housing 20: Dwellings	State government	Crisis accommodation	1 to 5 years Average of 1 years	1
Hospitals 9: Equipment	Commercial suppliers	Health care services	2 to 7 years Average of 4 years	-

D4 Lease liabilities (continued)

D4.2 Future minimum lease payments

The future minimum lease payments arising under the Group's lease contracts at the end of the reporting period, including short-term leases, are as follows:

	2025 $'000	2024 $'000
Not more than one year	25,471	21,016
Later than one year and not later than five years	62,144	59,440
Later than five years	10,374	9,166
Total future minimum lease payments	**97,989**	**89,622**

D4.3 Group as lessor in operating leases

The future minimum lease receipts arising under the Group's operating leases with tenants at the end of the reporting period are as follows:

	2025 $'000	2024 $'000
Not later than one year	7,957	7,758
Later than one year and not later than five years	23,699	24,315
Later than five years	38,775	41,294
Total future minimum lease receipts	**70,431**	**73,367**

D5 Borrowings

This note outlines the Group's loans and borrowing facilities, which are predominantly from banks and other financial institutions.

	2025 $'000	2024 $'000
Current		
Bank loans - secured at amortised cost	-	55,000
Total current borrowings	**-**	**55,000**

At the end of the reporting period the Group had access to the following facilities:

	2025		2024	
	Total $'000	Utilised $'000	Total $'000	Utilised $'000
ANZ Cash Advance Facility	140,000	-	140,000	55,000
ANZ Bank Guarantee Facility	11,000	6,176	11,000	6,176
ANZ Asset Finance Facility	8,000	-	8,900	66
ANZ Electronic Payaway Facility	40,000	-	-	-
ANZ Commercial Card Facility	3,115	1,750	-	-
UCIS Line of Credit Facility[1]	-	-	20,000	-
Total	**202,115**	**7,926**	**179,900**	**61,242**

[1] The UCIS line of credit facility was closed by the Group in June 2025.

D5 Borrowings (continued)

ANZ cash advance facility

The ANZ cash advance facility can only be used for the purpose of funding the Group's working capital and liquidity requirements or routine capital expenditure. Each cash advance loan carries an interest rate equal to the margin for the loan plus the Bank Bill Swap Bid Rate (BBSY) applicable to the relevant funding period and can have a maximum funding period of 6 months.

The ANZ cash advance facility cannot be used for the purpose of funding the construction of qualifying assets. The Group has not incurred any finance costs that have been capitalised to the cost of qualifying assets.

The ANZ facilities are secured by a mortgage over freehold land and buildings of the Property Trust which are beneficially utilised by the Group (see Note C2.1). In addition, the Group is required to maintain an Interest Cover Ratio of no less than 3 to 1 for the 12-month period ending on each calculation date (being 30 June and 31 December). The Interest Cover Ratio is defined as the ratio of Earning Before Income Tax Depreciation and Amortisation (EBITDA) of the Group to the Net Interest Expense for that same period. The Group has complied with this covenant in the 2024 and 2025 reporting periods. Management has determined that as at reporting date that there are no facts or circumstances that indicate that the Group may have difficulty in complying with this banking covenant.

Assets pledged as security

The carrying amounts of assets pledged as security for loans and borrowings are disclosed in Note C2.1.

Interest rate risk

Refer to Note D7.2(a) for details of the Group's exposure to interest rate risk on borrowings.

Liquidity risk

Refer to Note D7.3 for details of the Group's exposure to liquidity risk on borrowings.

Accounting policies

Recognition and measurement

Borrowings are initially recognised when the Group becomes a party to the contractual provisions of the instrument. Borrowings are classified and measured at amortised cost using the effective interest method. Any difference between cost and redemption value is recognised in the consolidated statement of profit or loss and other comprehensive income over the entire period of the borrowings on an effective interest basis. Fees paid on the establishment of loan facilities, which are not incremental costs relating to the actual draw-down facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are classified as current liabilities unless there is a right to defer the settlement of the liability for at least 12 months from the end of each annual reporting period.

D6 Movement in liabilities from financing activities

The table below details changes in the Group's liabilities arising from financing activities including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities. Cash flows presented below exclude interest.

	1 July 2024 $'000	Cash flows $'000	New leases $'000	Other $'000	30 June 2025 $'000
Liabilities					
Ingoing contributions, RADs and accommodation bonds	944,326	120,390	-	(61,964)	1,002,752
Lease liabilities	82,031	(20,112)	20,792	4,378	87,089
Borrowings	55,000	(55,000)	-	-	-
Total liabilities from financing activities	**1,081,357**	**45,278**	**20,792**	**(57,586)**	**1,089,841**

	1 July 2023 $'000	Cash flows $'000	New leases $'000	Other $'000	30 June 2024 $'000
Liabilities					
Ingoing contributions, RADs and accommodation bonds	882,435	65,769	-	(3,878)	944,326
Lease liabilities	39,432	(17,801)	13,886	46,514	82,031
Borrowings	-	55,000	-	-	55,000
Total liabilities from financing activities	**921,867**	**102,968**	**13,886**	**42,636**	**1,081,357**

Other changes for ingoing contributions, RADs and accommodation bonds include deferred management fees, movement in deferred revenue liabilities and retention revenue and transfers to liabilities directly associated with disposal group assets classified as held for sale. Other changes for lease liabilities relate primarily to lease modifications, including changes to future lease payments resulting from a reassessment of the likelihood of exercising option renewals, or a change in an index or a rate used to determine those payments, such as a change to reflect market rental rates following a market rent review.

D7 Financial risk management objectives

The primary responsibility for identification and control of financial risks lies with the Audit, Risk and Compliance Committee (the ARCC) under the authority of the Board. The Board reviews and approves policies for managing each of the risks identified below. The Group's principal financial instruments comprise trade receivables, trade payables, cash and cash equivalents, other financial assets and short-term bank borrowings.

The Group's activities expose it to a variety of financial risks, including credit risk, market risk (interest rate risk, foreign currency risk and price risk) and liquidity risk. The Group manages its exposure to financial risks in accordance with its risk management framework and associated policies. The Group's objectives are to safeguard its ability to continue as a going concern, to ensure the funding structure enhances, protects and balances financial flexibility against minimising the cost of capital, and to meet regulatory requirements.

The Group uses different methods to measure and manage different types of risk to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest and foreign exchange rates. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

D7 Financial risk management objectives (continued)

D7.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from trade receivables.

(a) Trade receivables

The Group's customer credit risk is managed subject to established policies, procedures and internal controls relating to customer credit risk management.

An impairment analysis is performed on an ongoing basis at a business unit level using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of customers with similar credit risk characteristics, adjusted for any material expected changes to the future credit risk of that group. The Group applies the simplified approach to measuring expected credit losses, using the lifetime expected credit loss allowance for all trade receivables.

Generally, trade receivables are written off only once all reasonable avenues to recover the balance have been exhausted and there is no reasonable expectation of recovery.

The Group's exposure to credit risk is spread across Government departments, private health funds, disability services, private companies and individuals. Whilst the Group does have significant credit risk exposure to single debtors or groups of related debtors, the credit quality of these debtors is considered high, as they are Government departments or private health funds governed by the prudential requirements of APRA. Individual debtors typically comprise a mix of high-volume low-value balances, and low-volume high-value balances (a portion of which are secured via the provision of RADs or accommodation bonds). The maximum exposure to credit risk is represented by the carrying amount of the trade receivable balance.

D7.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: (i) interest rate risk; (ii) foreign currency risk; and (iii) price risk. The Group is not exposed to commodity or equity risks.

The sensitivity analyses in the following sections have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates are all constant at 30 June 2025 and 30 June 2024. Further, it is assumed that the sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks only. This is based on the financial assets and liabilities held at 30 June 2025 and 30 June 2024.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing cash and cash equivalents, other financial assets, and short-term borrowings.

The effective interest rate of financial assets and liabilities recognised at reporting date are disclosed in the maturity profile table in the liquidity risk section below. All other financial assets and liabilities are non-interest bearing.

Interest rate sensitivity

At the end of the reporting period, if the floating interest rates on cash and cash equivalents and other financial assets had been 1% higher or lower, assuming all other variables remain constant, the Group's result would have increased or decreased by $2,069,000 (2024: $1,784,000).

The Group's short-term borrowings have fixed interest rates and are not exposed to interest rate risk. Interest rate risks on borrowings are managed with the aim of reducing the impact of short-term fluctuations in earnings. However, over the longer term, permanent changes in interest rates would have an impact on earnings. At the end of the reporting period, if the interest rates on short-term borrowings had been 1% higher or lower, the result would have decreased or increased by $197,000 (2024: $550,000).

D7 Financial risk management objectives (continued)

D7.2 Market risk (continued)

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to risk of changes in foreign exchange rates relates primarily to the Group's investments in other financial assets (where other financial assets are denominated in a different currency from the functional currency) and is as follows:

	30 June 2025		30 June 2024	
	US shares $'000	Other shares $'000	US shares $'000	Other shares $'000
Shares (equity instruments)	7,383	1,231	7,897	1,251

Foreign currency sensitivity

As shown above, the Group is primarily exposed to changes in USD/AUD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from USD denominated shares. The impact of a 10% increase in the AUD/USD exchange rate would result in a decrease of $671,000 (2024: $745,000) in the net result. The impact of a 10% decrease in the AUD/USD exchange rate would result in an increase of $820,000 (2024: $844,000) in the net result. The Group's exposure to other foreign exchange movements is not material.

(c) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Group's exposure to price risk arises from financial assets measured at FVTPL and investments in debt and equity instruments classified as FVOCI (see Note D2). To manage its price risk arising from its investments, the Group diversifies its portfolio, with limits on asset classes and industries. Diversification of the portfolio is managed in accordance with the policies and limits set by the Group, which include expected rates of return and ethical restrictions. Investments are managed at arm's length by an independent and fully qualified investment manager.

Price risk sensitivity

The investment portfolio includes cash, term deposits, managed funds, exchange trade funds, corporate bonds, Australian equities and international equities. If the price of investments had been 10% higher or lower, the net result for the year would have increased or decreased by $4,758,000 (2024: $4,143,000).

D7.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of adequate credit facilities. The ANZ facilities maintain flexibility in funding by keeping external credit lines available.

The Group has established a liquidity risk management strategy in compliance with requirements of the *Aged Care Act 1997*. The Group continually reviews its' liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

The table on the following page details the contractual maturity for the Group's financial assets and liabilities based on contractual undiscounted amounts. The inclusion of information on financial assets and liabilities is necessary to understand the liquidity risk management as liquidity is managed by the Group on a net asset and liability basis.

D7 Financial risk management objectives (continued)

D7.3 Liquidity risk (continued)

	Interest Rate Type	Effective Interest Rate %	Maturing (Years) < 1 $'000	1 to 2 $'000	> 2 $'000	Total $'000
30 June 2025						
Assets						
Cash and cash equivalents	-	-	106	-	-	106
Cash and cash equivalents	Floating	4.37	417,657	-	-	417,657
Trade and other receivables	-	-	105,531	-	-	105,531
Financial assets	-	-	29,181	-	-	29,181
Financial assets	Floating	3.55	18,399	-	-	18,399
Deferred consideration[2]	-	-	16,454	-	-	16,454
Funds held in trust	Floating	4.23	-	-	2,548	2,548
Total financial assets			**587,328**	**-**	**2,548**	**589,876**
Liabilities						
Trade and other payables	-	-	179,831	-	6,425	186,256
Ingoing contributions, RADs and accommodation bonds	-	-	1,002,752	-	-	1,002,752
Lease liabilities	Fixed	4.70	24,160	20,291	42,638	87,089
Other liabilities	-	-	56,653	-	-	56,653
Total financial liabilities			**1,263,396**	**20,291**	**49,063**	**1,332,750**
30 June 2024[1]						
Assets						
Cash and cash equivalents	-	-	132	-	-	132
Cash and cash equivalents	Floating	4.73	362,307	-	-	362,307
Trade and other receivables	-	-	118,524	-	-	118,524
Financial assets	-	-	26,095	-	-	26,095
Financial assets	Floating	3.15	15,331	-	-	15,331
Deferred consideration[2]	-	-	16,454	-	-	16,454
Funds held in trust	Floating	4.25	-	-	2,446	2,446
Total financial assets			**538,843**	**-**	**2,446**	**541,289**
Liabilities						
Trade and other payables	-	-	167,325	-	6,547	173,872
Ingoing contributions, RADs and accommodation bonds	-	-	944,326	-	-	944,326
Lease liabilities	Fixed	4.34	19,127	13,886	49,018	82,031
Borrowings	Fixed	5.54	55,000	-	-	55,000
Other liabilities	-	-	66,472	-	-	66,472
Total financial liabilities			**1,252,250**	**13,886**	**55,565**	**1,321,701**

[1] The comparative information related to certain assets and liabilities has been reclassified. Refer to Note A2.10 for more information.

[2] Deferred consideration is presented at its undiscounted value.

E Our People

This section provides further details of the Group's investment in our people, including employee benefits and remuneration of key management personnel.

E1 Employee benefits

Employee benefits consist of amounts owing to employees for annual leave, long service leave, vested sick leave, and other leave obligations including rostered days off.

	2025 $'000	2024[1] $'000
Current		
Annual leave	108,835	106,347
Long service leave	73,135	69,939
Accrued day off and other leave	1,212	1,083
Sick leave	1,362	1,625
Total current employee benefits	**184,544**	**178,994**
Non-current		
Long service leave	22,074	20,199
Total non-current employee benefits	**22,074**	**20,199**
Amounts recognised as an expense for defined contribution plans (included in salaries and employee expenses)	130,438	119,945

[1] The comparative information for annual leave, long service leave, and accrued day off and other leave has been reclassified. Refer to Note A2.10 for more information.

Liabilities directly associated with disposal group assets classified as held for sale

At reporting date, the Group held employee benefits of $4,454,000 related to employees of the BlueCare Residential Aged Care Facilities and Retirement Villages that were sold in July 2025. The Group has reclassified these employee benefits to liabilities directly associated with the disposal group assets classified as held for sale (see Note C6).

Current leave obligations

The current portion of employee benefits liability includes all of the employee benefits where employees have completed the required period of service or will complete the required period of service within 12 months from the balance date. The entire annual leave provision is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

The current portion of the long service leave represents the unconditional entitlement where employees have completed the required period of service, or are expected to complete the required period of service within 12 months, and also for those employees that are entitled to pro-rata payments in certain circumstances.

The Group does not expect all employees to take the full amount of current leave entitlements or require payment within the next 12 months. Current leave obligations not expected to be settled within 12 months, included in current employee benefits, were $107,373,000 (2024: $103,965,000).

E1 Employee benefits (continued)

Accounting judgements, estimates and assumptions	
Annual and long service leave assumptions	The liabilities for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been considered.

Accounting policies

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

The Group recognises benefits accruing to employees in respect of wages and salaries, annual leave, long service and vesting sick leave as short-term benefits and measures these at their nominal values using the remuneration rate expected to apply at the time of settlement (including relevant on-costs).

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected credit unit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match the estimated future cash outflows.

Termination benefits

Termination benefits for restructuring are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted to determine present value.

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructure and has raised a valid expectation that it will carry out the plan through either commencement or announcing its main features to those affected by it. The measurement of the provision includes only the direct expenditures arising from the restructure, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

E2 Key management personnel compensation

In addition to their salaries, the Group provides non-cash benefits to key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including all Directors. Key management personnel compensation paid or payable included in salaries and employee expenses in the consolidated statement of profit or loss and other comprehensive income are as follows:

	2025 $'000	2024 $'000
Short-term employee benefits	6,858	6,898
Post-employment benefits	336	353
Termination benefits	966	652
Total key management personnel compensation	**8,160**	**7,903**

No transactions other than those disclosed above were made with key management personnel (2024: Nil).

F Group Structure

This section explains the Group's structure, including its interests in subsidiaries, joint operations, joint ventures and associates.

F1 Information relating to subsidiaries

This note provides a list of all entities who are members of the consolidated Group as at reporting date. The sole member of UCQ Ltd is the Property Trust. All entities controlled by the Group are registered charities with the ACNC.

						% Equity interest	
Entity Name	**ABN**	**NAPS ID**	**PBI[1]**	**DGR[2]**	**Country**	**2025**	**2024**
Parent							
UCQ Ltd[4]	74 674 995 076	-	No	No	Australia	-	-
Subsidiaries							
UnitingCare Queensland Ltd[4,6]	84 675 001 493	20740	Yes	Yes	Australia	100	100
UnitingCare Queensland[4]	45 414 098 573	-	Yes	Yes	Australia	100	100
UnitingCare Community[4]	28 728 322 186	-	Yes	Yes	Australia	100	100
BlueCare[4,6]	96 010 643 909	314	Yes	Yes	Australia	100	100
UnitingCare Health[4]	87 842 457 440	-	Yes	Yes	Australia	100	100
UnitingCare Health Pty Ltd[3]	098 658 023	-	No	No	Australia	100	100
Australian Regional and Remote Community Services Ltd[5]	88 167 926 132	6871	Yes	Yes	Australia	100	100
Regional and Remote Indigenous Services Trust[5]	12 290 854 684	-	No	No	Australia	100	100

[1] Registered as a Public Benevolent Institution (PBI) with the ACNC.

[2] Endorsed as a Deductible Gift Recipient (DGR) with the ATO.

[3] UnitingCare Health Pty Ltd does not have an ABN. The ACN of the company has been disclosed instead.

[4] These organisations report to the ACNC on a group reporting basis, known as the UnitingCare QLD_ACNC Group (the UCQ ACNC Reporting Group).

[5] These organisations report to the ACNC on a group reporting basis, known as the Australian Regional and Remote Community Services_ACNC Group (the ARRCS ACNC Reporting Group).

[6] UnitingCare Queensland provides aged care services under BlueCare's NAPS ID. A NAPS ID has been created for UnitingCare Queensland Ltd. Aged care services will be transferred from BlueCare to UnitingCare Queensland Ltd as the group reorganisation progresses (see Note A2.5)

F2 Joint operations

The Group had a 50% interest in a joint operation with Brisbane Housing Company Ltd (BHC) that provides affordable housing under the National Rental Affordability Scheme (NRAS). The Group sold the property asset that it had contributed to the joint operation in November 2024. The joint operation ceased as at the date of sale.

Financial information relating to this interest is set out below.

	2025 $'000	**2024 $'000**
Interest in joint operation		
Property, plant and equipment	-	3,990
Less: accumulated depreciation	-	(131)
Net interest in joint operation	**-**	**3,859**
Results		
Lessor income	126	638
Expenses	(117)	(270)
Net contribution to result	**9**	**368**

F2 Joint operations (continued)

Accounting policies

Joint operations

A joint operation is an arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interests in joint operations are accounted for through the recognition of the proportionate share of the assets, liabilities, revenues and expenses of the joint operation. Classification of these items is consistent within the Group.

F3 Interests in other entities

The Group holds investments in equity accounted joint ventures and associates. Financial information relating to these interests is set out below.

				Ownership Interest		Carrying Amount of Investment	
	Nature of Relationship	Place of Business	Principal Activities	2025 %	2024 %	2025 $'000	2024 $'000
LeapIn! Australia Pty Ltd (formerly LeapIn! Australia Ltd)[1]	Joint Venture	Australia	Healthcare	-	50	-	1,813
Wesley Research Institute Ltd[2]	Associate	Australia	Healthcare	30	-	-	-
Investments measured using the equity method						**-**	**1,813**

[1] LeapIn! Australia Pty Ltd is an online portal for national disabilities insurance scheme clients.

[2] Wesley Research Institute Ltd is the official medical research partner for UnitingCare Queensland.

Movements during the year for equity accounted joint ventures were as follows:

	2025 $'000	2024 $'000
At beginning of the year	1,813	1,158
Add: Share of surplus in joint venture	68	655
Less: Disposal of interest	(1,881)	-
Balance at end of the year	**-**	**1,813**

LeapIn! Australia Pty Ltd

In April 2024 the Group signed a contract to sell its shares in LeapIn! Australia Pty Ltd for a total consideration of $7,500,000, comprising $3,750,000 cash paid on completion, and $3,750,000 cash paid 12 months after contract date. The sale was completed in July 2024 and generated a profit of $5,619,000 (see Note B1).

Wesley Research Institute Ltd

In November 2024 the Group established significant influence over Wesley Research Institute Ltd by attaining control of 30% of the voting rights on the Board of Directors for nil consideration. The Group has no rights to dividends or assets on winding up and so does not have an economic share in the company. Therefore the Group attributes no economic value to this investment.

Commitments and contingent liabilities in respect of joint ventures and associates

There were no further commitments or contingent liabilities in respect of the Group's joint ventures and associates at 30 June 2025 (2024: Nil).

Impairment losses

The Group has not recognised any impairment losses in profit or loss on equity accounted investments during the year (2024: $Nil)

F3 Interests in other entities (continued)

Accounting policies

Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. Significant influence is achieved when the Group holds directly or indirectly, 20 per cent or more of the voting power of the investee, unless it can be clearly demonstrated that this is not the case.

A joint venture is an arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

Interests in associates and joint ventures where the Group has exposure to economic risks and rewards are accounted for using the equity method, after initially being recognised at cost or fair value where the consideration for the investment is significantly less than fair value principally to enable the Group to further its objectives. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entities.

The Group recognises its share of the profits or losses of associates and joint ventures in the consolidated statement of profit or loss and other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest. Accounting policies of associates and joint ventures are consistent with the Group's policies.

Interests in associates and joint ventures are tested for impairment when an indicator of impairment exists. If the recoverable amount is less than its' carrying amount an impairment loss is recorded to adjust the carrying amount.

G Other Disclosures

This section contains information about the financial performance and position of UnitingCare Queensland that must be disclosed to comply with the Australian Accounting Standards, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

G1 Auditor's remuneration

This note summarises the total remuneration received or receivable by the Group's external auditors for audit, assurance and other services provided.

	2025 $	2024 $
Amounts received or due and receivable by Deloitte and related network firms for:		
An audit of the financial report of the Group and any other entity in the consolidated group[1]	1,071,802	980,118
Other services provided to the Group and any other entity in the consolidated group		
Advisory services	123,800	208,783
Total auditor's remuneration	**1,195,602**	**1,188,901**

[1] Includes audits of statutory financial statements, retirement village financial statements, grant acquittals, and Australian Prudential Compliance Statements (APCS).

The auditor for the Group is Deloitte Touche Tohmatsu. Other services provided relate to consulting and advisory services. Management has an Auditor Independence Policy in place to formally approve the non-audit services provided by Deloitte and is satisfied that the provision of non-audit services during the year ended 30 June 2025 is compatible with the general standard of independence for auditors imposed by the *Australian Charities and Not-for-profits Commission Act 2012*. The Board has reviewed the position on permitted non-audit services and, in accordance with the advice received from the Audit, Risk and Compliance Committee, is satisfied that the nature and scope of the non-audit services provided does not compromise the Auditor Independence Policy.

G2 Related party disclosures

This note discloses the Group's transactions with its related parties, including their relatives or related businesses.

Related parties

The sole member of UCQ Ltd is the Property Trust. UnitingCare Queensland has a related party relationship and undertakes transactions with various agencies and departments of the Property Trust including the Uniting Church in Australia – Queensland Synod and Uniting Church Investment Services (UCIS).

The Group makes financial contributions to the Uniting Church in Australia – National Assembly which is the national body for the Uniting Church network.

Management has assessed that there are no related party relationships with the other Uniting Church entities such as Wesley Mission Queensland Ltd, Lifeline Australia Ltd, congregations and presbyteries. These entities are not controlled under the same Uniting Church governance and reporting structures as the Group and are not considered to meet the definition of a related party under AASB 124 *Related Party Disclosures* (AASB 124).

The Group is a member of Wesley Research Institute Ltd. Management has assessed that Wesley Research Institute Ltd meets the definition of a related party under AASB 124 in the current reporting period as the Group established significant influence over Wesley Research Institute Ltd in November 2024 (see Note F3). The Group and Wesley Research Institute Ltd have a Collaboration and Research Services Agreement to advance medical research to in a manner that benefits both parties. The Group has provided a 99-year operating lease of space within the Wesley Hospital to Wesley Research Institute Ltd. The Group provides ancillary property services to Wesley Research Institute Ltd in connection with this arrangement.

The Group sold its shareholdings in LeapIn! Australia Pty Ltd in July 2024 to an unrelated third party (see Note F3). LeapIn! Australia Pty Ltd ceased to meet the definition of a related party as of this date.

The Group only discloses transactions with related parties for the period in which the entity meets the definition of a related party. Balances are only disclosed for entities meeting this definition as at reporting date.

G2 Related party disclosures (continued)

Transactions with related parties are on terms and conditions no more favourable than those available to other persons or entities unless otherwise stated. The Group has not recognised a provision for doubtful debts in relation to related party trade receivables, nor has it written off any related party trade receivables as uncollectable.

The Group records and manages all conflicts of interest in accordance with the UnitingCare Queensland Conflict of Interest Policy and good governance principles.

The consolidated statement of profit or loss and other comprehensive income and statement of financial position includes the following amounts arising from transactions and balances with related parties who are not members of the Group:

	2025 $'000	2024 $'000
(a) Transactions with related parties		
Uniting Church in Australia – Queensland Synod		
Chaplaincy services	(4,066)	(3,970)
Insurance premiums expense	(16,707)	(15,855)
Land tax reimbursement	-	778
Lessor income	163	-
Other revenue	128	27
Other expenses	(38)	(18)
Stewardship fee	(9,693)	(9,320)
Redress and sensitive matters contribution	(2,868)	(1,420)
Sub-total	**(33,081)**	**(29,778)**
Uniting Church Investment Services		
Interest revenue	8,977	7,904
Sub-total	**8,977**	**7,904**
The Uniting Church in Australia – National Assembly		
Contribution paid	(300)	(500)
Sub-total	**(300)**	**(500)**
Wesley Research Institute Ltd		
Utilities and cleaning	96	-
Research, medical and other services	12	-
Donations received and remitted	(181)	-
Operating grants paid	(165)	-
Sub-total	**(238)**	**-**
LeapIn! Australia Pty Ltd		
Share of joint venture surplus	68	656
Sub-total	**68**	**656**

G2 Related party disclosures (continued)

	2025 $'000	2024 $'000
(b) Balance with related parties		
Uniting Church in Australia – Queensland Synod		
Consideration receivable for sale of properties[1]	16,454	16,184
Net payables owed	(103)	(37)
Sub-total	**16,351**	**16,147**
Uniting Church Investment Services		
Cash at bank and deposits at the end of year	184,022	182,486
Funds held in trust	2,548	2,446
Sub-total	**186,570**	**184,932**
Wesley Research Institute Ltd		
Unearned income[2]	(7,682)	-
Net receivables owed	21	-
Sub-total	**(7,661)**	**-**
LeapIn! Australia Pty Ltd		
Investment in LeapIn! Australia Pty Ltd	-	1,813
Sub-total	**-**	**1,813**

[1] The consideration receivable is secured under contract. Should the consideration not be paid by the Uniting Church in Australia – Queensland Synod by the payment date, the property is transferred back to the Group. Management expects the consideration to be paid by the payment date (see Note C1.3).

[2] Unearned income relates to prepaid rent on 99-year operating lease to Wesley Research Institute Ltd (see Note C1.5).

G3 Contingent assets and liabilities

Contingent assets and liabilities are possible future cash flows arising from past events that are not recognised in the financial statements, as the likelihood of payment is not considered probable or cannot be reliably measured.

National Redress Scheme

Periodically, the Group is notified of claims from people who have received current and/or previous services from the Uniting Church in Australia, Queensland Synod or its predecessor Denominations. Although the Group and the Uniting Church in Australia, Queensland Synod meet with claimants, payments made to claimants are paid through the Queensland Synod Insurance Managed Fund (including where applicable contributions from insurers and other predecessor Denominations) and not directly by the Group.

The National Redress Scheme was established on 1 July 2018 and the Group is a member of the scheme. The financial responsibility for meeting costs associated with redress and civil litigation will be borne collectively by the Uniting Church in Australia, with UnitingCare Queensland being a responsible body contributing to the recovery of costs. The nature and extent of any claims in any period are not predictable and therefore any amounts levied may vary from year to year.

Legal claims

From time to time, the services of the Group are named in legal claims that are predominantly of a medical nature. The outcome of these claims is uncertain. The Board is of the opinion that provisions are not required in respect of these matters, as it is not probable that a future outflow of economic benefits will be required or the amount is not capable of reliable measurement and insurance policies are adequate to meet these claims.

Capital funding grants

The Group has received capital grants from the Commonwealth Government. Funding received may be repayable in circumstances where the asset is sold or it ceases to be used for its funded purpose, depending on the specific contractual obligations of each contract. It is considered unlikely that any liability will become payable for such grants as a result of the continued activities of the Group. The estimated contingent liability at 30 June 2025 was $108,070,000 (2024: $90,138,000).

G3 Contingent assets and liabilities (continued)

Insurance claims

The Group has suffered financial damages as a result of the cyber incident in April 2021 and other events occurring up to reporting date. Whilst the outcome of insurance claims the Group has submitted to date remains uncertain, the Group currently estimates the total amount yet to be recovered for these events to be in excess of $21,690,000 (2024: $28,200,000).

Wesley Research Institute Ltd long-term lease

In June 2009 the Group entered into a 99-year property lease with Wesley Research Institute Ltd. After 30 years, the Group has the right to require Wesley Research Institute Ltd to surrender the lease and vacate the premises. The Group would be required to refund Wesley Research Institute Ltd a proportion of construction costs paid as consideration for the lease if it exercised this right. The maximum exposure to liability is estimated to be $6,036,000 (2024: $6,036,000).

Time and attendance system review

The Group is currently upgrading its employee time and attendance system. As part of this upgrade, certain anomalies in data have been identified that the Group is investigating. It is currently not possible to estimate the financial impact of this investigation. Accordingly, no provision has been recognised in the financial statements.

Other than the above matters, the Board is not aware of any other contingent assets or liabilities at the date of this report.

G4 Events after the reporting period

This note outlines the nature and financial effect of non-adjusting events which have occurred between the reporting date, being 30 June 2025, and the date these financial statements are released.

Sale of aged care facilities and retirement villages

In May 2025 the Group signed a contract to sell a number of BlueCare Residential Aged Care Facilities and Retirement Villages. The disposal group, comprising the assets and liabilities of the businesses sold, has been classified as held for sale in the consolidated statement of financial position as at 30 June 2025 (see Note C6).

The Group completed the sale in July 2025 for a gross purchase consideration of $45,000,000 cash plus the ingoing contribution liabilities for the Retirement Villages. The gross consideration was adjusted downward for liabilities assumed by the purchaser including RADs and employee entitlements. These adjustments resulted in a net liability position that required to Group to make a payment of $12,705,000 (excluding GST) to the buyer on completion of the sale.

The final completion payment is expected to be made in November 2025. At the date of authorisation of these financial statements, it is not practicable to estimate the expected profit on sale.

Closure of Alexandra Hills Nandeebie Aged Care Facility

In May 2025 the decision was made to permanently close the BlueCare Alexandra Hills Nandeebie Aged Care Facility. An engineering assessment identified extensive facility remediation needs which would result in a prolonged period of extensive capital works which cannot be completed without disruptions to the service and comfort of our residents. The Group supported all residents to relocate to alternative homes that meet their long-term care needs, including nearby BlueCare homes where practicable. Staff members were also offered redeployment to other nearby BlueCare homes. The Alexandra Hills Nandeebie Aged Care Facility closed in July 2025.

At the date of authorisation of these financial statements, it is not practicable to determine the cost of closing the facility to the Group.

G5 ACNC disclosure

G5.1 Financial statements by ACNC Reporting Group

A reconciliation of the Groups statement of profit or loss and other comprehensive income and statement of financial position, comprising both the UCQ and ARRCS ACNC Reporting Groups is presented below, with any reclassifications required to comply with ACNC disclosure requirements:

Consolidated statement of profit or loss and other comprehensive income	UCQ ACNC Reporting Group $'000	ARRCS ACNC Reporting Group $'000	Eliminations $'000	UCQ Consolidated Group $'000
Revenue				
Revenue from Government (including grants)[1]	1,112,699	122,120	-	1,234,819
Donations and bequests[2]	11,847	74	-	11,921
Revenue from providing goods or services	1,023,806	13,553	-	1,037,359
Revenue from investments	48,533	2,719	-	51,252
Other revenue	28,881	1,726	(2,983)	27,624
Total revenue	**2,225,766**	**140,192**	**(2,983)**	**2,362,975**
Other income	47,468	-	-	47,468
Total gross income	**2,273,234**	**140,192**	**(2,983)**	**2,410,443**
Expenses				
Employee expenses[3]	(1,296,555)	(79,077)	-	(1,375,632)
Interest expenses	(36,646)	(697)	-	(37,343)
Other expenses	(956,555)	(51,898)	2,983	(1,005,470)
Total expenses	**(2,289,756)**	**(131,672)**	**2,983**	**(2,418,445)**
Net (deficit) / surplus for the year	**(16,522)**	**8,520**	**-**	**(8,002)**
Other comprehensive income	2,153	-	-	2,153
Total comprehensive (loss) / income for the year	**(14,369)**	**8,520**	**-**	**(5,849)**
Consolidated statement of financial position				
Assets				
Total current assets	652,568	54,928	(186)	707,310
Total non-current assets	1,722,962	119,759	-	1,842,721
Total assets	**2,375,530**	**174,687**	**(186)**	**2,550,031**
Liabilities				
Total current liabilities	1,518,565	53,189	(186)	1,571,568
Total non-current liabilities	145,307	3,366	-	148,673
Total liabilities	**1,663,872**	**56,555**	**(186)**	**1,720,241**
Net assets	**711,658**	**118,132**	**-**	**829,790**

[1] Government revenue includes both aged care and community services, family services, capital grants from government and non-recurring revenue and income (see Note B1).

[2] Donations and bequests includes both fundraising, donations, and bequests (see Note B1).

[3] Employee expenses do not include agency staffing costs for ACNC disclosure purposes. These are included in other expenses.

G5 ACNC disclosure (continued)

G5.2 Revenue and other income from government

The UCQ and ARRCS ACNC Reporting Groups receives significant funding from government departments and agencies to enable its continued operations. The following table outlines the largest 10 sources of revenue and other income (including grants) received from the respective level of government department or agency.

	UCQ ACNC reporting group $'000	ARRCS ACNC reporting group $'000	UCQ Consolidated Group $'000
Commonwealth Government			
Department of Health, Disability and Ageing	823,199	121,207	944,406
Department of Social Services	76,533	-	76,533
National Disability Insurance Agency	14,981	7	14,988
Attorney-General's Department	10,058	-	10,058
Department of Veteran's Affairs	7,458	0	7,458
Other Commonwealth Government departments and agencies	4,822	850	5,672
Total income from Commonwealth Government	**937,051**	**122,064**	**1,059,116**
State Government			
Department of Families, Seniors, Disability Services and Child Safety	65,045	-	65,045
Queensland Health	64,672	-	64,672
Department of Housing and Public Works	21,954	-	21,954
Department of Women, Aboriginal and Torres Strait Islander Partnerships and Multiculturalism	15,057	-	15,057
Department of Justice	8,102	-	8,102
Other State Government departments and agencies	817	56	873
Total income from State Government	**175,647**	**56**	**175,703**
Total income from Government	**1,112,699**	**122,120**	**1,234,819**

G5.3 Related party transactions disclosure in Annual Information Statement

For the purposes of the UCQ ACNC reporting group's Annual Information Statement, related party transactions are categorised as follows:

- Fees paid to a related party for providing goods or services to the Reporting Group;
- Other:
    - Trade payables owing to a related party;
    - Trade receivables owed from a related party.

G6 Department of Health, Disability and Ageing disclosure

For the purposes of the *Aged Care Act 1997,* BlueCare (NAPS ID 314) and ARRCS Ltd (NAPS ID 6871) are the Group's Approved Providers for Commonwealth funded aged care services in Queensland and the Northern Territory. These consolidated financial statements are not prepared on a service level basis and contain the following Government Provider Management System Identification (GPMS ID) numbers included under NAPS ID 314 and NAPS ID 6871:

NAPS ID	Residential Service	GPMS ID
BlueCare (314)	BlueCare Alexandra Hills Nandeebie Aged Care Facility	3554
BlueCare (314)	BlueCare Arundel Woodlands Lodge Aged Care Facility	3583
BlueCare (314)	BlueCare Beenleigh Bethania Haven Aged Care Facility	3539
BlueCare (314)	BlueCare Bli Bli Aged Care Facility	3535
BlueCare (314)	BlueCare Brassall Aged Care Facility	3862
BlueCare (314)	BlueCare Bundaberg Pioneer Aged Care Facility	3515
BlueCare (314)	BlueCare Bundaberg Riverlea Aged Care Facility	3803
BlueCare (314)	BlueCare Caloundra Aged Care Facility	3824
BlueCare (314)	BlueCare Capricorn Aged Care Facility	5647
BlueCare (314)	BlueCare Carbrook Wirunya Aged Care Facility	3630
BlueCare (314)	BlueCare Carina Aged Care Facility	3791
BlueCare (314)	BlueCare Dicky Beach Aged Care Facility	3389
BlueCare (314)	BlueCare Elanora Pineshaven Aged Care Facility	3555
BlueCare (314)	BlueCare Emerald Avalon Aged Care Facility	3431
BlueCare (314)	BlueCare Flinders View Nowlanvil Aged Care Facility	3746
BlueCare (314)	BlueCare Gladstone Edenvale Aged Care Facility	5646
BlueCare (314)	BlueCare Gracemere Aged Care Facility	3727
BlueCare (314)	BlueCare Gympie Grevillea Gardens Aged Care Facility	3762
BlueCare (314)	BlueCare Hervey Bay Masters Lodge Aged Care Facility	3601
BlueCare (314)	BlueCare Hollingsworth Elders Village	12324
BlueCare (314)	BlueCare Ingham Bluehaven Aged Care Facility	3533
BlueCare (314)	BlueCare Kallangur Pilgrim Aged Care Facility	3590
BlueCare (314)	BlueCare Kenmore Aged Care Facility	3815
BlueCare (314)	BlueCare Kingaroy Canowindra Aged Care Facility	3896
BlueCare (314)	BlueCare Kirra Aged Care Facility	3508
BlueCare (314)	BlueCare Labrador Aged Care Facility	3364
BlueCare (314)	BlueCare Lawnton Pine Woods Aged Care Facility	3552
BlueCare (314)	BlueCare Lowood Glenwood Aged Care Facility	3641
BlueCare (314)	BlueCare Mackay Homefield Aged Care Facility	3479
BlueCare (314)	BlueCare Maleny Erowal Aged Care Facility	3681
BlueCare (314)	BlueCare Mareeba Aged Care Facility	3478

G6 Department of Health, Disability and Ageing disclosure (continued)

NAPS ID	Residential Service	GPMS ID
BlueCare (314)	BlueCare Redcliffe Aged Care Facility	6438
BlueCare (314)	BlueCare Redland Bay Yarrabee Aged Care Facility	5170
BlueCare (314)	BlueCare Rothwell Nazarene Aged Care Facility	3838
BlueCare (314)	BlueCare Shalom Elders Village	12323
BlueCare (314)	BlueCare Springwood Yurana Aged Care Facility	3398
BlueCare (314)	BlueCare Star of the Sea Elders Village	12327
BlueCare (314)	BlueCare Sunnybank Hills Carramar Aged Care Facility	3384
BlueCare (314)	BlueCare Tallebudgera Talleyhaven Aged Care Facility	3660
BlueCare (314)	BlueCare Toogoolawah Alkira Aged Care Facility	3507
BlueCare (314)	BlueCare Toowoomba Residential Aged Care Facility	3780
BlueCare (314)	BlueCare Townsville Mt Louisa Aged Care Facility	3399
BlueCare (314)	BlueCare Warana Beachwood Aged Care Facility	3542
BlueCare (314)	BlueCare Wynnum Aged Care Facility	3795
BlueCare (314)	Ny-Ku Byun Elders Village	23462
BlueCare (314)	Sunrise Beach Aged Care	6823
ARRCS (6871)	Flynn Lodge	4402
ARRCS (6871)	Hetti Perkins	4400
ARRCS (6871)	Juninga Centre	4395
ARRCS (6871)	Katherine Hostel	4398
ARRCS (6871)	Old Timers	4391
ARRCS (6871)	Rocky Ridge	4394
ARRCS (6871)	Terrace Gardens	4396

Declaration by the Board of UnitingCare Queensland

30 June 2025

The Board of UnitingCare Queensland declares that:

(a) the financial statements and notes set out on pages 1 to 60:

i. comply with the *Australian Charities and Not-for-profits Commission Act 2012* including compliance with Australian Accounting Standards and mandatory professional reporting requirements; and

ii. give a true and fair view of the financial position of UnitingCare Queensland as at 30 June 2025 and of its performance as represented by the results of its operations and its cash flows, for the financial year ended on that date; and

(b) there are reasonable grounds to believe that UnitingCare Queensland will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board.

Dated 7 October 2025



Jim Demack, Chair
UnitingCare Queensland Board



Susan Rix AM, Chair
UnitingCare Queensland Audit, Risk and Compliance Committee

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7 October 2025

The Board of Directors
UCQ Ltd
Level 5, 192 Ann Street
Brisbane Qld 4000
Australia

Dear Board Members,

Auditor's Independence Declaration to UCQ Ltd

In accordance with section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Board of UCQ Ltd.

As lead audit partner for the audit of the financial report of UCQ Ltd for the financial year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

Nathan Furness
Partner
Chartered Accountants

DELOITTE TOUCHE TOHMATSU

R G Saayman
Partner
Chartered Accountants

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Independent Auditor's Report to the Board of UCQ Ltd

Opinion

We have audited the financial report of UCQ Ltd (the "Entity") and its controlled entities (the "Group") which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in funds and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the declaration by Board of UCQ Ltd (the "Board"), as set out on pages 1 to 61.

In our opinion, the accompanying financial report of the Group is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the Financial Report

The Board of the Entity is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act and for such internal control as the Board determine is necessary to enable the preparation of the 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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives 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 our 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.

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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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group's audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Nathan Furness
Partner
Chartered Accountants
Brisbane, 7 October 2025

Deloitte Touche Tohmatsu
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FINANCIAL REPORT 2025

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UnitingCare

Proudly representing
BlueCare | Lifeline | ARRCS | The Wesley Hospital | Buderim Private Hospital
St Stephen's Hospital | St Andrew's War Memorial Hospital

"KB-5"

Calvary

Being for Others

Annual Financial Report

30 June 2025

Little Company of Mary Health Care Limited

ABN 11 079 815 697



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DIRECTORS' REPORT

The Board of Directors of Little Company of Mary Health Care Limited (the Company) submit their report for the year ended 30 June 2025.

Directors

The names of the Company's Directors in office during the financial year and until the date of this report are as follows.

NAME	QUALIFICATIONS	AREAS OF SPECIFIC RESPONSIBILITY
Jim Birch AM	BHA, FCHSM	Director; Chair All Committees, Ex Officio
Lucille Scomazzon	LLB (Hons 1), BA, GAICD	Director; Deputy Chair Member, Clinical Governance Committee Chair, Performance & Remuneration Committee
Jennifer Stratton (Retired 28.11.24)	BA (Economics, English & History), FAICD	Director Chair, Mission & Ethics Committee Member, Performance & Remuneration Committee
Lucille Halloran	BCom (Hons), BA GAICD	Director Member, Mission & Ethics Committee Member, Clinical Governance Committee
Annette Carruthers AM	MBBS(Hons) FRACGP FAICD GradDipAppFin	Director Member, Performance & Remuneration Committee Member, Clinical Governance Committee
Agnes Sheehan	BA Business Studies, (Hons), GAICD	Director Member, Audit, Finance & Risk Committee Member, Clinical Governance Committee (to 28.11.24) Chair, Mission & Ethics Committee (from 28.11.24)
Professor Christopher Baggoley AO	BVSC (Hons), BMBS, B Soc Admin, FACEM, FRACMA, D Univ (FUSA)	Director Chair, Clinical Governance Committee Member, Mission & Ethics Committee
Yvonne Le Bas	BBus Studies, MA, Fellow CA Aus/NZ, Fellow Inst. CA England/Wales, FAICD	Director Chair, Audit Finance & Risk Committee
David Issa	Bachelor of Science (Mathematics)	Director Member, Audit Finance & Risk Committee
Jacinth Fairley (Appointed 28.11.24)	BSc, BVSc (Hons), MBA, GAICD, FTSE	Director Member, Performance & Remuneration Committee
Kathy Alexander (Appointed 28.11.24)	BA (Hons) Psychology, PhD	Director Member, Audit Finance & Risk Committee

DIRECTORS' REPORT (continued)

Directors were in office for the entire period unless otherwise stated.

The Directors attended the following Board meetings and applicable Committees each Director was eligible to attend:

Director	Board Meetings		AFRC		MEC		PRC		CGC	
	Held	Att	Held	Att	Held	Att	Held	Att	Held	Att
Jim Birch AM	9	9	5	4	4	2	4	2	4	3
Lucille Scomazzon	9	9					4	4	4	4
Jennifer Stratton	3	3			2	2	2	2		
Lucille Halloran	9	8			4	4			4	4
Annette Carruthers AM	9	9					4	4	4	4
Agnes Sheehan	9	8	5	5	2	2			2	2
Professor Chris Baggoley AO	9	9			4	3			4	3
Yvonne Le Bas	9	9	5	5						
David Issa	9	8	5	4						
Jacinth Fairley	6	6					2	2		
Kathy Alexander	6	6	2	2						

Key:
AFRC Audit Finance & Risk Committee
MEC Mission & Ethics Committee
PRC Performance & Remuneration Committee
CGC Clinical Governance Committee

Short and long term objectives

Calvary's vision, as a Catholic health, community and aged care provider, is to excel and be recognised as a continuing source of healing, hope and nurturing to the people and communities it serves. Calvary's unique strength is being able to provide quality, patient centred, integrated longitudinal care through its range of services and partnerships with other health care providers.

Calvary's strategic intent is to be the health, community and aged care provider of choice, delivering with equity and compassion integrated, seamless, safe and quality care appropriate to the individual and community's needs.

Calvary's four priority focus areas are:

- Care for our people and our working environment
- A focus on quality and safety
- Partnering and planning for the present and future
- Caring for our resources

DIRECTORS' REPORT (continued)

Principal activities

The principal activities of the Company during the period were the provision of acute health services by private and public hospital facilities, sub-acute services, palliative care, residential aged care, independent living units ('ILU'), community and home care services.

Within these activities, Calvary has developed models of care that have been specifically designed to meet customer expectations, while reducing cost, complexity and risk. This includes the continued development of home and community-based services to better manage chronic disease and palliative and end of life care. Calvary's doctors, nurses and carers work closely with Local Health Districts, Primary Health Networks and other stakeholders to improve the care journey of a patient and reduce their burden within what can be a complex system.

The Directors believe that we should be striving to achieve the best commercial results to sustain our operations, fund better integration, grow and innovate in pursuit of our strategic aims. Demonstrating wise stewardship and contributing to social stability in the communities Calvary serve requires a strong financial base. Calvary achieves this through strict cost management and the pursuit of improved revenue rates. Calvary continues to invest in its ability to be a source of healing and in facilities which enable Calvary to provide a wider range of services to the local communities.

Review of operations

A deficit of $138.7m was reported for the Company for the financial year ended 30 June 2025 (2024: $143.5m).

Review of operations
(a) Revenues
The Company's revenue from operating activities totalled $2,123.4m (2024: $2,073.4m). Grants and subsidies from Government for hospital and aged care operations totalled $858.2m (2024: $863.0m). Grants and subsidies represent 40% (2024: 42%) of revenue from operating activities.

(b) Expenses
The Company's expenses from operating activities totalled $2,226.7m (2024: $2,155.0m). Expenses on personnel costs represent 63% (2024: 62%) of total operating expense.

Staffing levels have increased during the reporting period with total full-time equivalents of 10,891 as at 30 June 2025 (2024: 10,849).

DIRECTORS' REPORT (continued)

Significant changes in the state of affairs

Aged Care Restructuring

During the financial year ended 30 June 2025, all Aged Care financial reporting and prudential compliance submissions transitioned to a consolidated reporting basis. Supplementary information will continue to be provided to the Department of Health upon request.

Effective 1 June 2025, the assets and operations of Calvary Retirement Communities (CRC) were transferred to Calvary Aged Care Limited (CACL). This internal restructure, undertaken under common control, consolidated Calvary's residential aged care and retirement living services into a single legal entity, enhancing operational efficiency and governance. There was no change in control at the consolidated group level as both entities were wholly owned prior to the restructure.

As of 30 June 2025, although legal title to certain CRC assets had not yet transferred to CACL, and the Business Transfer Agreement (BTA) remained in draft form, the business combination was assessed to have occurred on 1 June 2025. The delays in finalising legal title and the BTA are considered administrative. For the FY25 reporting period, the Department required that both CACL and CRC are required to submit the full suite of Aged Care Financial Reports (ACFR), including general-purpose financial statements and annual prudential compliance statements covering 1 July 2024 to 30 June 2025.

Calvary Bruce Public Hospital

On 3 July 2023 in accordance with the Health Infrastructure Enabling Act 2023 (Act) and Health Infrastructure Enabling Regulation 2023 (Regulation) (together, the Legislation) Calvary Bruce Public Hospital (Bruce Public) was compulsorily acquired by the Australian Capital Territory (Territory). The Act provided for the acquisition of the Public Hospital Land, Public Hospital Assets (as defined in the Act) and the termination of the Calvary Network Agreement.

In addition to the Assets specifically stated in the Act, certain other interests (including other assets and liabilities) were consequently acquired by the Territory and classified by Calvary as a 'Discontinued Operations' within the 30 June 2023 financial statements.

Subsequent to year end, on 28 August 2025, Calvary and the ACT Government finalised a Deed of Settlement and Release. Under the terms of the settlement, the ACT Government agreed to make a payment of $65 million (inclusive of interest) to Calvary. This amount is in addition to the $23.2 million previously paid by the Territory as early compensation.

Joint Venture Disposal – My Home Hospital (MHH)

During the year, the Company disposed of its 50% interest in the Calvary MHIH JV Pty Ltd (My Home Hospital), a joint venture established in 2020 to deliver integrated virtual care services. The disposal resulted in sale proceeds of $2.5 million and an impairment loss of $3.96 million, which has been recognised in the financial statements. Prior to disposal, the Company recorded a share of net profit of $1.68 million from the joint venture.

There were no other significant changes in the state of affairs of the Company during the financial year.

DIRECTORS' REPORT (continued)

Developments during the financial year

Calvary Health Care (Newcastle) Limited

During the financial year ended 30 June 2025, Calvary Health Care (Newcastle) Limited became aware of a mould issue in some clinical areas within the Hospital. Calvary Health Care (Newcastle) Limited forms part of a Public Private Partnership "PPP" arrangement. The Company occupies the Hospital building and related premises as sublessee under a sublease with Health Administration Corporation. Pursuant to the terms of the Project Deed between HAC and the PPP Partners, HAC and the PPP Partners are responsible for maintaining the Hospital infrastructure and for hard and soft facility services. From information available to Calvary, it appears the mould issue is caused by or related to ongoing issues with the building infrastructure. These issues have been the subject of ongoing discussions and dispute between HAC, Lend lease and Honeywell (the appointed facility manager).

Calvary's responsibility under the sublease is limited to general repair and maintenance obligations. The Calvary's position is that the responsibility for repairs of a structural nature sit with HAC and the PPP partnership. This matter is disclosed to highlight ongoing concerns regarding infrastructure maintenance responsibilities under the PPP arrangement.

John James Lease Reassessment

In November 2024, the Board approved the redevelopment of Calvary John James Hospital, with funding support from Barwon Investment Partners. The project involves constructing a new hospital on the existing leased site, with a new long-term lease currently under negotiation.

Following this decision, management reassessed the lease term assumptions for the current agreement, which previously included an extension option. Given the planned transition to a new lease and facility, the extension is no longer considered reasonably certain, and the lease liability has been remeasured accordingly.

Reassessment of Lease Term Extensions for Other Leases

As part of the lease accounting centralisation initiative, management reviewed lease extension assumptions across other Calvary Group leases. Several leases were identified where, based on current operations and market conditions, there is no longer reasonable certainty that extension options will be exercised. As a result, those renewal periods have been excluded from right of use and lease liability calculations to ensure consistency with management's expectations and accounting standard requirements.

Future developments

Calvary is progressing a strategic program of property divestments and reinvestments to support long-term mission delivery and growth. Settlements are anticipated at Reservoir, Waratah, Springvale and Central Park over the next reporting period, with contracted sales scheduled for completion. Planned divestments at Colac and North Adelaide have been deferred, with both sites retained pending further strategic review and market assessment.

On the investment front, development activity continues across several priority projects. At George Vowell, planning approvals are being finalised, and an updated business case is in preparation to support the proposed Independent Living Unit expansion. The redevelopment of Calvary John James Hospital has received Board approval, and preparatory work is underway. The Tiwi Islands staff accommodation initiative is advancing ahead of schedule, supported by confirmed Commonwealth funding.

DIRECTORS' REPORT (continued)

At Elizabeth Vale, alternative redevelopment options are being explored following an assessment of the private hospital project's viability. An unsolicited proposal has been submitted to the South Australian Government for a potential public–private partnership solution. Concurrently, lease negotiations at Viewhills and Capel Sands are progressing to enhance operational sustainability.

These initiatives reflect Calvary's disciplined approach to portfolio optimisation—divesting non-core assets while reinvesting in developments that align with strategic priorities and enhance service delivery

Significant events after year end

In 2023, the ACT Government acquired Calvary Public Hospital Bruce (now North Canberra Hospital) following the introduction of the *Health Infrastructure Enabling Act 2023* (the Act). The Act provides for claimants to seek compensation for costs incurred as a result of the transition, including Just Terms compensation for the acquisition of land and buildings and the termination of the Calvary Network Agreement.
Subsequent to year end, Calvary Health Care ACT (Calvary) and the ACT Government finalised a deed of settlement and release, concluding the determination of Just Terms compensation under the Act. The settlement includes a payment of $65 million (inclusive of interest), in addition to the $23.2 million previously paid by the Territory to Calvary as early compensation to cover obligations arising from the acquisition.

There has not arisen, in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Deed of access and indemnity – Directors

Little Company of Mary Health Care Ltd has executed a Deed of Access & Indemnity which provides Directors with the right of access to records for seven years after they cease office and also indemnifies Directors (to the extent permitted by law) against liability incurred in the course of their duties as a Director of companies within the Calvary group.

Indemnification of officers and auditors

During the financial year, Little Company of Mary Health Care Limited (parent entity) has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 30 June 2025 and, since the financial year, Little Company of Mary Health Care Limited has paid premiums in respect of such insurance contracts for the year ending 30 June 2025. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are, or have been, directors or executive officers of the group.

The directors have not included details of the nature of the liabilities covered, or the amount of the premiums paid, in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

Since the end of the previous financial year, Little Company of Mary Health Care Limited has not otherwise indemnified, or made a relevant agreement for indemnifying, against a liability any person who is, or has been, an officer or auditor of Little Company of Mary Health Care Limited.

Rounding off

Amounts in the financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

DIRECTORS' REPORT (continued)

Proceedings on behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company, or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all, or any part, of those proceedings.

The Company was not a party to any such proceedings during the year.

Member guarantee

The Company is incorporated as a Company 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. As the Company only has one member, a total maximum of $100 is payable on a wind up.

DIRECTORS' REPORT (continued)

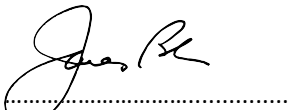
Registered Office

The Company's registered office and principal place of business is Level 15, 345 George Street, Sydney NSW 2000.

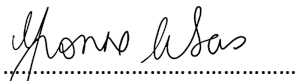
The auditor's independence declaration is included on page 12 of the financial statements.

The Directors' Report is signed in accordance with a resolution of the Directors.

On behalf of the Directors.



.....
Chair of the Board



.....
Director

Dated at this 24th day of October 2025.

Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the Directors of Little Company of Mary Health Care Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2025 there have been:

i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Nicola Buddee

Partner

Sydney

24 October 2025

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DIRECTORS' DECLARATION

In the opinion of the Directors of the Company:

1. the Company is not publicly accountable;

2. the financial statements and notes, set out on pages 14 to 46, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

   (a) complying with Australian Accounting Standards - General Purpose Financial Statements – Simplified Disclosures; and the Australian Charities and Not-for-profits Commission Regulation 2022; and
   (b) giving a true and fair view of the Company's financial position as at 30 June 2025 and of its the performance, for the financial year ended on that date;

3. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors

.....
Chair of the Board

.....
Director

Dated at this 24th day of October 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

In thousands of AUD	**Note**	**2025**	**2024**
Revenue from operations	3	2,123,384	2,073,356
Other income	3	51,907	30,474
Total revenue for the year		**2,175,291**	**2,103,830**
Employee benefits expense	27	1,399,406	1,342,309
Supplies		346,368	340,786
Computer expenses		41,842	29,338
Contracted services		97,791	91,028
Depreciation and amortisation expense	5, 6, 8, 9	147,201	152,526
Amortisation of Bed Licences	9	-	6,180
Impairment costs	5,10,12	11,643	15,730
Repairs and maintenance		35,738	34,166
Power, light & heat		19,824	18,247
Other expenses		126,858	124,678
Total expenses for the year		**2,226,671**	**2,154,988**
Results from operating activities		(51,380)	(51,158)
Finance income		9,385	9,444
Finance costs	4	(98,390)	(102,308)
Share of net profit of joint venture accounted for using the equity method	10	1,680	822
Net Deficit from continuing operations for the year		**(138,705)**	**(143,200)**
Net surplus/(deficit) for the year after income tax attributable to owners of the parent		(138,705)	(143,200)
Discontinued operations			
Surplus / (Deficit) from discontinued operations		44	(258)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year attributable to members of the company		**(138,661)**	**(143,458)**

The accompanying notes, set out on pages 19 to 46, form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

In thousands of AUD	Note	2025	2024
Current assets			
Cash and cash equivalents	15	150,954	112,476
Trade and other receivables	11	180,587	204,450
Inventories		26,835	26,220
Other current assets	14	103,097	97,109
Assets classified as held for sale	12	28,050	56,496
Total current assets		**489,523**	**496,751**
Non-current assets			
Trade and other receivables		2,001	2,225
Property, plant and equipment	5	1,785,436	1,927,005
Right-of-use assets	6	437,413	501,525
Intangible assets	9	18,812	23,468
Interest in joint venture	10	-	4,438
Total non-current assets		**2,243,662**	**2,458,661**
Total assets		**2,733,185**	**2,955,412**
Current liabilities			
Bank overdraft		5,534	-
Trade and other payables	16	193,335	187,599
Borrowings	18	128,736	315,693
Lease liabilities	19	34,636	39,791
Employee benefits	27	220,878	211,522
Other provisions	22	8,999	5,457
Contract liabilities	23	27,476	51,525
Refundable loans	20	1,264,930	1,207,531
Total current liabilities		**1,884,524**	**2,019,118**

The accompanying notes, set out on pages 19 to 46, form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

In thousands of AUD	Note	2025	2024
Non-current liabilities			
Trade and other payables	16	1,142	1,559
Borrowings	18	321,730	227,297
Lease liabilities	19	494,155	539,907
Employee benefits	27	19,533	16,933
Other provisions	22	3,979	3,815
Total non-current liabilities		**840,539**	**789,511**
Total liabilities		**2,725,063**	**2,808,629**
NET ASSETS		**8,122**	**146,783**
Equity			
Equity loan		40,870	40,870
Reserves		2,270	2,270
Retained earnings		(35,018)	103,643
TOTAL EQUITY		**8,122**	**146,783**

The accompanying notes, set out on pages 19 to 46, form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

In thousands of AUD	Note	2025	2024
Cash flows from operating activities			
Receipts from customers		1,407,222	1,154,445
Government grants received		854,800	872,027
Capital grants received		3,920	4,125
Payments to suppliers and employees		(2,243,570)	(1,969,682)
Interest received		9,430	9,288
Borrowing costs paid (including interest on ROU assets)		(55,795)	(60,520)
Other income received		32,954	30,571
Net cash provided by operating activities		**8,961**	**40,254**
Cash flows from investing activities			
Proceeds on disposal of PP&E and Software		55,015	16,528
Payment for PP&E		(58,821)	(61,655)
Payment for software		(1,880)	(2,229)
Proceed from sale of asset held for sale		23,630	-
Proceeds from redemption of term deposits		645	3,433
Proceeds from disposal of Joint Venture		2,500	-
Net cash provided by / (used in) investing activities		**21,089**	**(43,923)**
Cash flows from financing activities			
Repayment of external borrowings		(92,524)	(107,993)
Repayment of lease principal		(15,023)	(12,950)
Proceeds from residents contributions		414,019	411,736
Repayment of residents contributions		(298,044)	(293,434)
Net cash used in financing activities		**8,428**	**(2,641)**
Net increase / (decrease) in cash held		38,478	(6,310)
Cash at the beginning of the financial year		112,476	118,786
Cash at end of the financial year	**15**	**150,954**	**112,476**

The accompanying notes, set out on pages 19 to 46, form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

In thousands of AUD

2025

	Equity Loan	Specific Purpose Reserve	Retained Earnings	Total Equity
Balance as at 1 July 2024	40,870	2,270	103,643	146,783
Net deficit for the year	-	-	(138,661)	(138,661)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**(138,661)**	**(138,661)**
Balance as at 30 June 2025	**40,870**	**2,270**	**(35,018)**	**8,122**

2024

	Equity Loan	Specific Purpose Reserve	Retained Earnings	Total Equity
Balance as at 1 July 2023	40,870	2,270	247,101	290,241
Net deficit for the year	-	-	(143,458)	(143,458)
Other comprehensive income for the year			-	-
Total comprehensive loss for the year	**-**	**-**	(143,458)	(143,458)
Balance as at 30 June 2024	**40,870**	**2,270**	**103,643**	**146,783**

The accompanying notes, set out on pages 19 to 46, form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

About this report

1. Reporting entity

Little Company of Mary Health Care Limited is a not-for-profit public company limited by guarantee, incorporated and domiciled in Australia. The Group consolidated financial statements comprise the Company and its controlled entities (referred to as "the Company"). For further information on the Group structure, refer to Note 24.

The Company is a registered charity with the Australian Charities and Not-for-profit Commission endorsed to access the following tax concessions: FBT exemption, GST concession and income tax exemption.

2. Basis of preparation

2.1 Basis of accounting

The consolidated financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). The consolidated financial statements comply with Australian Accounting Standards – Simplified Disclosures as issued by the AASB.

The consolidated financial statements have been prepared on the basis of historical cost. All amounts are presented in Australian dollars.

The consolidated financial statements were authorised by the Board on the 24th October 2025.

2.2 Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

Amounts in the financial statements and Director's Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

2.3 Use of estimates and judgements

In the application of the Company's accounting policies, the Directors are required to make estimates and judgements about the carrying amount of assets and liabilities. The estimates and associated assumptions are based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the group. Actual results may differ from these estimates.

2. Basis of Preparation (continued)

2.4 Going concern

These financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The Company incurred a deficit during the year ended 30 June 2025 of $138.7m (2024: $143.5m) and, as at that date, the Company's current liabilities exceed current assets by $1,395.0m (2024: $1,522.4m). The Group had closing unrestricted cash of $104.0m (2024: $65.6m), was compliant with all covenants and, based on forecasts, is expected to maintain compliance in the next 12 months.

In line with Australian Accounting Standards, $1,264.9m of refundable accommodation loans have been recognised as a current liability; however, there is a reasonable expectation that, in the normal course of business, no more than 25% of this balance is required to be repaid in the next 12 months, and a significant portion of this would be replaced by incoming refundable accommodation loans.

Additionally, under the current syndicated loan facility, the total facility limit is $527.5m. As at 30 June 2025, $387.0m (2024: $481.5m) was drawn down. $253.6m Facility C and $10.0m Facility D are scheduled to mature on 4 November 2026. As a result, the financial statements have been prepared on a going concern basis, as the Directors believe the Group will be able to meet its obligations as they fall due for at least the next 12 months. Refer to Note 18 *Borrowings* for further details on the syndicated loan facilities.

Our Results

3. Revenue

In thousands of AUD	**2025**	**2024**
Revenue from operating activities		
Revenue from rendering of services	1,185,196	1,133,278
Non recurrent grants	774	52,345
Recurrent grants received/receivable	274,243	264,585
Government aged care subsidy	582,114	541,388
Public Health Service capital grants	492	4,125
Resources received free of charge	620	581
ILU deferred management fees	9,215	7,988
Daily accommodation payment (DAP)	28,135	27,278
Imputed interest income on RAD and bond	42,595	41,788
	2,123,384	**2,073,356**
Other Income		
Rental income	15,424	15,146
Donations	2,083	2,232
Gain from disposal of property, plant and equipment	18,953	599
Other income	15,447	12,497
	51,907	**30,474**

3. Revenue (continued)

3.1 Revenue from operating activities

Revenue from contracts with customers - AASB 15 *Revenue from Contracts with Customers*	**2025**	**2024**
Revenue from rendering of services	1,185,196	1,133,278
Recurrent grants received/receivable	263,056	245,605
Government accommodation subsidy Aged care	582,114	541,388
	2,030,366	**1,920,271**
Revenue recognised under - *AASB 1058 Income of NFP entities*		
Non recurrent grants	774	52,345
Recurrent grants received/receivable	11,187	18,980
Public Health Service capital grants	492	4,125
Resources received free of charge	620	581
	13,073	76,031
Revenue from leases - AASB 16 *Leases*		
ILU deferred management fees	9,215	7,988
Daily accommodation payment (DAP)	28,135	27,278
Imputed interest income on RAD and bond	42,595	41,788
	79,945	77,054
	2,123,384	**2,073,356**

3.2 Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated by key service.

In thousands of AUD	**2025**	**2024**
Public Hospitals		
Newcastle	226,381	212,035
Bethlehem	21,175	12,893
Kogarah	54,546	50,500
	302,102	275,428
Private Hospitals		
Adelaide	448,204	418,192
John James	83,392	84,297
Bruce Private	70,126	67,699
Riverina	62,598	63,349
Tasmania	247,444	236,180
	911,764	869,717
Aged Care		
Retirement Communities	146,037	146,312
Aged Care Services	541,403	507,329
	687,440	653,641
Community Care	127,641	118,011
Little Company of Mary Health Care	1,419	3,474
Total revenue from operations	**2,030,366**	**1,920,271**

3. Revenue (continued)

Accounting Policy

Income is measured at the fair value of the consideration, or contribution, received or receivable. When an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed or recognised at the point in time that the control of the services pass to the customer under AASB 15. The contribution is otherwise recognised immediately as income under AASB 1058. Where government grants are provided to construct non-financial assets, the income is recognised as construction occurs.

(i) Revenue recognition policy for revenue from contracts with customers (AASB 15)

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations; however, where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

For further information on the accounting treatment for contract assets refer to Note 11, or for contract liabilities, refer to Note 23.

Government revenue - recurrent grants
Recurrent grants are received from the Government to deliver outcome-based services on a range of programs to provide relief to sick and injured persons through the provision of care and treatment, and to promote, protect and maintain the health of the community. Revenue is recognised over time as performance obligations are met. The performance agreement between the Company and the Government specifying these services and programs typically cover the period of one year, and it is renewed annually. Funding is usually received in advance, with a contract liability recorded for unspent funds.

Government aged care subsidy
Government aged care payments are received from the Government to assist with the provision of aged care and support services. Revenue is recognised over time as performance obligations are met.

Revenue from rendering of services - patient fee revenue
Patient fee revenue is recognised overtime on an accrual basis when the service has been provided to the patient. Accrued patient income represents an estimate of fees due from patients not billed at balance date. This estimate is calculated with reference to individual episode information and per diem rates.

Revenue from rendering of services - resident fee revenue
Income is recognised overtime on an accrual basis when the service has been provided to the resident. Accrued resident income represents an estimate of fees due from residents not billed at balance date.

For construction projects, this is generally as the construction progresses in accordance with costs incurred, since this is deemed to be the most appropriate measure of completeness. When the cost incurred is not deemed to be the most accurate reflection of construction or acquisition, revenue is recognised on a straight-line basis.

COVID-19 Aged Care Support Program (GO4863) Grant Income
Grant income in relation to the COVID-19 Aged Care Support Program is recognised when the grant application is approved by the Department of Health and Aged Care, at which point the right to payment arises.

3. Revenue (continued)

(iii) Revenue recognised under AASB 16
Rental income as a sub-lessor
Rental income is recognised on a straight-line basis over the term of the relevant lease.

ILU deferred management fees
Deferred management fee (DMF) revenue represents the fee that is contractually deducted from the ingoing contribution that is paid back to a resident upon exit from a retirement village. DMF revenue is recognised over the expected length of stay of the resident. The Company discloses this revenue separately from revenue from contracts with customers.

Daily accommodation payment (DAP)
Persons entering an aged care facility who are assessed as "non-supported" are required to pay either a daily accommodation charge (DAP) or a Refundable Accommodation Deposit (RAD). Prior to 1 July 2014, persons entering an aged care facility who are assessed as "non-supported" were required to pay an accommodation bond. There are no significant financing components associated with accommodation payments.

Imputed interest income on RADs
Residential accommodation agreements in which residents who choose to pay Residential Accommodation Deposits (RAD) or a bond for their accommodation services are considered to be leases to residents within the scope of AASB16. The company has recognised as lease income an imputed non-cash charge representing the resident's right to occupy a room under the arrangement.

The Company has concluded that the lease term for these arrangements is no longer than 7 days (being the notice period required from a resident before departure) resulting in an imputed discount rate being akin to the short term cash rate.

Accommodation bonds and RADs paid by residents are repayable in the event of separation from the facility.

(iv) Other income

Interest
Interest income is recognised using the effective interest method.

Donations
Donations collected, including cash and plant and equipment, are recognised as other income when the Company gains control of the asset.

Donations with specific conditions attached will be deferred until those conditions are satisfied.

(vi) Significant estimates and judgements relating to revenue

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement.

3. Revenue (continued)

Grants received by the Company have been accounted for under both AASB 15 and AASB 1058, depending on the terms and conditions and decisions made. If this determination was changed, then the revenue recognition pattern may have been different from that recognised in this financial report.

4. Finance costs

In thousands of AUD	**2025**	**2024**
Imputed interest expense on RAD and bond	42,595	41,788
Interest on leases	22,247	21,908
Other finance costs	33,548	38,612
	98,390	**102,308**

Our Assets

5. Property, plant and equipment

At Carrying Value	**Note**	**Land and buildings**	**Plant and equipment**	**Motor Vehicles**	**Assets under construction**	**Total**
In thousands of AUD						
Carrying amount as at 1 July 2024		1,699,905	203,098	2,055	21,947	1,927,005
Additions		6,176	31,442	856	20,347	58,821
Transfers from assets under construction		3,299	17,392	-	(20,691)	(0)
Transfers to assets held for sale		-	-	-	-	-
Impairment		(11)	(15)	-	(2,504)	(2,530)
Disposals		(78,698)	(5,638)	(89)	(735)	(85,160)
Reclassification from intangible assets	9	-	2,291	-	-	2,291
Depreciation expense		(63,493)	(50,959)	(539)	-	(114,991)
Balance as at 30 June 2025		1,567,178	197,611	2,283	18,364	1,785,436
Book value as at 30 June 2025		2,011,271	569,962	7,339	18,364	2,606,936
Accumulated depreciation as at 30 June 2025		(444,093)	(372,351)	(5,056)	-	(821,500)
Net book value as at 30 June 2025		1,567,178	197,611	2,283	18,364	1,785,436
Book value as at 30 June 2024		2,085,749	538,671	7,330	21,947	2,653,697
Accumulated depreciation as at 30 June 2024		(385,844)	(335,573)	(5,275)	-	(726,692)
Net book value as at 30 June 2024		1,699,905	203,098	2,055	21,947	1,927,005

Assets pledged as security for the syndicated loan facility
Land and buildings with a market value of $2,366.8m have been pledged as security for external loans payable by the Parent Entity. This includes RAD liabilities of $1,264.9 million, which are separately recorded as a liability. Valuations are conducted every three years, and market conditions may impact the current estimate.

Covenants - freehold land & buildings
The title to the buildings located at Cessnock with cost of $24.5m (2024: $24.5m) is held with caveats. The property is required to be used as an aged care facility and there are restrictions around selling the property to an entity other than a not-for-profit entity.

5. Property, plant and equipment (continued)

Accounting Policy

Recognition and measurement
Property, plant and equipment is stated at historical cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

Capitalised interest
Borrowing costs relating to qualifying assets are capitalised and form part of the total construction cost of the asset in the Statement of Financial Position.

Depreciation
Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Assets held under leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	40 years
Building and leasehold improvements	10 years
Plant and equipment	6-10 years
Computer equipment	3 years
Motor vehicles	7 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment
At each reporting date, the Company assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Value in Use is calculated as the asset's current replacement cost.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

5. Property, plant and equipment (continued)

Impairment losses are recognised in profit or loss. For non-current assets excluding goodwill, a previously recognised impairment loss is reversed only if there has been a change in assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years and is recognised in profit or loss.

6. Leases

This note provides information for leases where the entity is a lessee. For leases where the entity is a lessor, see Note 7.

Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

Right-of-use assets	**Note**	**Land and buildings leased**	**Medical equipment leased**	**Motor vehicles leased**	**Total**
In thousands of AUD					
Balance as at 1 July 2024		485,715	15,748	62	501,525
Additions to right of use assets		6,993	4,893	73	11,959
Disposal		-	(12,993)	-	(12,993)
Depreciation		(25,613)	(2,581)	(34)	(28,228)
Adjustment due to lease modification and remeasurement		(34,959)	109	-	(34,850)
Impairment		-	-	-	-
Balance as at 30 June 2025		432,136	5,176	101	437,413

Leasing arrangements

Buildings
The Company leases corporate office buildings and hospitals across several states within Australia to perform its corporate and principal activities. All lease terms with extension options have been assessed to determine whether it is reasonably certain that the extension option will be exercised.

Calvary Adelaide Hospital
The Calvary Adelaide site operates on premises under a 30-year leasing arrangement that commenced on 9 September 2019, with 3 optional renewal terms of 10 years each. The Company has not recognised the renewal options as it is not reasonably certain that the extension options will be executed. The rental payment is subject to an annual increase, to a maximum of 4% per annum.

Calvary John James Hospital
The Company commenced leasing the Calvary John James Hospital in October 2016 under a 10-year lease with a 10-year extension option. In November 2024, the Board approved a redevelopment of the hospital, with funding support from Barwon Investment Partners. As a new long-term lease is being negotiated for the redeveloped facility, the extension option under the current lease is no longer considered reasonably certain. Accordingly, the lease liability has been remeasured to reflect the revised lease term.

Motor Vehicle
The Company leases vehicles which are used to perform its corporate and principal activities, such as visiting patients in regional and metropolitan areas. The lease terms vary from 2 to 5 years and the lease payments are fixed during the lease term.

6. Leases (continued)

Medical Equipment
The Company leases medical equipment which is predominantly used in hospitals to perform its principal activities. Certain medical equipment leases are subject to a minimum purchase of consumables which have been included in calculating the right-of-use asset and corresponding liability. All other variable lease payments have been excluded from the initial measurement of the lease. The lease terms vary from 2 to 5 years.

Accounting Policy

Definition of a lease
At inception of a contract, the Company assesses whether a lease exists – i.e., does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. This involves an assessment of whether:

- The contract involves the use of an identifiable asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset – i.e., decision-making rights in relation to changing how and for what purpose the asset is used.

The Company has elected not to separate non-lease components from lease components have accounted for all leases as a single component.

Short-term leases and leases of low-value assets
The Company has elected not to recognise right-of-use assets and lease liabilities of low-value assets and short-term leases. Lease payments relating to short-term and low-value leases are recognised as an expense on a straight-line basis over the lease term.

Short-term leases are leases with a lease term of 12 months or less. Low-value assets leases are less than $10,000.

As a lessee
Leased assets are initially recognised as right-of-use assets of the Company, consisting of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date, less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The right-of-use is assessed for impairment indicators at each reporting date.

The corresponding liability to the lessor is included in the statement of financial position as a lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease; however, where this cannot be readily determined, then the Company's incremental borrowing rate is used.

Lease payments included in the measurement of lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

6. Leases (continued)

- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured where there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g., CPI), or a change in the Company's assessment of lease term. Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the re-measurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Concessionary leases
The Group applies the option allowed under AASB 16 for not-for-profit entities to measure concessionary leases at cost. Cost represents the measurement of the lease liability and is a negligible amount.

The nature of the concessionary lease is detailed below.

LCM Calvary Health Care Holdings Ltd (Holdings), a controlled entity, is the trustee of the land known as the Fitzgerald Estate land held by the Fitzgerald Estate Trust. The address of this land is 91-97 and 101 Rocky Point Road Kogarah NSW. A lease agreement for this land and buildings has been entered between Holdings (as trustee) and Calvary Health Care Sydney Ltd, which commenced on 7 June 2007 and expires on 30 June 2074. The lease agreement provides for a nominal rent of $1 per annum.

7. Leases as a lessor

Lessors classify leases as either operating or finance leases using the principles in AASB 16.

Operating leases

The Company leases building space to external parties under operating lease terms and conditions. Expiry of operating leases ranges from 1 to 4 years and are subject to regular market reviews. Lease rental revenue is disclosed as Rental Income.

The Company has two commercial property leases in its investment property consisting of land and buildings.

Refer to Note 8 for further details on the investment property.

Residential aged care
Residential accommodation agreements in which residents who choose to pay Residential Accommodation Deposits (RAD) or a bond for their accommodation services are considered to be a lease under AASB 16. The company has recognised as lease income an imputed non-cash charge representing the resident's right to occupy a room under the arrangement.

The company has concluded that the lease term for these arrangements is no longer than 7 days (being the notice period required from a resident before departure) resulting in an imputed discount rate being akin to the short-term cash rate.

The Company discloses Daily Accommodation Payment (DAP), Daily Accommodation Contribution (DAC) and accommodation supplement revenue separately from revenue from contracts with customers (refer to Note 3).

7. Leases as a lessor (continued)

Retirement Villages
Deferred management fee (DMF) revenue represents the fee that is contractually deducted from the ingoing contribution that is paid back to a resident upon exit from a retirement village. DMF revenue is recognised over the expected length of stay of the resident. The Company now discloses this revenue separately from revenue from contracts with customers (refer to Note 3).

8. Investment property

In thousands of AUD	2025	2024
Cost		
Balance as at 1 July 2024	-	2,444
Depreciation expense	-	(44)
Transfer to assets held for sale	-	(2,400)
Balance as at 30 June 2025	-	-

Investment properties are real estate properties held to earn rentals and/or for capital appreciation. Rental income and operating expenses from investment property are reported within revenue and other expenses, respectively.

Accounting Policy

Recognition and measurement
Investment property is held at cost, which includes expenditure that is directly attributable to the acquisition of the investment property.

Depreciation
Investment properties consist of land and buildings, with the buildings depreciated over 40 years on a straight-line basis.

De-recognition
Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in the statement of profit or loss and other comprehensive income.

9. Intangible assets

At Cost

In thousands of AUD	Note	Goodwill	Bed licences	Software	Total
Carrying amount as at 1 July 2024		10,590	-	12,878	23,468
Additions		38	-	1,842	1,880
Disposals		-	-	(263)	(263)
Reclassification to plant and equipment	5	-	-	(2,291)	(2,291)
Amortisation			-	(3,982)	(3,982)
Carrying amount as at 30 June 2025		10,628	-	8,184	18,812

9. Intangible assets (continued)

Accounting Policy – Goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash generating units expected to benefit from the synergies achieved from combining acquired facilities with the rest of the Group.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The recoverable amount of a cash generating unit to which the goodwill is allocated is determined as the higher of its fair value less costs of disposal and its value in use. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Impairment losses are recognised directly in profit or loss in the consolidated statement of profit or loss and other comprehensive income. An impairment loss recognised for goodwill is not reversed. Based on the impairment review conducted by the management, no impairment losses were recorded against the cash generating units.

Accounting Policy - Software

Recognition and measurement
Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of, and recognition criteria for, an intangible asset, are recognised as intangible software assets measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation
Software is amortised using the straight-line method over 1-5 years and is recognised in profit or loss. Amortisation methods, useful lives and residual values are reviewed at each reporting date with the effect of any changes in estimate accounted for on a prospective basis.

Accounting Policy - Bed Licences

Recognition and measurement
On 30 September 2021, the Australian Government released a discussion paper Improving Choice in Residential Aged Care - ACAR Discontinuation. The discussion paper confirmed its intention to abolish the Aged Care Approvals Round ("ACAR") and associated supply restrictions on bed licences, which was first announced in May 2021. The reforms have seen the discontinuation of the licences from 1 July 2024.

These bed licences were previously recognised as intangible assets with an indefinite useful life and, therefore, were not amortised. Following the Government's announcement and the information provided in the discussion paper in September 2021, the remaining useful lives of the bed licences would not extend beyond 1 July 2024 and, therefore, have determined that it is appropriate to commence the amortisation of these licences under AASB 138 Intangible Assets from 1 October 2021 to 30 June 2024 on a straight-line basis.

10. Equity-accounted investees

In thousands of AUD	**2025**	**2024**
Interest in Joint Venture	-	4,438
Balance as at 30 June 2025	-	4,438

10. Equity-accounted investees (continued)

Accounting Policy – Equity-accounted joint venture

The Calvary MHIH JV Pty Ltd, commonly referred to as My Home Hospital (MHH), was a joint venture in which the Company had joint control and a 50% ownership interest. MHH was established in September 2020 and delivered an integrated model of care, offering an alternative to traditional hospital-based interventional care.

In 2021, the joint venture, leveraging its experience from MHH, established the COVID Care at Home program to support COVID-positive patients with virtual care during their isolation and recovery. This service operated across NSW, VIC, QLD, and WA, treating over 188,000 patients in its first 12 months of operation.

During the year, the Company disposed of its investment in MHH, receiving sale proceeds of $2.5 million. As a result of the disposal, an impairment loss of $3.96 million was recognised in the consolidated financial statements. Prior to disposal, the Company had recorded a share of net profit of $1.68 million from the MHH joint venture using the equity method.

MHH was structured as a separate vehicle, and the Company previously held a residual interest in its net assets. Accordingly, the investment was classified as a joint venture. Under the terms of the joint venture agreement, the Company and the other investor had agreed to make additional contributions subject to board approval via a funding notice. This commitment is no longer applicable following the disposal and has not been recognised in these consolidated financial statements.

11. Trade and other receivables

In thousands of AUD	**2025**	**2024**
Current		
Trade receivables	63,651	77,114
Contract assets	30,313	25,670
Grant receivables	4,899	3,905
Other receivables	13,441	14,778
Net GST receivables	3,283	4,443
Compensation receivable (Note 26)	65,000	78,540
	180,587	204,450

Movement in the impairment of receivables

In thousands of AUD	**2025**	**2024**
Balance as at the beginning of the year	(7,227)	(8,326)
Impairment losses recognised / reversed	(713)	(24)
Amounts written off	517	1,123
Balance as at the end of the year	(7,423)	(7,227)

Accounting Policy

Recognition and measurement
Trade receivables are recognised when they are originated. All other financial assets are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets are added to, or deducted from, the fair value of the financial assets, as appropriate, on initial recognition. A trade receivable without a significant financing component is initially recognised at the transaction price.

11. Trade and other receivables (continued)

Impairment of financial assets
The Company applies a simplified approach in calculating expected credit losses (ECLs) for trade receivables, recognising a loss allowance based on lifetime ECLs at each reporting date, rather than monitoring changes in credit risk. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.
The Company considers a financial asset is in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

De-recognition
The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to the asset to another entity. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of consideration received and receivable is recognised in profit or loss.

Contract assets
Where a timing difference arises between the payment for sale of goods and rendering of services and the timing of satisfaction, a contract asset or contract liability is required to be recognised.

For further information on contract liabilities, refer to Note 23.

Contract assets arise when work has been performed on a particular program, or services have been transferred to the customer, but the invoicing milestone has not been reached and the rights to the consideration are not unconditional. If the rights to the consideration are unconditional, then a receivable is recognised. No impairment losses were recognised in relation to these assets during the year (2024: $nil).

12. Assets classified as held for sale

During FY25, several properties classified as held for sale at 30 June 2024 were sold, as part of the capital assets divestment initiative, including Bonbeach RAC, Oaklands and Kingswood residential properties.

As at 30 June 2025, Central Park aged care facility and other land assets remained classified as held for sale $28.0m (2024: $56.5m). Central Park was sold, with settlement scheduled for July 2025. Management has compared the book value of these assets to evidence of fair value suggested by external sources such as non-binding indicative proposals or sales contracts. As a result, an impairment loss totalling $4.82m (FY24: $7.9m), was recorded against the asset held for sale to reflect the fair value of some of these assets.

13. Commitments

13.1 Expenditure commitments

Public private partnership
In 2005/06, the NSW Health Administration Corporation entered into a contract with a private sector provider, Novacare Project Partnership, for financing, design, construction and commissioning of a new hospital facility, a mental health facility and refurbishment of existing buildings, and facilities management and delivery of ancillary non-clinical services on the Calvary Mater Newcastle site until November 2033.

13. Commitments (continued)

13.1 Expenditure commitments (continued)

Other expenditure commitments, totalling $10.4m (2024: $10.3m), for the provision of facilities management and delivery of other non-clinical services on the Calvary Mater Newcastle site, were expended for the year ended 30 June 2025. As the Company is not contractually committed to the agreement, the expenditure commitment over the life of the service provision is contingent upon recurrent funding continuing to be received from the NSW Health Department, via Hunter New England Local Health District.

13.2 Capital Commitments

In thousands of AUD	**2025**	**2024**
Buildings	1,611	1,414
Building improvements on leasehold land	3,635	3,670
Plant & equipment	6,936	7,379
	12,182	12,463

The Company has contracted for certain capital commitments as at 30 June 2025. No work relating to these capital commitments has been performed or invoice received.

Our Financing and Capital Structure

14. Other assets

In thousands of AUD	**2025**	**2024**
Current		
Prepayments	17,108	15,826
Entry contributions receivable	6,401	-
Other assets	204	1,254
Term deposits (greater than 3 months and less than 12 months maturity)	79,384	80,029
	103,097	97,109

15. Cash and cash equivalents

In thousands of AUD	**2025**	**2024**
Cash at bank and on hand	128,860	78,976
Short-term term deposits	890	1,458
Cash at bank - special purpose funds	21,204	32,042
	150,954	112,476

Accounting Policy

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in-hand and term deposits with a term of less than three months.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

16. Trade and other payables

In thousands of AUD	2025	2024
Trade payables	43,228	51,488
Accrued expenses	64,586	59,655
Accrued payroll	76,136	64,971
Others	9,751	13,044
	193,701	189,158
Current	193,335	187,599
Non-current	1,142	1,559
	194,477	189,158

17. Restricted assets

Company holds assets which are restricted by externally imposed conditions (e.g., in line with grant and donor requirements). The assets are only available for application in accordance with the terms of these restrictions.

In thousands of AUD	2025	2024
Special Purpose / Conditions imposed by granting body	3,484	2,998
No.2 Account / Conditions imposed by NSW Ministry of Health	92,889	92,108
Other donations / Conditions imposed by donor	1,392	1,250
Other grants / Conditions imposed by granting body	14,962	23,036
Trust funds / Trust Deed	5,360	4,957
Term deposit / Conditions imposed by Bank for Guarantee	2,509	2,509
	120,596	126,858
Disclosed in the Statement of Financial Position as:		
Cash and cash equivalents	41,212	46,829
Term deposits	79,384	80,029
	120,596	126,858

Bank guarantees
The Parent Entity has provided a Bank Guarantee for $5.77m (2024: $4.94) in favour of the Workcover Corporation of South Australia, which is required as a condition of Calvary Heath Care Adelaide Limited and Calvary Home Care Services Limited being granted the right of workers compensation self-insurance from 1 July 2011 and 1 March 2012, respectively.

18. Borrowings

This note provides information about the Company's interest-bearing loans and borrowings which are measured at amortised cost.

In thousands of AUD	Total	Utilised	Unused
2025			
Secured external loans	527,547	389,047	138,500
Unsecured loan - The Corporation of the Little Company of Mary	3,367	3,367	-
Bethlehem redevelopment construction	58,052	58,052	-
Total borrowings	588,966	450,466	138,500

In thousands of AUD	2025	2024
Current	128,736	315,693
Non-current	321.730	227.297
	450,466	542,990

Secured external loans
In November 2021, the Company entered a syndicated loan facility with Australia and New Zealand Banking Group Limited (ANZ), Westpac Banking and Corporation (WBC), National Australia Bank Limited (NAB) and Perpetual Corporate Trust Limited. Since October 2024, Melbourne Catholic Development Fund (CDF) has replaced Metrics as a participant in the facility. The purpose of this facility was to fund the purchase consideration of Japara Healthcare Limited and refinance existing debt facilities. The syndicated facility has a total facility limit of $527.5m. At 30 June 2025, $389.0m (2024: $481.5m) was drawn down. This is structured as follows:

In thousands of AUD

Facility	Commitment	Drawn at close	Maturity Date
Facility B	263,977	263,977	08-Oct-27
Facility C	253,570	125,070	04-Nov-26
Facility D	10,000	-	04-Nov-26
Total	527,547	389,047	

Borrowings under this facility bear interest at a floating BBSY bid plus a margin. The Company has complied with all debt covenants through the reporting period.

Under the current syndicated loan facility, $254m Facility C and $10m Facility D are scheduled to mature on 4 November 2026. On 8 October 2024, the Group refinanced a $309.6m syndicated bullet term loan facility B with a 3-year term. Mandatory repayments made by Calvary from asset sales are applied directly to reduce both the outstanding debt and the committed facility limit, as reflected in the updated facility table above.

Covenants on loan facilities
Calvary's loan facilities contain undertakings to comply with financial covenants and ensure that the guarantors of these facilities, which include the Company and its controlled entities ("Group"), collectively meet certain minimum threshold amounts of Group EBITDA and Group Total Assets. The main financial covenants which Calvary is subject to are Loan to Value Ratio and Interest Cover Ratio. Financial covenants testing is undertaken monthly and reported at the Calvary Board meetings. Reporting of financial covenants to financiers occurs semi-annually for the rolling 12-month periods to 30 June and 31 December. Calvary was in compliance with all its financial covenants as at 30 June 2025.

18. Borrowings (continued)

Bethlehem Redevelopment Project financial liability
Calvary entered into a loan arrangement with a project financier to support the redevelopment of the Bethlehem site, with a total capital commitment of $55.66 million. The loan is structured as a 40-year facility, repayable through monthly rental payments that include both principal and interest, based on an implicit interest rate of 6.39%. Repayments commenced in November 2022, and the facility is scheduled to mature in November 2062.

As at 30 June 2025, Calvary has recorded funds of $58.1m provided by a project financier under the Bethlehem re-development agreements as a financial liability. The interest on the funds provided were capitalised as directly attributable costs of the project and were accounted for as part of the project costs during the financial year. The principal of the loan and the interest accrued during the construction period have commenced repayment upon completion of the development of the property.

Accounting Policy

Financial liabilities - recognition and measurement
Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

Interest expense
Interest expense is recognised using the effective interest method.

Derecognition
The Company derecognises financial liabilities when, and only when, the Company's obligations are either discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

19. Lease liabilities

In thousands of AUD	**2025**	**2024**
Current	34,636	39,791
Non-current	494,155	539,907
	528,791	579,698

Future lease payments in relation to lease liabilities as at period end are as

In thousands of AUD	**2025**	**2024**
Within one year	38,478	41,158
Later than one year but not later than	139,360	184,907
Later than five years	847,269	877,792
	1,025,107	1,103,857

19.1 Amounts recognised in statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

In thousands of AUD	**2025**	**2024**
Interest on lease liabilities	22,247	21,908
Depreciation expense of right-of-use assets	28,228	28,840
Expense relating to short-term leases	2,405	2,507
	52,880	53,255

For further information on the accounting policy for lease liabilities, refer to Note 6.

20. Refundable loans

In thousands of AUD	2025	2024
Resident contributions - residential aged	1,012,318	983,230
Resident contributions - independent	252,612	224,301
	1,264,930	1,207,531

Accounting Policy

Accommodation payments
Persons entering an aged care facility who are assessed as "non-supported" are required to pay either a daily accommodation charge (DAP) or a Refundable Accommodation Deposit (RAD). Prior to 1 July 2014, persons entering an aged care facility who are assessed as "non-supported" were required to pay an accommodation bond. Accommodation bonds and RADs are held by the Company in the form of interest free loans from residents.

Accommodation bonds and RADs paid by residents are repayable in the event of separation from the facility. Accommodation bonds were subject to a reduction of the original loan as specified in the Resident Agreement. For each resident, the loan reduction is recognised as revenue on a straight-line basis over the term of the residency at the aged care facility or five years, whichever is less.

21. Equity loan

In thousands of AUD	2025	2024
Equity Loan from The Corporation of the Little Company of Mary	40,870	40,870
	40,870	40,870

This Equity Loan, in favour of The Corporation of the Little Company of Mary, is interest free with no obligation for repayment by the Company.

22. Provisions

In thousands of AUD	2025	2024
Provisions - current	8,999	5,457
Provisions - non current	3,979	3,815
	12,978	9,272

In thousands of AUD	Medical and Malpractice	Other Provisions	Total
Balance as at 1 July	4,703	4,569	9,272
Arising during the year	3,532	2,938	6,470
Utilised during the year	(33)	(2,731)	(2,764)
Balance as at 30 June	8,202	4,776	12,978

22. Provisions (continued)

Accounting Policy

Provisions comprise workers compensation, medical malpractice, make good provisions and aged care capital works funds.

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

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

Assessment of claims
For medical malpractice and other insurance provisions, the Company undertakes a formal claims review process in evaluating how clinical and public liability incidents and claims are managed. The Company creates adequate provisions for insurer reserved matters or incidents that may have the potential for a claim.

Claim reserves and provisions are established based on the most likely estimate taking into account any legislative issues, the facts surrounding the potential liability and the expected quantum of any payment on resolution of the matter. Where the Company self-insures, regular review of potential future claims are conducted using actuarial assessments.

23. Contract liabilities

In thousands of AUD	**2025**	**2024**
Contract liabilities - current	27,476	51,525
	27,476	51,525

Where a timing difference arises between the payment for sale of goods and rendering of services and the timing of satisfaction of a performance obligation, a contract asset or contract liability is to be recognised in accordance with AASB 15.

Contract liabilities represent the unspent grants or revenue received on the condition that specified services are delivered or conditions are fulfilled.

The services are usually provided, or the conditions usually fulfilled, within 12 months of receipt of the grant / fees. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date, or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

Where capital grants are received for the Company to acquire or construct an item of property, plant and equipment which will be controlled by the Company, the accounting treatment depends on the nature of the arrangement. If the grant is received under an enforceable agreement with sufficiently specific performance obligations, it is recognised in accordance with AASB 15, initially as a contract liability and amortised to revenue as the obligation is satisfied. Where these conditions are not met, the grant is recognised in accordance with AASB 1058, with income recognised when the asset is acquired or constructed.

Our Company Structure

24. Company entities

Controlled entities are all incorporated in Australia and 100% owned by Little Company of Mary Health Care Limited. Set out below is a list of material subsidiaries of the Group:

- Calvary Health Care ACT Limited
- Calvary Bruce Private Hospital Limited
- Calvary Clinic Pty Limited
- Calvary Health Care Bethlehem Limited
- Calvary Health Care Sydney Limited
- Calvary Health Care (Newcastle) Limited
- Calvary Health Care Adelaide Limited
- Calvary Private Health Care Canberra Limited
- Calvary Health Care Tasmania Limited
- Calvary Health Care Riverina Limited
- Calvary Retirement Communities Ltd
- Calvary Home Care Services Limited
- Calvary Aged Care Limited
- LCM Calvary Health Care Holdings Limited
- Calvary Holdings Pty Ltd
- Japara Property Holdings Pty Ltd
- Calvary Administration Pty Ltd
- Calvary Aged Care Services Pty Ltd (NAPS ID: 2958, ACN 110 140 157)

Accounting Policy

Basis of consolidation

The Company controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of controlled entities are included in the consolidated financial statements, from the date that control commences until the date that control ceases. The accounting policies of controlled entities have been changed, when necessary, to align them with the policies adopted by the Company.

Transactions eliminated on consolidation

Intra-Company balances, and any unrealised income and expenses arising from intra-Company transactions, are eliminated.

25. Parent entity disclosures

As at, and throughout, the year ended 30 June 2025, the parent entity of the Company was Little Company of Mary Health Care Limited.

In thousands of AUD	**2025**	**2024**
Result of parent entity		
Deficit for the period	(96,472)	(48,007)
	(96,472)	(48,007)
Financial position of parent entity at year end		
Current assets	66,092	55,157
Non-current assets	513,744	787,536
Total assets	579,836	842,693
Current liabilities	35,807	39,366
Non-current liabilities	460,365	553,377
Total liabilities	496,172	592,743
Net assets	83,664	249,950
Accumulated surplus	83,664	249,950
Total equity	83,664	249,950

26. Discontinued operations

26.1 Details of discontinued operation

Calvary Bruce Public Hospital

On 11 May 2023 the ACT Government introduced the Health Infrastructure Enabling Act 2023 (the Act) and Health Infrastructure Enabling Regulation 2023 (the Regulation), which on passage enabled the ACT government (the Territory) to compulsorily acquire part of the land where Calvary Public Hospital Bruce is situated, transition the operation of the public hospital to the territory and terminate the Calvary Network Agreement (CNA). The Act was passed on 31 May 2023 with an effective date of 3 July 2023.

On 3 July 2023, the Calvary Bruce Public Hospital (CPHB) was subject to compulsory acquisition by the Territory. The provision of public hospital services by the Company ceased after this date. In accordance with the Act, the public hospital land and all assets categorised as ‘public hospital assets’ were taken under the control of the Territory. On the acquisition date, the CNA and the Lease between Calvary and the Territory still had 76 years to run.

As at 30 June 2025, the operations of Calvary Bruce Public Hospital were classified as a discontinued operation.

26. Discontinued operations (continued)

26.2 Results of discontinued operation

The statement of profit or loss, including the comparative period balances, for 30 June 2025 was presented to show the discontinued operation separately from the continuing operation:

In thousands of AUD	**2025**	**2024**
Revenue from operations	-	3,235
Other income	-	696
Total revenue for the year	**-**	**3,931**
Employee benefits expense	-	1,405
Other operating expenses	1	2,949
Total expenses for the year	**1**	**4,354**
Results from operating activities	**(1)**	**(423)**
Net finance income / (costs)	45	165
Net Surplus for the year	**44**	**(258)**

Cashflow used in Discontinued Operation

In thousands of AUD	**2024**	**2023**
Cash flows from operating activities	707	(3,482)
Cash flows from investing activities	-	-
Cash flows from financing activities	(4,970)	(741)
Net cash flows for the year	**(4,263)**	**(4,223)**

26.3 Compensation claim receivable and settlement

On 3 July 2023, the acquisition was completed, and Calvary ceased operating the hospital. The net carrying value of the disposal group, totalling $79 million, was derecognised. A compensation claim was submitted to the Territory on 1 July 2024, in accordance with the process outlined in the *Health Infrastructure Enabling Act 2023*. The claim was determined by independent expert valuers and, due to the uncertainty surrounding its resolution, no gain on divestment was recognised as at 30 June 2024 and 30 June 2025.

Subsequent to year end, on 28 August 2025, Calvary and the ACT Government finalised a Deed of Settlement and Release. Under the terms of the settlement, the ACT Government agreed to make a payment of $65 million (inclusive of interest) to Calvary. This amount is in addition to the $23.2 million previously paid by the Territory as early compensation, $14.2 million of which was recognised as contract liabilities at the start of the reporting period.

In thousands of AUD	**2025**	**2024**
Compensation receivable	256,322	256,322
Compensation constrained	(191,322)	(177,782)
Net receivable	65,000	78,540

27. Employee remuneration

27.1 Employee benefits expense

In thousands of AUD	**2025**	**2024**
Salaries and wages	1,223,164	1,182,432
Superannuation - defined contribution	125,671	113,656
Superannuation - defined benefit	279	322
Workcover	28,017	27,757
Long-term and post-employment benefits	22,275	18,142
	1,399,406	1,342,309

27.2 Employee Provisions

In thousands of AUD	**2025**	**2024**
Current		
Annual leave	117,298	110,762
Long service leave	95,859	91,776
Redundancy	-	690
Other employee provisions	7,721	8,294
	220,878	211,522
Non-current		
Long service leave	19,533	16,933
	19,533	16,933

Accounting Policy

A liability is recognised for benefits accruing to employees in respect of salaries and wages, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Short-term benefits
Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Other long-term benefits
Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to the reporting date.

Defined contribution plan
Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

27.3 Key management personnel compensation

The key management personnel compensation included in 'personnel expenses' is as follows:

In thousands of AUD	**2025**	**2024**
Compensation to directors and other members of key	8,730	17,945

28. Related parties

28.1 Transaction with key management personnel

From time-to-time, Directors and other key management personnel of the Company may be treated as patients. This service is provided on the same terms and conditions as those entered into by other employees or customers and are trivial or domestic in nature.

28.2 Transactions with other related parties

In thousands of AUD	**2025**	**2024**
Payments during the year by The Corporation of the Little Company of Mary:		
Repayments of borrowings	805	784
Interest	195	216
	1,000	**1,000**
Payments made during the year to Calvary Ministries Limited		
Payment of Board and other expenses	713	370
	713	**370**
Profit/(Loss) recognised during the year		
My Home Hospital	1,680	822
	1,680	**822**

28.3 Balances with other related parties

In AUD	**2025**	**2024**
Amounts payable to The Corporation of the Little Company of		
ILU contributions for accommodation of Sisters	8,527	9,056
Other loan payable	3,367	4,433
	3,367	**13,489**

Other loan payable

The Company has an interest-free loan of $10 million from The Corporation of the Little Company of Mary, which was converted from an equity loan on 30 June 2018. The loan is unsecured, subordinated to all other creditors of Holdings, and repayable in quarterly instalments of $0.3 million over a 10-year period, commencing 1 July 2019. The Corporation may require early repayment of the outstanding balance with at least one year's notice. As at 30 June 2025, the carrying value of the loan was $3.75 million (refer Note 18).

28.4 Other related party disclosures

Residential premises

Residential premises at Hillpine Avenue, Kogarah are provided rent-free to Little Company of Mary Sisters who are associated with the Company.

28. Related parties (continued)

Independent living units
The Sisters of the Order of the Little Company of Mary, who were residents in the independent living units at Calvary Retirement Community Ryde, were charged a maintenance levy calculated according to normal village maintenance fees. Sisters in the hostel and nursing home were charged care fees as per the schedule of approved fees issued by the Department of Health and Ageing. The maintenance charge and care fees for the financial year totalled $0.2m (2024: $0.2m).

Equity Loan

In thousands of AUD	**2025**	**2024**
Equity Loan from The Corporation of the Little Company of Mary	40,870	40,870
	40,870	40,870

The equity loan is an equity contribution from The Corporation of the Little Company of Mary, relating to the transfer of land and buildings by The Corporation of the Little Company of Mary and is interest-free, repayable at the discretion of the Company and subordinated to all other creditors of the Company.

29. Remuneration of auditors

In thousands of AUD	**2025**	**2024**
(a) Audit and other assurance services		
KPMG Australia		
Audit and review of financial statements	1,011	951
Regulatory assurance services	-	45
Total remuneration for audit and other	1,011	996

(b) Other services		
KPMG Australia	**2025**	**2024**
Other services	-	-
Total remuneration for other services	-	-
Total remuneration of auditors	1,011	996

30. Economic dependency

The operations of entities within the Company, including Calvary Health Care Bethlehem Limited, Calvary Health Care Sydney Limited, Calvary Health Care (Newcastle) Limited, Calvary Retirement Communities Limited, Calvary Aged Care Limited, and other controlled entities, depend on the annual appropriation of monies by their relevant State or Territory Governments to fund operations and meet commitments, in accordance with separate agreements between these companies and the relevant Government authority.

The Directors currently believe that, collectively, the Company has sufficient cash resources to ensure the Parent Entity and each controlled entity will continue to trade as a going concern and they are unaware of any material uncertainties, events or conditions, which may cast significant doubt on this belief.

31. Contingent liabilities and assets

Claims on managed fund
On 1 July 1989 the NSW Government implemented a self-insurance scheme known as the Treasury Managed Fund (TMF). Since that time, the Company has been a member of the TMF. The TMF will pay to or on behalf of the Company all sums which it shall become legally liable to pay by way of compensation or legal liability except for employment related, discrimination and harassment claims that do not have state-wide implications. Therefore, since 1 July 1989, apart from the exceptions noted above no contingent liabilities exist in respect of liability claims against the Company.

A Solvency Fund (now called Pre-Managed Fund) Reserve was established by the NSW Government to deal with the insurance matters incurred before 1 July 1989 that were above the limit of insurance held or for matters that were incurred prior to 1 July 1989 that would have become verdicts against the State. The Pre-Managed Fund will respond to all claims against the Company.

Other than the above, there is no other contingent assets or liabilities in relation to the reporting period.

32. Subsequent events

In 2023, the ACT Government acquired Calvary Public Hospital Bruce (now North Canberra Hospital) following the introduction of the *Health Infrastructure Enabling Act 2023* (the Act). The Act provides for claimants to seek compensation for costs incurred as a result of the transition, including Just Terms compensation for the acquisition of land and buildings and the termination of the Calvary Network Agreement.

Subsequent to year end, Calvary Health Care ACT (Calvary) and the ACT Government finalised a deed of settlement and release, concluding the determination of Just Terms compensation under the Act. The settlement includes a payment of $65 million (inclusive of interest), in addition to the $23.2 million previously paid by the Territory to Calvary as early compensation to cover obligations arising from the acquisition.

There has not arisen, in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

33. Other accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Company.

33.1 Income tax

The Parent Company and all but two subsidiaries are exempt from income tax under the current provisions of the Australian Income Tax Assessment Act (1997). Two subsidiaries within the Company, Glad Pty Ltd and Lovell H.C.S. Pty Ltd are Australian tax paying entities. The subsidiaries have ceased trading.

33.2 Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.
The GST components of cash flows arising from operating, investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

33. Other accounting policies (continued)

33.3 Finance income and expense

Interest income and expenses are recognised using the effective interest method.

34. Changes to accounting policies

There were no new or amended accounting standards adopted during the year that had, or were expected to have, a material effect on the Company's accounting policies or financial result.

A number of new accounting standards and interpretations are effective for annual reporting periods beginning on or after 1 July 2025. Early adoption is permitted; however, the Company has not early adopted the following standards in preparing these financial statements:

- Classification & Measurement of Financial Instruments (Amendments to AASB 9 and AASB 7)
- Presentation and Disclosure in Financial Statements (Amendments to AASB 18)

The Company is still in the process of assessing the impact of the new standards on future financial results and the financial position upon adoption. There have been no changes to accounting policies in preparation of these financial statements of the Company.

Independent Auditor's Report

To the members of Little Company of Mary Health Care Limited

Opinion

We have audited the ***Financial Report***, of Little Company of Mary Health Care Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

i. giving a true and fair view of the ***Group***'s financial position as at 30 June 2025, and of its financial performance and its cash flows for the year ended on that date; and

ii. complying with *Australian Accounting Standards – Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022 (ACNCR)*.

The ***Financial Report*** comprises:

i. Consolidated statement of financial position as at 30 June 2025.

ii. Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.

iii. Notes, including material accounting policies.

iv. Directors' declaration of the Company.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Other information

Other Information is financial and non-financial information in Little Company of Mary Health Care Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Framework and the ACNC and ACNCR.

ii. Implementing necessary internal control 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.

iii. Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and

ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

i. 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.

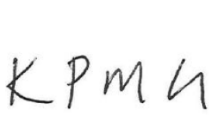
ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Group's internal control.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

iv. Conclude on the appropriateness of the Directors' 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 registered Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Group and Company to cease to continue as a going concern.

v. 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.

We communicate with the Directors of the registered Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.





KPMG

Nicola Buddee

Partner

Sydney

24 October 2025

"KB-6"

7 February 2025

Via email: private.hosptals@health.gov.au

Catholic Health Australia Submission: Private Health Reform Options

Thank you for the opportunity to provide feedback on the Department of Health and Aged Care's (DoHAC's) Private Health Reform Options.

Catholic Health Australia's not-for-profit providers are dedicated to advocating for an equitable, compassionate, best practice, and secure health system that prioritises person-centred care. CHA and its members welcome the government's intent to improve the viability of private hospitals and broadly supports the proposed reforms.

CHA encourages DoHAC to implement immediate financial relief for private hospital providers by establishing regulated minimum sector-wide payment terms and guidelines applicable to all health funders and service providers. This measure would provide timely and effective financial support while enhancing sector productivity and efficiency by standardising health funding contract terms to align with industry-wide standards, similar to other industries such as aged care.

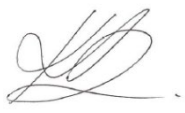
CHA has proposed several additional recommendations aimed at addressing the financial and operational challenges faced by private hospitals in the short-term. These include:

- leveraging private hospital capacity to support public hospitals
- incorporating current and future hospital costs into the private health insurance premium round process, including enterprise agreement wage growth
- adjusting capital reserve requirements for private health insurers
- ensuring the entirety of the private health insurance rebate is allocated to patient benefits.

If you wish to discuss anything further, please contact Dr Katharine Bassett, Director of Health Policy on 0420 727 709 or at katharineb@cha.org.au.

Yours sincerely,





Jason Kara
Chief Executive Officer
Catholic Health Australia

Dr Katharine Bassett
Director of Health Policy
Catholic Health Australia

Catholic Health Australia

Submission: Private Health Reform Options

January 2025

Catholic Health Australia
www.cha.org.au

Catholic Health Australia (CHA) is Australia's largest non-government grouping of health, community, and aged care services accounting for over 15 per cent of hospital-based healthcare in Australia. Our members operate hospitals in each Australian state and in the Australian Capital Territory, providing about 30 per cent of private hospital care and 5 per cent of public hospital care in addition to extensive community and residential aged care. CHA Members also provide approximately 12 per cent of all aged care facilities across Australia, in addition to around 20 per cent of home care provision.

CHA not-for-profit providers are a dedicated voice for the disadvantaged which advocates for an equitable, compassionate, best practice and secure health system that is person-centred in its delivery of care.

Overarching comments

Increasing cost pressures and declining viability has resulted in many hospitals needing to make tough decisions regarding what services are provided. These pressures are more pronounced for for-profit hospital providers who are driven by the interests of private equity investors and shareholders. In the last few years, we have seen for-profit providers increasingly focus on providing high-activity, lower-cost, and low-complexity services to maximise profits, and reduce the availability of high-cost, complex services. Not-for-profit hospitals, particularly those run by faith-based organisations, frequently step in to fill this gap, as these hospitals prioritise patient care over profitability. Additionally, not-for-profit hospitals often serve a higher proportion of uninsured or underinsured patients. These factors have resulted in not-for-profit hospitals facing significant financial strain as they absorb the costs of providing essential services that for-profit hospitals are less inclined to offer. To address these challenges, it is essential the industry establishes more equitable funding models that avoid some hospitals focusing on low cost and high margin services at the exclusion of other essential private health services. Policies should aim to ensure not-for-profit hospitals receive adequate support to continue providing essential, high-cost healthcare services without compromising their financial stability.

Additionally, while CHA welcomes the government's intent to improve the viability of private hospitals, the only proposal that will provide immediate relief to hospitals is the implementation of regulated and standardised sector-wide guidelines for payment terms between private health insurers and private hospitals, providing all outstanding payments not under dispute are promptly paid. CHA has prioritised the proposals based on what will have an immediate impact on viability:

1. Payment terms and administrative costs
2. Mental health
3. Hospital in the home
4. Changes to risk equalisation arrangements
5. Maternity care
6. Second-tier default benefits

The following additional proposals are recommended to improve private hospital viability in the short-term:

- **Leverage latent capacity on private hospitals to support public hospitals:** there is an opportunity to shape the National Health Reform Agreement (NHRA) to support financial sustainability for private hospitals by taking a national approach to incentivise state and territory governments to utilise private hospital capacity for public hospital waiting lists. Currently the individual arrangements are separately negotiated between various states and local health networks with individual hospitals providers/hospitals. This process is inefficient, bureaucratic, short-term focused, and often provided by the private provider at a discount to the state/territory funding. These arrangements could be significantly improved through the development of a national private contracting framework, with states and territories obliged to pass through 100 per cent of existing health funding, with transparent and published performance targets set for all state and territory public health services.
- **Support enterprise agreement (EA) wage growth in private hospitals:** the increasing cost of EA wage growth (in particular nursing) is of significant concern for the private healthcare sector and the ongoing sustainability of the sector. State and territory negotiated EAs typically dictate the market rate for the private sector. The government can support EA wage growth in private hospitals through several mechanisms. These include subsidies under Section 51, grants under Section 96, and tax incentives or rebates under Section 51(ii). Additionally, the government can offset costs by covering superannuation contributions, subsidising utilities and medical consumables, and supporting capital expenditures and compliance costs.
- **Incorporate hospital costs into the annual private health insurance premium round process:** the cost pressures faced by private hospitals must be integrated through an external cost model to ensure

premium increases account for hospital cost pressures. This process must be transparent, with clear agreements on handling commercially sensitive information. The Department of Veterans' Affairs (DVA) Cost Indexation Report could be a useful first tool for this integration, providing an evidence-based overview of cost pressures without additional administrative burden. Funders could reference this report in their applications, explaining how they will ensure adequate reimbursement for health service providers.

- **Adjust the capital reserve requirements for private health insurers:** the Australian Prudential Regulation Authority (APRA) implemented a new capital framework for private health insurers on 1 July 2023, to enhance financial protection for policyholders by better reflecting the risks faced by insurers. Private health insurers argue that these stringent requirements overstate their risks, leading to higher costs and operational challenges. The new standards inadvertently reduce funding to hospitals as insurers must maintain higher reserves, limiting liquidity for immediate expenditures like hospital reimbursements. Additionally, many private health insurers are holding onto more capital than required, resulting in less liquidity available for hospital reimbursement. Adjusting the capital requirements to better align with the unique risk profile of private health insurers and implementing a cap on capital requirements could alleviate these pressures and direct more funding to hospitals. A phased implementation and thorough assessment of financial impacts are necessary to ensure a smooth transition.
- **Allocate the entirety of the private health insurance rebate to patient benefits:** the private health insurance rebate is designed to help Australians afford private health insurance premiums, with higher rebates for older and lower-income individuals. Around 20 per cent of the rebate is currently used for private health insurers administrative and management expenses, reducing its effectiveness in enhancing patient care. To address this, private health insurers should be required to allocate the entire rebate to patient benefits. This should be implemented alongside
- **Pause reforms to the Prescribed List:** the ongoing reforms to the Prescribed List are inadvertently impacting hospital viability. These changes include, but are not limited to, the removal of fibrin sealants from the list, amendments to definitions under the current prescribed list grouping scheme, and the removal of technical support services for cardiac implantable electronic devices from the prescribed list. It is recommended that these reforms be paused until the private hospital viability issues are addressed.

Response

Proposal 1: second-tier default benefits — short-term reform proposal

The proposal aims to enhance negotiations between private hospitals and insurers by updating the calculation methodology for second-tier default benefits. This involves using volume weighting of contracted services to prevent artificially low benefit rates and revising hospital categorisation to increase benefits for non-metropolitan hospitals from 85 per cent to 100 per cent of the insurer's contracted rate. The changes will be implemented by amending Schedule 5 of *the Private Health Insurance (Benefit Requirement) Rules 2011*.

Issues for stakeholder feedback:

General comments

The proposal aims to enhance the integrity of second-tier default benefit calculations and increase support for established regional hospitals. Currently, the process to calculate second-tier default benefits is *ad hoc* and complex, making it difficult for health funds — particularly those with complex funding models — to calculate default benefits accurately. CHA is supportive of simplifying the calculation methodology and using volume weighting as a mechanism to improve integrity. This could be achieved using Hospital Casemix Protocol and Private Hospital Data Bureau datasets. Currently default benefit rates are not transparent, as hospitals are only able to access the rates if they are unable to negotiate a contract. Hospitals should have the ability to confidentially access rate information from the Department of Health and Aged Care (DoHAC) independent of the private health funders when negotiations stall. Furthermore, private health insurers

should commit to ensuring that no contracted hospital in non-metropolitan areas has rates in place that are less than the second-tier rates to set a floor for private hospital funding.

CHA is also supportive of increasing the second-tier default rate to 100 per cent of the insurer's contracted rate for non-metropolitan hospitals and recommends increasing it to 90 per cent for metropolitan hospitals. There is a risk this policy may create a perverse incentive for hospitals to go out of contract with insurers, particularly when a facility is contracting below the default benefit rate, which would have a significant impact on patients. Additionally, there is a risk that this policy could entice new services to enter the market, potentially disrupting existing services. The policy should therefore only apply to established services.

If the objective is to improve funding models to ensure the sustainability of regional private hospitals long-term, an independent pricing body, such as IHACPA, should be responsible for determining a National Private Price for private health services. This price would consider factors which impact the cost of delivering care, including rurality, as it would be based on cost data provided by private health providers, meaning that price growth would mirror cost growth. The goal of funding reform would be to more adequately and accurately recognise relativities and increases in costs, and remove perverse incentives/disincentives that prevent the sector from responding to the needs of consumers and the health sector.

Whether the proposed changes are implemented on a temporary or permanent basis and the period by which a post implementation review should be undertaken.

It is recommended the proposed changes to the calculation methodology for second-tier default benefits be implemented permanently, with an initial review conducted 12 months after the implementation of the changes and adjustments made if needed.

The commencement of the proposed changes, noting the current annual processes for second-tier audit, categorisation and rate calculation.

As outlined above, this proposal is unlikely to have a significant impact on hospital viability, and therefore the timing of commencement is not critical and can align to the current annual processes for second-tier audit, categorisation, and rate calculation.

The criteria for determining what constitutes an established regional hospital eligible for a higher second-tier default benefit, noting DoHAC regularly makes use of the Modified Monash Model (MMM) for geographic definitions.

The following criteria is recommended:

- geographic location: the hospital must be located in a regional area as defined by the MMM
- accreditation: the hospital must be accredited and meet all relevant standards for private hospitals
- service range: the hospital should offer a wide range of services, demonstrating its capability to provide comprehensive care to the regional population
- volume of services: the hospital must deliver services at a specified volume, ensuring it lays a crucial in the regional healthcare system.

The level of the proposed increase to the second-tier rate for established regional hospitals and estimated impact on private health insurance benefit amounts. There are around 110 hospitals in MMM2 or above areas. The number of separations these hospitals account for approximately 14% of all private hospital separations and approximately 12% of all private hospital revenues. We note that not all of these hospitals accessed second tier benefits.

Many of these hospitals in MMM2 or above areas contract as part of larger hospital groups and are therefore unlikely to access second-tier default benefits. To support the small number of hospitals that would utilise second-tier default benefits, it is recommended that the rate be increased from 85 per cent to 100 per cent of the insurer's contracted rate. While the proposal is unlikely to have a significant impact on private health

insurance benefit amounts as it will only apply to a small number of hospitals, the impact on insurance premiums should be monitored and managed to ensure affordability for consumers.

Any additional arrangements to support the effectiveness of the proposed changes, including audits of calculations and the publication of second-tier rates.

- **Transparency of second-tier default benefit rates:** while transparency of the methodology should be improved, caution should be exercised in publishing second-tier rates. This is because some providers may be contracting below the second-tier rate, which is currently only revealed to a hospital if they go out of contract. Although it is important for hospitals to be paid appropriately, publishing these rates could negatively impact the viability of the private health sector in the short-term. This is because insurers would be required to pay more than originally anticipated, resulting in insurers needing to compensate for the increased costs through other such as tighter contracting with hospitals or increased premiums. It is for this reason that CHA recommends the focus be on non-metropolitan areas.
- **Audits of calculations:** regular audits of calculations should be performed to ensure accuracy and compliance with the established methodologies. These audits will help maintain the integrity of the system, identify any discrepancies, and provide assurance to stakeholders that the calculations are being conducted correctly.
- **Weighted model:** when considering how to aggregate hospital needs using a weighted model, it is essential to ensure that the methodology is both fair and accurate. One effective mechanism to achieve this is by leveraging the Australian Institute of Health and Welfare's (AIHW) peer grouping system. The AIHW's peer grouping system categorises hospitals based on shared characteristics, such as the type and nature of services provided, hospital size, and geographic location. This system allows for meaningful comparisons and ensures that hospitals with similar profiles are grouped together. By using this established framework, the weighted model can more accurately reflect the diverse needs of different hospitals.

Proposal 2: payment terms and administrative costs — short-term reform proposal

The proposal aims to improve private hospital cash flows and reduce administrative costs by implementing sector-wide guidelines. Key measures include a moratorium on unpaid benefit claims exceeding a reasonable payment period, standardising the timeframe for post-payment audits, and standardising administrative, reporting, and compliance terms in Hospital Purchaser Provider Agreements. These changes will be implemented through amendments to these agreements by private health insurers and hospitals.

Issues for stakeholder feedback:

General comments

CHA is strongly supportive of the introduction of payment terms and standardising administrative, reporting, and compliance contract terms. Several private health insurers have existing contract payment terms ranging between 14 and 28 days, however moving to a minimum standard payment terms of 14 days will enable alignment with health provider payment terms and would be an improvement for the sector. Wages are the substantial operating cost of hospital providers and are paid on a fortnightly basis.

CHA members also currently have substantial amounts in unpaid claims, primarily due to issues related to the Prescribed List (and certification requirements). Despite the legal obligation of insurers to pay claims under the *Private Health Insurance Act 2007*, many insurers fail to comply, and DoHAC, which is currently responsible for regulating this act, is not currently utilising its enforcement powers. Additionally, many contracts currently contain payment terms and conditions on audits, however these are typically ignored. In some instances, private health insurers will request clinical notes from hospitals, which may be a risk to patient privacy as the consent on the National Private Patient Claim Form is often insufficient. There is often a reluctancy to enter a formal dispute as this is a costly exercise that often has an impact on broader negotiations and the relationship between hospitals and insurers. Some disputes are brought to the Commonwealth Ombudsman with varying degrees of success and often long timeframes until resolution.

DoHAC also assists in resolving these disputes, however this assistance is advisory rather than regulatory, and the advice provided is unable to be shared with other parties, further complicating the process. This demonstrates there is a need for stronger regulatory measures to ensure compliance and ensure the introduction of payment terms is effective (further detailed below).

If payment terms are introduced, CHA recommends that any outstanding payments not under formal dispute should be promptly paid within 14 days. CHA and its members willing to collaborate with DoHAC to develop a solution that minimises the administrative burden for DoHAC, noting that DoHAC can, as the regulator, issue directives to private health insurers to ensure timely payment of outstanding amounts. Implementing this measure would immediately enhance the financial viability of private hospitals, ensuring they can continue to provide essential healthcare services.

While introducing measures to reduce payment delays will be beneficial, the underlying cause of the delays also needs to be addressed:

- There is currently poor understanding of *Private Health Insurance (Reforms) Amendment Rules 2018,* Rule 11F which sets out the coverage of treatment for insurance policies that cover hospital treatment. The new product tiers and clinical categories were intended to give consumers greater certainty about services covered, however private health insurers continue to reject claims where internal rules have been created that limit scope by MBS, DRG, or other factors. Other elements of Rule 11F including associated unplanned treatment and treatment for complications are also poorly understood. An education package for private health insurers and consumers is needed to reinforce the correct interpretation of legislation and rules.
- Advocacy bodies and private health insurance management agents often provide 'guidance' notes to private health insurers, which recommend a particular course of action to reject claims under certain circumstances. This results in private health insurers collectively rejecting claims without necessarily understanding all requirement of a complex rule or the individual variation of a claim. Several of these 'advice notes' include inaccurate information, resulting in payment delays. All advice given by advocacy bodies/management agents to private health insurers should be fact checked by DoHAC and endorsed as correct. The AskMBS Email Advice Service provides this service however responses are not broadly shared or published or publishing it, leads to wasted time and duplication of effort. Departmental advice should be transparent, defensible, and repeatable. A Q&A webpage for access by topic would alleviate DoHAC's workload as often multiple parties are seeking the same information. Additionally, this function should be broader than just the MBS (e.g. ask DoHAC) as this would reduce claim rejection, waste, and costs across the sector in managing mass claim rejection issues.
- Long-term reforms are needed to modernise the Prescribed List and reduce the administrative burden associated with maintaining the list. This includes streamlining the listing pathways and transitioning to a more sustainable funding model that is less susceptible to influence and funds innovation and value-based care.
- Any significant changes to the Prescribed List need careful consideration to ensure patient access is maintained and devices are adequately paid for, and there have already been considerable reforms to the Prescribed List that have negatively impacted access, such as the removal of fibrin sealants. It is crucial that any further changes continue to support access and ensure patients receive the necessary medical devices without financial barriers.

The certification process also creates a significant amount of administrative burden largely because it does not reflect contemporary clinical care, and ageing population, the value proposition of private health insurance, and whether the MBS has been correctly allocated based on majority usage. Type B and Type C certificates in particular are burdensome and more clarity on funding is needed. Certification must consider the policy intent (including MBS Review Taskforce and Medical Services Advisory Committee (MSAC) advice/recommendations), as well as the clinical requirements (including MBS claiming/other usage data for similar items, internal clinical advice, and private health sector consultation).

The requirement for Type B and Type C certification should be paused until a review is conducted to determine whether the requirements are fit for purpose. This review should consider the following recommendations:

- Apply an age-based exemption for Type B and Type C certifications so they are not required for patients over 65 years of age.
- Apply a time-based exemption for Type B and Type C certifications if the operating time commenced after 3pm and greater than 45 minutes.
- Exclude multiday stays (greater than two days) from Type B and Type C certification requirements, as admissions for a medical reason may take multiple days yet only attract an MBS item relating to the doctor's consultation (thereby making it a Type C).
- Align the Therapeutic Goods Association (TGA) and MBS clinical requirements with certification requirements for monoclonal antibody infusions to remove the time restriction.
- Review Type B and Type C procedure allocation to ensure the certification does not unfairly discriminate against those settings who do not provide all services.
- Intensive care unit and neonatal certificates provide no value, and a standardised funding model would resolve this issue.
- Acute care certificates require signatures from both the clinician and the patient, which is unnecessary.
- Anecdotally, CHA members have heard funds do not look at rehabilitation and psychiatric certifications, and that their system is set up to capture the presence of a certification in the ECLIPSE field rather than the content of the certification (as the HCP and claims data provides the information insurers need).
- An age-based exemption should be applied for Type B and Type C certificates, so they are not required for >65+ years.

The extent to which a sector self-regulatory approach is viable, including how consensus arrangements may be identified, maintained and updated.

As outlined above, stronger regulatory measures are needed to ensure compliance, and therefore a self-regulatory approach is unlikely to be viable. In addition to regulatory measures, the following is also required for the proposal to be viable:

- **Industry commitment:** issues persist even under the current regulatory framework, and therefore if new arrangements were developed, all stakeholders, in particular private hospitals and health insurers, must be committed to the process. This includes a willingness to adhere to agreed-upon standards and to participate in the development and enforcement of these standards. Consensus can be achieved by involving all relevant stakeholders in the decision-making process.
- **Clear guidelines and standards:** establishing clear, consistent guidelines and standards will be crucial. These should be developed collaboratively to ensure they are practical and acceptable to all stakeholders involved.
- **Effective monitoring and enforcement:** mechanisms will be required to monitor compliance and enforce the standards. This could include regular audits, reporting requirements, and penalties for non-compliance.
- **Conflict resolution:** clear mechanisms for resolving disputes will be required to maintain consensus. This could include mediation or arbitration processes that are agreed upon by all stakeholders.
- **Flexibility and adaptability:** the regulatory framework should be flexible enough to adapt to changes in the industry and to incorporate feedback from stakeholders. This ensures that the regulations remain relevant and effective over time.
- **Continuous improvement:** the regulatory framework should be subject to regular review and updates. This allows for the incorporation of new information, feedback from stakeholder, and changes in the industry.

The contribution DoHAC or another third party may play in facilitating industry agreement on standardised contractual terms.

DoHAC or another third party will play an essential role:

- **Neutral facilitator:** DoHAC or a third party can act as a neutral facilitator, ensuring all stakeholders have an equal voice in the discussions. This will help build trust and encourage open communication.
- **Expertise and guidance:** DoHAC or third party can provide expertise and guidance on best practices for standardised contractual terms. This includes sharing knowledge on legal requirements, industry standards, and effective contract management processes.
- **Mediation and conflict resolution:** in cases of disagreement, DoHAC or third party can mediate and help resolve conflicts. This ensures discussions remain productive and consensus can be reached more efficiently.
- **Drafting and reviewing contracts:** DoHAC or third party can assist in drafting and reviewing standardised contracts to ensure they are fair and balanced. This will help prevent potential disputes and ensures the interests of all stakeholders are protected.
- **Monitoring and compliance:** DoHAC or third party can also play a role in monitoring compliance with the agreed-upon terms and conditions. This includes conducting audits and providing feedback to ensure continuous improvement.

The potential for regulatory changes to assist in the introduction of standardised arrangements and/or to address issues that give rise to significant disputes about claims for benefits such as hospital certification requirements.

Regulatory changes can mandate the use of standardised contractual terms across the sector. This would ensure consistency and fairness in agreements between private hospitals and health insurers, reducing the potential for disputes. The following contractual terms should be included:

- **Clear guidelines for payment periods:** regulated payment periods and enforced penalties for non-compliance. A payment period of 14 days is recommended. This would help improve cash flows for private hospitals and reduce administrative burdens.
- **Post payment audit processes:** standardised timeframes for post payment audits that align with existing compliance arrangements like the Medicare Benefits Schedule (MBS). It is recommended this timeframe be two years to align with existing compliance arrangements. This would provide clarity and consistency, reducing disputes related to audit processes.
- **Audit volume cap:** a requirement that no more than two per cent or 250 episodes (PHI members per facility) may be audited in any given year, recognizing that errors can occur in both directions.
- **Resolution of audit queries:** a requirement that audit queries are resolved within 14 days of receiving legitimately requested information. This would require clarification of the information private health insurers are able to request, the minim security specifications required for data sharing, and clear destruction protocols and timeframes for private health insurers to destroy any information requested after it has been used for an audit query.
- **Post-payment audits:** audits of claims can only occur post-payment unless a manifest error in an invoice is identified. For this to be effective, clear definitions would be needed on what information can be requested (as outlined above).
- **Escalation of unresolved claims:** any unresolved audit claims should be escalated internally to a senior executive level for resolution.
- **On-site audits:** whenever possible, audits of clinical notes/medical records should be conducted on-site to reduce the risk associated with the transmission of sensitive information.

- **Reciprocal audit rights:** if a private health insurer chooses to audit a hospital, the hospital should have reciprocal rights to review an equivalent number of episodes within the same annual period where they believe an error resulting in an underpayment may have occurred and resubmit for payment.
- **Payment of resubmitted claims:** any resubmitted claim within the claim submission terms (generally three months to two years) should be paid according to payment terms, regardless of whether it is an initial claim or a correction.
- **Reporting of error rates:** private health insurers and hospitals should be required to report annual error rates (claims not paid in full or amounts/number of claims requiring a refund due to error) for transparency, either to DoHAC, the Commonwealth Ombudsman, or other appropriate tribunal. Private health insurers should also report error rates to the Australian Prudential Regulation Authority (APRA) as part of the quarterly reporting.

In addition to standardising contractual terms, the following regulatory changes should be considered:

- **Hospital certification requirements:** regulatory changes can streamline hospital certification requirements, ensuring that all hospitals meet consistent standards. This would help address issues that give rise to disputes about claims for benefits, as all parties would have a clear understanding of the certification criteria.
- **Independent dispute resolution:** implementing an independent dispute resolution process, similar to the one established by the No Surprises Act, can help resolve payment disputes between providers and private health insurers. This process can provide a fair and transparent mechanism for resolving disputes, reducing the need for lengthy and costly litigation.
- **Monitoring and compliance:** regulations can also establish robust monitoring and compliance mechanisms to ensure that all parties adhere to the standardised arrangements. This includes regular audits, reporting requirements, and penalties for non-compliance.

Proposal 3: hospital-in-the-home — short-term reform proposal

The purpose of this initiative is to enhance patient access to effective hospital-in-the-home (HITH) and ensure funding stability for providers. By early 2025, the sector and the DoHAC will identify an initial set of beneficial programs. Insurers will be mandated to fund these programs for policyholders with appropriate coverage, provided the programs meet accreditation and quality standards. After implementing the first set of programs, DoHAC will work with the sector to consider adding more programs. This will involve amending the *Private Health Insurance (Benefit Requirement) Rules 2011*.

General comments

Expanded out of hospital care and hospital in the home care are powerful opportunities

A default benefit for out-of-hospital (OOH) services, including HITH, is a crucial interim reform to enhance short-term patient access to safe and clinically effective care. This reform will drive productivity in the sector by encouraging insurers to contract with private and not-for-profit hospitals, thereby expanding the delivery of HITH and other OOH services to more patients.

Private hospitals and other facilities currently offer varying types and levels of healthcare outside the hospital. For the purposes of this submission and establishing a default benefit, these types of care have been classified as:

- Tier 1: acute care at home (HITH):
  - high-acuity care that requires admission with medical supervision
  - episodic treatment for an injury, acute illness or medical condition
  - led by hospital-level medical staff with 24/7 access to the multidisciplinary treating team
- Tier 2: post-acute and sub-acute care for ongoing recovery and goal-directed care to support functional capacity at home:

- multidisciplinary care delivered immediately after the acute phase
- reducing patient length of stay in hospital and/or avoiding readmission post discharge
- subacute care can be delivered hospitals or preferably in many instances, the home
- examples include rehabilitation, palliative, geriatric evaluation and management and psychogeriatric care types.

The reason for differentiation is to clarify the scope, complexity, and cost of offering different levels of care outside the hospital.

Despite the enormous opportunity for improved productivity and health outcomes, OOC has been described as the 'missing sector'. It represents 'low-hanging fruit' for a structurally significant improvement in the capacity of the healthcare system to deliver high-quality care to Australians at scale. Compared to traditional inpatient care for medically stable patients, OOH services — including hospital-level acute care (HITH) and subacute care programs (e.g. rehabilitation at home) — are often more efficient and effective, with lower readmission rates, shorter lengths of stay, reduced mortality, and increased patient satisfaction.[1,2] In the United Kingdom, 20 per cent of bed capacity is dedicated to OOH care, while some regions in Canada allocate 10 per cent. In contrast, OOH care in Australia accounts for only five per cent of private hospital care, with HITH representing just a small portion of that 5 per cent. Private health insurers have estimated that expanded HITH could save the private health system $1.3 billion per year.[3]

Challenges in increasing out-of-hospital care

In 2024, CHA conducted in-depth public research which found that 94 per cent of Australians believe patients and their doctors — rather than insurers — should decide whether a patient should access HITH and subacute care, provided it is safe and appropriate. Furthermore, 87 per cent agreed that OOH care should be a mandatory inclusion in insurance policies.[4] Yet despite the evidence, cost savings, and patient demand, the absence of default benefits has meant there is little incentive for insurers to fund OOH services. Some private health insurers refuse to contract with hospitals for these services, citing concerns about benefit outlay, quality,[5] and necessity. Others do not support services outside their own direct or subcontracted care (a model often referred to as 'managed care'), which can inhibit patient choice and clinical autonomy. Concerns raised by CHA members include:

- private health insurers instating on practices which contradict contemporary best practice or are not clinically indicated (for example, requiring medication delivery via a peripherally inserted central catheter line and refusing to fund delivery via a cannula)
- some private health insurers have discontinued funding for HITH services, including chemotherapy at home
- private health insurers can decline to fund HITH referrals directly from a private emergency department, despite direct referrals being common practice in public emergency departments

[1] Out of hospital care in Australia (2021) Catholic Health Australia. Available at: https://www.cha.org.au/wp-content/uploads/2021/03/6- CHA-Report-J170720.pdf

[2] Cross, J., et al (2020). 'Supporting choice: an innovative model of integrated palliative care funded by a private health insurer.' Internal Medicine Journal, 50(8), pp.931-937.

[3] There's no place like home: Reforming out-of-hospital care (2023) Private Healthcare Australia. Available at: https://www.privatehealthcareaustralia.org.au/wp-content/uploads/20230523_PHA-Report_Reforming-out-of-hospital-care.pdf

[4] Note: CHA can make this polling available to DoHAC in greater detail on request.

[5] Concerns regarding quality are unfounded, as hospital-delivered HITH and other OOH services must comply with the same processes for quality measurement and care delivery as the hospital and be accredited against the National Safety and Quality Healthcare Standards.

- private health insurers declining to contract directly and insisting hospitals contract with their own OOH care/HITH vertically integrated subsidiary, at reduced rates
- for palliative care at home (detailed further below), it is common for a patient's ability to access this service to be dependent on their local government area, even with major insurers.[6]

Sporadic and intermittent funding of OOH care, and in particularly HITH, has created uncertainty, resulted in expansion of insurer-delivered HITH, prevented hospital providers from investing at scale, and ultimately contributed to Australia's low uptake of OOH care and HITH. For these reasons, adopting default benefit arrangements for Tier 1 and Tier 2 services is time sensitive.

Health insurance premiums

Some stakeholders have erroneously suggested that clinician-led HITH services would lead to higher health insurance premiums. This claim is not supported by evidence or basic economic principles.

The insurance peak body's report[7] estimated the savings of HITH at $1.3 billion annually (11 per cent of baseline spend in 2023 when the report was released). These savings can only be realised if HITH services are scaled up, and after two decades, it is evident that insurers will not make these investments without the incentive of a default benefit. To suggest shifting more Australians into typically lower-cost care environments would result in higher premiums is unsubstantiated. Furthermore, the underlying implication of this suggestion — that insurers, rather than patients and clinicians, should control access to OOH care/HITH — is not evidence-based and is contradicted by the savings achieved by hospital, public health, and aged care models of HITH currently operating across Australia. The largest market for HITH is the United States (US), with these HITH models funded and delivered by private health insurers (managed care). The government is unlikely to emulate the US health system's cost and equity model, however without a default benefit, it is possible this model will be adopted in Australia before broader private health reforms can be considered.

There are also significant workforce constraints. Despite efforts by both Commonwealth and state/territory governments to expand the health workforce, a dramatic shortage persists, with 82 per cent of health occupations are reportedly in shortage.[8] With a growing and ageing population, it is unlikely Australia will overcome these shortages anytime soon. Private hospitals are therefore unlikely to be able to staff a separate HITH workforce in addition to the existing inpatient workforce. Instead, a default benefit for HITH will enable more productive allocation of funding to areas of clinical need, resulting in efficiencies that will help drive down premiums, avoid continued development of expensive inpatient hospital facilities and ensure patients receive more appropriate care in the correct setting at a lower cost to the community.

The need for long-term reform

Long-term reform should aim to transition Australia's private health system toward a clinically needs-based approach to care settings, which cannot be fully realised under current funding models. For example, the Pricing Framework for Australian Public Hospital Services includes a key pricing principle: *"Promoting harmonisation: Pricing should facilitate best practice provision of appropriate site of care".*[9] In the public hospital system, an ever-expanding list of treatment types utilise HITH as a matter of routine, not exception. If implemented effectively, this transition could lead to significant savings for the private hospital system by

[6] CHA member reports

[7] There's no place like home: Reforming out-of-hospital care (2023) Private Healthcare Australia. Available at: https://www.privatehealthcareaustralia.org.au/wp-content/uploads/20230523_PHA-Report_Reforming-out-of-hospital-care.pdf

[8] https://www.jobsandskills.gov.au/sites/default/files/2023-09/2023%20SPL%20Key%20Findings%20Report_0.pdf

[9] https://www.ihacpa.gov.au/sites/default/files/2024-12/pricing_framework_for_australian_public_hospital_services_2025-26.pdf

reducing the need for additional brick-and-mortar hospitals. It would also preserve the essential role of existing overnight acute hospitals, which remain crucial to Australia's healthcare needs.[10]

What priority conditions, if any, should the mandated HITH programs focus on and why?

The default benefit should cover all inpatient treatments for which there is strong clinical evidence supporting the safe and effective delivery of care at home. A broad range of treatments should be available to ensure the program's success, enabling providers to scale and invest in services. The immediate focus should be on services already offered in Australia (either in the public or private hospital sector) to allow for rapid implementation, with additional services added over time and reviewed annually. Table 1 includes a list of appropriate services, including designating those most appropriate for immediate adoption.

Table 1 - List of appropriate Tier 1 and Tier 2 OOH services for a default benefit - by priority

Service type	Priority	Typical tier (HITH – 1 or Sub-acute – 2)
Cellulitis	1	1
Respiratory disorders	1	1
Bone and joint infections	1	1
Heart failure	1	1 and 2
Septicaemia	1	1
Complex medical	1	1
Palliative Care	1	*own tier
Acute nursing	1	1
Anticoagulant therapy	1	1
Intravenous therapy	1	1 and 2 (for chronic disease management)
Stoma / PEG / catheter management	2	3* – basic nursing by non-hospital provider
Complex Wound management	1	1
Pain management	1	1 and 2
Dialysis	2	2
Chemotherapy	1	1
Rehabilitation	1	2
Basic wound care	1	3* – basic nursing by non-hospital provider
Geriatric evaluation and management	2	2

The focus should be on patient choice and clinical autonomy, allowing patients to opt for OOH care/HITH when it is clinically appropriate. Services already offered by insurer-owned OOH care/HITH programs should be included as a minimum, with a further focus on OOH care/HITH services currently delivered in Australia by private hospitals.

What evidence should be required to demonstrate that a specific HITH program is well established *and* clinically beneficial?

The evidence required for Tier 1 (HITH) programs should demonstrate clinical outcomes and patient experience metrics that are equivalent to or exceed those achieved in inpatient settings. This may include metrics such as Patient-Reported Outcome Measures (PROMs) and Patient-Reported Experience Measures

[10] Pandit, J.A., Pawelek, J.B., Leff, B. *et al.* The hospital at home in the USA: current status and future prospects. *npj Digit. Med.* **7**, 48 (2024). https://doi.org/10.1038/s41746-024-01040-9

(PREMs). All providers should be held to the same standards of quality care, ensuring that HITH services are both clinically beneficial and patient centred.

What are the appropriate arrangements for determining and requiring service providers to meet appropriate accreditation and service quality standards?

Tier 1 and 2 programs should adhere to the National Safety and Quality in Health Care Standards (NSQHS), with care delivered by or on behalf of a registered private overnight hospital. Each provider should be accredited by a registered body (for example, the Australian Council on Healthcare Standards as having met the NSQHS).

There may be differences in requirements for specific services, however to qualify as an OOH care/HITH service for the purposes of receiving a default benefit, both Tier 1 and Tier 2 services should include:

- a daily nurse visit (noting that this may be virtual where appropriate, for example a negative pressure wound dressing)
- access to allied health
- medical oversight and access to medical care
- 24-hour care escalation pathways
- the capacity to deliver telehealth
- the ability to provide access to face-to-face medical consultations.

Tier 1 services must have access to the full range of hospital interventions and diagnostics appropriate for treatment, including allied health, pathology, pharmacy, and radiology. Only programs operated by or on behalf of a registered private hospital should qualify for the default benefit.

Should the provision of the mandated Hospital in the Home programs be limited to any particular type of healthcare providers/facilities?

Only programs operated by or on behalf of registered overnight private hospitals should qualify for the default benefit.

What is the appropriate mechanism for determining the minimum contribution that insurers will be required to pay to the service provider for delivering the mandated HITH programs?

In the public sector, price harmonisation between inpatient and Tier 1 (HITH) services ensures hospitals are incentivised to offer the most appropriate care setting for each patient. This should be the intended goal of long-term reforms (nothing this is not the intent of this short-term policy initiative or the function of a default benefit). Cost savings however will only be achieved if the default benefit that incentivises the delivery of care at home while ensuring the sustainability of private hospitals.

DoHAC should develop a small set of default benefits to reflect different types of treatment. Broadly these should cover Tier 1 and Tier 2, while also covering additional high priority care types:

- Tier 1, for example cellulitis, acute nursing, chemotherapy
- Tier 2, for example, dialysis, post-surgical nursing.

Other treatments will likely require their own specific default benefit due to their different cost base. A key example is palliative care, for which there is strong evidence of cost savings from treatment at home,[11] but will require a higher default benefit than some other treatment types to be effective. Evidence compiled by Palliative Care Australia and other researchers has demonstrated further savings resulting from reduced ED presentations, a reduction in hospital days in the final year of an individual's life, and patients being twice as

[11] . Productivity Commission (2017) 'Introducing competition and informed user choice into human services: Reforms to human services', Report No. 85, Canberra

likely to die at home when receiving palliative care at home.[12,13] These advantages are in addition to the evidence that people overwhelmingly prefer to die at home with appropriate supports in place.[14]

CHA can facilitate access to cost information for programs run by our members to support the calculation of default benefits. CHA has also previously developed cost methodologies that may be useful to DoHAC, which can be made available on request.

What factors should be taken into account in determining the number of HITH programs included in the first tranche and what if any conditions should be placed on the period of time these programs will be mandated?

The first tranche of Tier 1 and Tier 2 OOH care programs should include clinically appropriate inpatient treatments with strong evidence for home-based care. Table 1 outlines a suitable order for implementation. Excessively limiting the scope of eligible treatments would hinder the program's stated goal of improving patient access by preventing providers from scaling and investing in services. Concerns regarding premium growth should be firmly rejected, as expanding OOH care/HITH will lead to substantial cost savings over time. Given the current workforce constraints, it is expected that even with broad default benefits, the expansion of OOH care, and in particular HITH will be limited in the first few years.

There should be no fixed end date for the mandate, except in the event of broader reforms that recognise HITH equally alongside inpatient care. A review period to assess the implementation and impact of OOH care/HITH services is appropriate, but the mandate should continue as long as the program is delivering the expected benefits.

What if any other regulatory arrangements may need to be changed to support the implementation, operation and financial sustainability of this reform option?

Existing hospital and clinician regulators are well-equipped to oversee the implementation, operation, and financial sustainability of HITH programs, and therefore there is no need to establish new regulatory bodies. The focus should be on the current regulators monitoring and adapting existing regulations to ensure consistency and support the scaling of HITH services.

A key consideration for DoHAC is ensuring MBS items typically applicable for in-patient care and necessary to provide HITH are available for this purpose. Several of these items have already been made available as a result of reforms during the COVID-19 pandemic. The items however should be reviewed to ensure they will appropriately support HITH. For example, certain items may allow a doctor to conduct a telehealth appointment, but not if the patient is admitted to a hospital. It should be clarified that a HITH admission qualifies for a telehealth appointment. Finally, as the proportion of care delivered via HITH increases, it can be assumed that MBS costs will be lower at a systemic level.

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[12] https://treasury.gov.au/sites/default/files/2020-09/115786_PALLIATIVE_CARE_AUSTRALIA_-_SUBMISSION_2_-_SUPPORTING_DOCUMENT.pdf

[13] May P, Garrido MM, Cassel JB, Kelley AS, Meier, DE, Normand C, Smith TJ, Stefanis L and Morrison RS, 2015. *Prospective cohort study of hospital palliative care teams for inpatients with advanced care: earlier consultation is associated with larger cost-saving effect* Journal of Clinical Oncology, 33(25): p2745

[14] Best Australian and international evidence is that around 90% of people would prefer to receive palliative care & end-of-life care at home – with appropriate support in place. Around 50% of people in Australia would prefer to die at home *Agar M, Currow D, Shelby-James T, Plummer J, Sanderson C and Abernethy A (2008) Preference for place of care and place of death in palliative care: are these different questions? Palliative Medicine 2(7): 787-795*

Pinto, S, S Lopes, A de Sousa, M Delalibera and B Gomes, 2024, Patient and Family Preferences about place of end-of-life care and death: an umbrella review, Journal of pin and symptom management 67(5), May 2024, https://doi.org/10.1016/j.jpainsymman.2024.01.014

Proposal 4: mental health

The proposal aims to improve access to mental health care by increasing the supply of internationally educated psychiatrists who can admit patients to private mental health hospitals. The Private Hospital Sector Financial Health Check found that private mental health services are under pressure due to difficulties in attracting and retaining psychiatrists in an inpatient setting. Currently, overseas trained psychiatrists must work in a District of Workforce Shortage (DWS) for 10 years before accessing Medicare rebates, which are essential for admitting patients to private hospitals. The proposal suggests amending this 10-year moratorium to ensure appropriate patient care and enhance the provision of acute mental health services through resource sharing between private and public hospitals.

Issues for stakeholder feedback:

General comments

While increasing the supply of internationally educated psychiatrists able to admit patients in private mental health hospitals may benefit some areas in the short term, it is unlikely to be a sustainable solution as it will not address the root cause of the issue. In recent years there has been a notable increase in the diagnosis and treatment of attention-deficit hyperactivity disorder (ADHD) and autism spectrum disorder (ASD). This is due to several factors, including increased awareness, patient expectations, improved diagnostic practices, and unfortunately, financial incentives for outpatient psychiatrists/healthcare providers to focus on diagnoses that are more easily managed through outpatient care and telehealth as opposed to intensive inpatient care. Specifically, psychiatrists in an outpatient setting can earn higher incomes (an estimate of four to six times those working in an inpatient setting) by accessing funding through the National Disability Insurance Scheme (NDIS) and the MBS. They can also charge patients higher out-of-pocket costs due to increased demand for their services. Additionally, the ability to diagnose via telehealth (which became more prevalent during the COVID-19 pandemic) allows them to work remotely. Due to these financial and lifestyle incentives, many psychiatrists are choosing to focus primarily on outpatient services instead of inpatient care, leading to a shortage of psychiatrists in inpatient facilities.

For this issue to be addressed, the ability for psychiatrists to diagnose and prescribe via telehealth needs to be reviewed to ensure there is a balance between ensuring patients can access psychiatric care while also aligning to the government's directive that telehealth should complement, not replace, face-to-face services. Additionally, the guidelines on accessing NDIS funding need to be strengthened, and limits on the out-of-pocket costs psychiatrists can charge for (including but not limited to ADHD and ASD diagnoses) could be implemented. Finally, there are opportunities to increase the scope of practice for general practitioners with mental health qualifications, nurse practitioners, and psychologists to support the diagnosis and treatment of low complexity mental health disorders, as well as admit patients to day programs and inpatient services, under the clinical governance of psychiatrists. An example of a model for general practitioner inpatient mental health care is the Cabrini Health Women's Mental Health inpatient unit.

Should an amendment to the 10-year moratorium include provisions requiring that overseas trained psychiatrists dedicate time in both public and private hospital settings? If yes, what is the ideal balance of clinical work hours that should be performed in public hospital roles and in private hospitals?

The current mental health crisis and the pressure on private mental health hospitals necessitates a re-evaluation of the 10-year moratorium to allow overseas trained psychiatrists to dedicate time in both public and private hospital settings. Determining the ideal balance of clinical work hours between public and private hospital roles requires careful consideration of several factors:

- **Workforce needs:** the balance should reflect the current workforce needs in both sectors.
- **Training and development:** the balance should also consider the training and development needs of psychiatrists. A mix of, for example, 50 per cent public and 50 per cent private hospital work could provide a well-rounded experience while addressing workforce shortages.

- **Flexibility and individual preferences:** flexibility should be built into the policy to accommodate individual preferences and career goals. Allowing psychiatrists to choose their preferred balance within a specified range (e.g. 50-60 per cent public and 40-50 per cent private) could help maintain job satisfaction and retention.

In addition to alleviating pressure on private mental health hospitals, enabling overseas trained psychiatrists to work in both public and private hospitals will provide a more comprehensive training experience. Public hospitals often deal with more severe and complex cases, while private hospitals may offer more specialised and elective treatments. This dual exposure can enhance the skills and expertise of overseas trained psychiatrists. There is however often greater oversight of overseas-trained psychiatrists in public hospitals. It is therefore important to consider how the quality of their work is assessed and determine the appropriate point at which they can divide their time between public and private hospitals.

If the proposed amendment to the 10-year moratorium were implemented, should it apply to overseas trained psychiatrists currently practicing in Australia, or be limited to cohorts entering Australia following the amendment?

Implementing the proposed amendment to the 10-year moratorium raises important considerations regarding its application to current and future overseas trained psychiatrists. The advantages of applying the amendment to current and future practitioners is it would have an immediate effect on alleviating workforce shortages. It would also promote fairness as all overseas trained psychiatrists, regardless of when they arrived, will be subject to the same regulations. The disadvantages however are that current practitioners may have already made long-term plans based on the existing moratorium, and changing the rules mid-way could disrupt their professional and personal lives. Additionally, implementing the amendment retroactively could create administrative complexities and resistance from those already practicing under the old rules.

In light of this, a phased approach should be considered. For example, the amendment could apply to new entrants immediately, while current practitioners could be given a transition period to adapt to the new requirements. This phased approach would minimise disruption while gradually addressing workforce shortages.

Should the proposed amendment of the moratorium operate for a time-limited basis? If yes, for what time period should the amendment to the moratorium operate?

Implementing the proposed amendment to the 10-year moratorium on a time-limited basis could offer several advantages:

- **Evaluation and adjustment:** a time-limited amendment allows for an evaluation period to assess its effectiveness in addressing workforce shortages and improving access to mental health care. This period can provide valuable data to make necessary adjustments.
- **Flexibility:** it offers flexibility to policymakers to adapt to changing circumstances and needs in the healthcare sector. If the amendment proves successful, it can be extended or made permanent.
- **Minimising resistance:** a temporary measure might face less resistance from stakeholders compared to a permanent change, as it allows for a trial period to demonstrate benefits.

It is important however to recognise that a time-limited amendment might create uncertainty for overseas trained psychiatrists planning their careers in Australia, and they may be hesitant to commit to positions without knowing the long-term implications. Additionally, it takes more than a decade to train a psychiatrist (including medical school, internship, fellowship training, and subspecialty training), and therefore the shortage is likely to continue for many years. Therefore, it is recommended the policy be implemented indefinitely, with an independent post-implementation review after three years as this will:

- allow for the collection of meaningful data on the amendment's impact on workforce distribution, patient care, and collaboration between public and private hospitals.
- provide enough time to identify any unintended consequences and make necessary policy adjustments

- provide a defined timeframe which will build confidence among stakeholders, including overseas trained psychiatrists and healthcare providers.

Are there any potential risks or unintended consequences associated with the introduction of the proposed reform option? If so, do you have any suggestions to reduce or limit the impact?

- **Workforce distribution imbalance:** the amendment might lead to an uneven distribution of psychiatrists, with some regions potentially experiencing shortages if practitioners prefer working in areas where they can work across public and private hospitals. Additionally, the public sector may lose psychiatrists to the private sector. Incentives could be provided in underserved regions or public hospitals, such as financial bonuses, housing assistance, or professional development.
- **Administrative burden:** the amendments could create additional administrative challenges for overseas trained doctors, adding to an already administratively burdensome process. These amendments should therefore be implemented alongside mechanism to reduce the overall administrative burden associated with the pathway for overseas trained doctors.
- **Impact on current practitioners:** if the amendment applies to current overseas trained psychiatrists, it could disrupt their established career plans and lead to dissatisfaction or attrition. A phased implementation approach would provide a transition period and help minimise disruptions. Allowing overseas trained psychiatrists to choose their preferred balance of work hours between public and private hospitals within a specified range could also minimise disruption.
- **Potential impact on patient care:** if the overseas-trained doctors do not have the same level of training as their locally trained counterparts, there could be an impact on patient care. To mitigate this, level of training could be regularly assessed, and additional training and support programs could be implemented to ensure all psychiatrists meet the required standards before splitting their time between public and private hospitals.

Proposal 5: maternity care

The proposal aims to make privately insured maternity care more accessible and affordable by including maternity cover as a standard inclusion across more insurance policies, not just 'Gold' level policies. Currently, 'Pregnancy and birth' and 'Assisted reproductive services' are only mandated for Gold tier, while 'Miscarriage and termination of pregnancy' are covered in Bronze, Silver, and Gold tiers. Policies that exceed minimum requirements can be labelled as 'Plus' policies (e.g., Bronze Plus, Silver Plus). The government sets a maximum waiting period of up to 12 months for pregnancy and birth coverage. Implementation would require amending the *Private Health Insurance (Complying Product) Rules 2015*.

Issues for stakeholder feedback:

General comments

A key issue with private maternity care is the out-of-pocket costs associated with a pregnancy journey. In particular, the pregnancy management fee often ranges between $5,000–10,000 (sometimes considerably more) and the MBS rebate is only $335, which is on top of the out-of-pocket costs associated with the regular visits with the private obstetrician and diagnostic tests. There are many patients who have Gold private health insurance cover that choose to deliver in a public hospital because of these out-of-pocket costs. The risk with this proposal is that including maternity care in more policies may increase the cost of those policies while not addressing the root cause of the issue — the out-of-pocket costs associated with the obstetrician. For this proposal to be successful in making private maternity care more accessible and affordable, government would need to look at ways to reduce these out-of-pocket costs. This could include:

- increasing the MBS rebate, with a condition that the medical practitioner does not charge an out-of-pocket cost (i.e. the medical practitioner only gains access to the higher MBS rebate if they do not charge an out-of-pocket cost)

- explore and incentivise models of care where private health insurers fund a bundle of care (prenatal, delivery, and postnatal care) across the entire pregnancy journey, with no or a smaller known out-of-pocket cost.

The other issue with private maternity is workforce shortages. Workforce shortages (in particular, shortages of obstetricians, anaesthetists, paediatricians, and midwives) are placing significant strain on private maternity service supply and viability. These workforce shortages have been the driving force behind many maternity units closing or diverting cases and demand to the public sector. This in term creates a vicious cycle, as it makes the private sector less attractive to obstetricians and midwives due to the absence of practices and impact on job security. While this proposal is welcome, it is unlikely to significantly impact the viability of private maternity services unless out-of-pocket costs and workforce shortages are also addressed.

Which private health insurance product tier(s) should provide coverage for the 'Pregnancy and birth' clinical category to enable improved access and affordability for policyholders?

As outlined above, the risk with including maternity care in a greater number of policies is that it will likely the cost of these policies. As a priority, government should perform economic modelling on the impact of including maternity cover in more policies, with the goal of making these services accessible to as many policyholders while also keeping the costs of premiums low.

What are the implications for policyholders and the health system in retaining the current arrangements and the implications associated with a change, including the impact on premiums and the value proposition of private health insurance.

If the current arrangements are maintained, we will likely continue to see further closures of private maternity services, which will:

- reduce the value proposition of private health insurance, as those with maternity cover will be unable to use it
- reduced access to private maternity services and broader gynaecological services, as typically maternity care is provided alongside gynaecological health services
- transfer births from the private to the public sector, which will increase the strain on public sector capacity, as well as increase costs for governments
- have an impact on workforce, particularly in regional, rural, and remote communities where it is more challenging for existing workers to find alternative roles in the same location.

Any change that genuinely reduces costs across the entire pregnancy journey will help address these issues and enhance the value of private health insurance.

If you consider the clinical category of 'Pregnancy and birth' should be a mandatory inclusion in another product tier(s), do you consider the related clinical categories of 'Assisted reproductive services' and 'Miscarriage and termination of pregnancy' should be included in the same product tier(s) as 'Pregnancy and birth' or remain in the currently assigned product tier?

When considering the clinical category of 'Pregnancy and birth' as a mandatory inclusion in another product tiers, it is essential to ensure that patients have access to all services associated with the pregnancy journey. 'Miscarriage of pregnancy' should remain in all product tiers.

What other changes, if any, to existing private health insurance product rules and regulatory arrangements may be required to make the addition of cover for maternity care in lower product tiers provide value to the patient and be sustainable for the sector?

In addition to those outlined previously, the 12-month waiting period for private maternity services should also be reviewed. While this waiting period is primarily designed to prevent individuals purchasing insurance solely to claim benefits for an impending maternity expense, it also disadvantages those who may not have planned their pregnancies and were unable to purchase or upgrade their cover. An alternative policy could involve a more flexible approach that encourages long-term retention of health insurance, such as

incentivising policyholders to maintain their health insurance for a certain period after the birth by providing comprehensive coverage for the newborn. Depending on which policies contain maternity if this proposal is implemented, another option could be allowing policyholders to automatically upgrade their policy without needing to serve the mandatory waiting period. There is however a risk that patients who upgrade their policy will downgrade it after the birth with the knowledge they can upgrade it again. To partially mitigate this, the patient upgrading could be asked to pay a lump sum payment of the higher premiums they did not pay for the previous year to deter them from gaming the system.

Additionally, any changes to maternity care should also be implemented alongside changes to risk equalisation to better compensate private health insurers for the higher costs associated with maternity care (discussed further below).

Proposal 6: changes to risk equalisation arrangements to support improved access to mental health and maternity care

The proposal aims to improve access to more affordable private health insurance coverage for mental health and maternity care by amending the risk equalisation regime. Risk equalisation supports the community rating principle, preventing insurers from risk rating premiums. It compensates insurers with riskier demographics by redistributing funds from insurers with lower average benefits to those with higher average benefits. Current regulations include an age-based pool for participants over 55 and a high-cost claims pool for claims exceeding $50,000 annually. Maternity and psychiatric care claims are generally not subject to risk equalisation unless costs exceed $50,000 per year.

Issues for stakeholder feedback:

General comments

This proposal is unlikely to improve access to more affordable private health insurance coverage for mental health and maternity care if it is not implemented alongside other policies (outlined in Proposal 4 and Proposal 5).

In-principle, do you support changes to the risk equalisation regime to equalise some or all of the benefits insurers pay for mental health and maternity care?

CHA is supportive of the changes to risk equalisation to equalise all the benefits insurers pay for mental health and maternity care. Mental health and maternity care are critical areas of healthcare that often incur significant costs. By including these services in the risk equalisation framework, insurers can be partially compensated for the higher costs associated with these claims. This compensation will prevent insurers from passing these costs onto consumers in the form of higher premiums and pricing products that offer maternity services out of the market — a behaviour which is currently occurring. This change will also promote market stability, as it will reduce the financial strain on those insurers with a higher proportion of members requiring mental health and maternity services maintaining a stable and competitive market.

Based on your experience and/or understanding of private health insurance claims for mental health and maternity care, what risk equalisation parameters should be considered or further examined (for example, patient age, benefit amount(s), types of treatment)?

Several key parameters should be considered to ensure the settings effectively support access to these services, including:

- **Patient age:** currently the risk equalisation framework includes an age-based pool that primarily benefits individuals over the age of 55. This approach reflects the higher healthcare costs typically associated with older age groups. Mental health and maternity care however often involve younger individuals. For instance, maternity care is predominantly required by women of childbearing age, typically between 20 and 40 years old. Similarly, mental health issues can affect individuals across all age groups, including younger populations. The risk equalisation framework should be adjusted to include younger age groups specifically for mental health and maternity care claims.

- **Benefit amount:** the current risk equalisation framework includes a high-cost claims pool for claims that exceed $50,000 annually. While this provision helps manage extremely high-cost claims, it rarely addresses the costs associated with mental health and maternity care which often do not reach the threshold. The threshold for high-cost claims should be adjusted specifically for mental health and maternity care claims.
- **Types of treatment:** mental health and maternity care encompasses a wide range of treatments and services. For the policy to be effective, the risk equalisation framework should include all services that a patient may require.
- **Geographic location:** healthcare costs can vary significantly based on geographic location, with rural and remote areas often facing higher costs. Including geographic location as a parameter could help ensure that insurers serving these areas are not impacted by covering these patients, promoting equitable access to mental health and maternity care in these areas.
- **Chronic conditions:** mental health and maternity care often intersect with chronic conditions, such as diabetes or hypertension, which can complicate treatment and increase costs. Including chronic conditions as a parameter could help ensure that insurers share the risks associated with funding these complex cases.

What information, data or modelling does the private health sector require to assess the impact of amendments to the risk equalisation arrangements on private health insurance premiums, product offerings and to inform government on the timeframe for implementing the proposed changes?

The following is required to understand the impact of including mental health and maternity care in the risk equalisation framework:

- **Claims data:** detailed claims data for mental health and maternity care is required, including data on the frequency, cost, and types of claims made for these services. This will enable government to identify patterns and trends in service utilisation, which can help predict future costs associated with the proposal. Claims data can also help identify high-cost cases and the factors contributing to these costs, which will be essential for setting appropriate thresholds for high-costs claims and determining the proportion of costs that should be shared among insurers.
- **Demographic data:** demographic data, including age, gender, and geographic location, is necessary to understand the characteristics of individuals who utilise mental health and maternity care services. This information can help identify high-risk populations and tailor the risk equalisation framework to better support these groups.
- **Impact analysis:** impact analysis involves modelling the financial effects of including mental health and maternity care in the risk equalisation framework on premiums and product offerings. This analysis should consider various scenarios and parameters, such as different thresholds for high-cost claims, varying proportions of cost-sharing, and the inclusion of different types of treatments. By simulating these scenarios, insurers and policymakers can assess the potential impact on premiums and determine the most effective and sustainable approach to risk equalisation. The analysis should also consider the potential effects on consumer behaviour. For example, if including mental health and maternity care in the risk equalisation framework leads to lower premiums, it may encourage more individuals to seek coverage and utilise these services. Understanding these behavioural responses is crucial for predicting the overall impact on the insurance market and for designing policies that promote access to care while maintaining financial sustainability.
- **Sensitivity analysis:** sensitivity analysis involves testing different scenarios to understand how changes in key variables (e.g. claim costs, utilisation rates) affect the overall impact of the risk equalisation amendments. This analysis can help identify the most critical factors influencing costs and premiums, allowing stakeholders to develop strategies to mitigate potential risks. Sensitivity analysis is particularly useful for understanding the range of possible outcomes and for planning under uncertainty.

- **Regulatory requirements and approvals:** the first step in determining the timeframe for implementation is understanding the regulatory requirements and approvals. This involves identifying the legislative process and timelines for passing the amendments, as well as approvals from the relevant regulatory bodies.
- **Operational readiness:** the operational readiness for insurers to implement the changes needs to be assessed, including the need to update claims processing systems, data management protocols, and reporting mechanisms.

What other changes may need to accompany amendments to the risk equalisation arrangements to support improved patient access to mental health and maternity services?

Additional changes that need to accompany amendments to the risk equalisation arrangements are outlined in Proposal 5 and Proposal 6.

LITTLE COMPANY OF MARY HEALTH CARE LIMITED_ACNC GROUP

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← Back to Financials & Documents

Annual Information Statement 2023

Legal name:
Little Company of Mary Health Care Limited_ACNC Group

About the group

Website:
calvarycare.org.au

Group size:
Large

Group programs

Description of the group's activities and outcomes:
Calvary is a charitable, Catholic not-for-profit organisation, continuing the Mission of the Sisters of the Little Company of Mary in Australia. Our Mission is to provide quality, compassionate health care to the most vulnerable, including those reaching the end of life. We provide aged and home care, acute and sub-acute hospital care, across 5 States and 2 Territories. For more details please go to www.calvarycare.org.au

Human resources

Human resources:
Full time employees: 4226
Part time employees: 10165
Casual employees: 4438
Full-time equivalent staff (FTE): 11774.00
Estimated number of volunteers: 900

Annual report

Note: If you want to see the financial report or annual report that this group has submitted, go back to Financials & Documents

Financial Reporting

Group's 2023 reporting period:
1 July 2022 to 30 June 2023

Type of financial statement:
General purpose financial statements simplified disclosure

Financial report consolidated with more than one entity?:
Yes

Reportable related party transactions in the 2023 reporting period?:
Yes

Types of reportable related party transactions:
Loans from/to a related party
Salary/wages paid to a related party's relative(s)
Charity goods or services provided at a discount to a related party
Investment in a related party

More than one remunerated key management personnel member:
Yes

Number of remunerated key management personnel:

20

Total amount paid to key management personnel:
$17,508,000

Income and Expenses

Comprehensive Income Statement summary

Gross income

Revenue from government including grants	$685,830,000
Donations and bequests	$4,400,000
Revenue from providing goods or services	$1,116,027,000
Revenue from investments	$5,417,000
All other revenue	$31,377,000
Total revenue	$1,843,051,000
Other income (for example, gains)	$0
Total gross income	$1,843,051,000

Expenses

Employee expenses	$1,196,494,000
Interest expenses	$79,050,000
Grants and donations made for use in Australia	$515,444
Grants and donations made for use outside Australia	$0
All other expenses	$945,692,556
Total expenses	$2,221,752,000

Net income

Net surplus/(deficit)	-$378,701,000
Other comprehensive income	$1,420,000
Total comprehensive income	-$377,281,000

Balance Sheet extract

Assets

Total current assets	$538,834,000
Non-current loans receivable	$0
Other non-current assets	$2,565,000,000
Total non-current assets	$2,565,000,000
Total assets	$3,103,834,000

Liabilities

Total current liabilities	$1,611,371,000
Non-current loans payable	$650,290,000
Other non-current liabilities	$551,932,000
Total non-current liabilities	$1,202,222,000
Total liabilities	$2,813,593,000

Net assets/liabilities

Net assets/liabilities	$290,241,000

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Calvary

Being for Others

Annual Financial Report

30 June 2023

Little Company of Mary Health Care Limited

ABN 11 079 815 697



Hospitality



Healing



Stewardship



Respect

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DIRECTORS' REPORT

The Board of Directors of Little Company of Mary Health Care Limited (the Company) submit their report for the year ended 30 June 2023.

Directors

The names of the Company's Directors in office during the financial year and until the date of this report are as follows.

NAME	QUALIFICATIONS	AREAS OF SPECIFIC RESPONSIBILITY
Jim Birch AM	BHA, FCHSM	Chair All Committees, Ex Officio
Patrick O'Sullivan (resigned 30.6.23)	CA, MAICD	Deputy Chair Chair, Audit & Risk Committee Member, Performance & Remuneration Committee
Lucille Scomazzon	LLB (Hons 1), BA, GAICD	Director (appointed Deputy Chair 12.7.23) Member, Audit & Risk Committee Member, Clinical Governance Committee
David Catchpole	BEc, Dip FP, FAICD, FCPA (Retired)	Director Chair, Performance & Remuneration Committee Member, Audit & Risk Committee
Jennifer Stratton	BA (Economics, English & History), FAICD	Director Chair, Mission & Ethics Committee Member, Performance & Remuneration Committee
Lucille Halloran	BCom (Hons), BA GAICD	Director Member, Mission & Ethics Committee Member, Clinical Governance Committee
Annette Carruthers AM	MBBS (Hons), FRACGP, FAICD, Grad Dip App Fin	Director Member, Audit & Risk Committee (part year) Member, Performance & Remuneration Committee (part year) Member, Clinical Governance Committee
Agnes Sheehan	BA Business Studies (Hons), GAICD	Director Member, Audit & Risk Committee Member, Clinical Governance Committee
Professor Christopher Baggoley AO	BVSC (Hons), BMBS, B Soc Admin, FACEM, FRACMA, D Univ (FUSA), FAAHMS	Director Chair, Clinical Governance Committee Member, Mission & Ethics Committee
Yvonne Le Bas (appointed 24.11.22)	BBus Studies, MA, Fellow CA Aus/NZ, Fellow Inst. CA England/Wales, FAICD	Director Member, Audit & Risk Committee (Chair Audit & Risk Committee from 27.7.23)

Directors were in office for the entire period unless otherwise stated.

DIRECTORS' REPORT (continued)

The Directors attended the following Board meetings and applicable Committees each Director was eligible to attend:

Director	Board Meetings		ARC		MEC		PRC		CGC	
	Held	Att	Held	Att	Held	Att	Held	Att	Held	Att
Jim Birch AM	9	9								
Patrick O'Sullivan	9	9	5	5			4	2		
David Catchpole	9	9	5	5			4	4		
Jennifer Stratton	9	9			4	4	4	4		
Lucille Halloran	9	9			4	4			4	3
Annette Carruthers AM	9	9	3	3			2	2	4	4
Lucille Scomazzon	9	9	5	5					4	4
Agnes Sheehan	9	8	5	5					4	4
Prof Chris Baggoley AO	9	9			4	4			4	4
Yvonne Le Bas	6	6	3	3						

Key:
ARC Audit & Risk Committee
MEC Mission & Ethics Committee
PRC Performance & Remuneration Committee
CGC Clinical Governance & Practice Committee

Short and long term objectives

Calvary's vision, as a Catholic health, community and aged care provider, is to excel and be recognised as a continuing source of healing, hope and nurturing to the people and communities it serves. Calvary's unique strength is being able to provide quality, patient centred, integrated longitudinal care through its range of services and partnerships with other health care providers.

Calvary's strategic intent is to be the health, community and aged care provider of choice, delivering with equity and compassion integrated, seamless, safe and quality care appropriate to the individual and community's needs.

Calvary's four priority focus areas are:

- Care for our people and our working environment
- A focus on quality and safety
- Partnering and planning for the present and future
- Caring for our resources.

DIRECTORS' REPORT (continued)

Principal activities

The principal activities of the Company during the period were the provision of acute health services by private and public hospital facilities, sub-acute services, palliative care, residential aged care, independent living units ('ILU'), community and home care services.

Within these activities, Calvary has developed models of care that have been specifically designed to meet customer expectations, while reducing cost, complexity and risk. This includes the continued development of home and community-based services to better manage chronic disease and palliative and end of life care. Calvary's doctors, nurses and carers work closely with Local Health Districts, Primary Health Networks and other stakeholders to improve the care journey of a patient and reduce their burden within what can be a complex system.

The Directors believe that we should be striving to achieve the best commercial results to sustain our operations, fund better integration, grow and innovate in pursuit of our strategic aims. Demonstrating wise stewardship and contributing to social stability in the communities Calvary serve requires a strong financial base. Calvary achieves this through strict cost management and the pursuit of improved revenue rates. Calvary continues to invest in its ability to be a source of healing and in facilities which enable Calvary to provide a wider range of services to the local communities.

Review of operations

A deficit of $377.3m was incurred for the Company for the financial year ended 30 June 2023 (2022: deficit of $122.2m).

Review of operations
(a) Revenues from continuing operation
The Company's revenue from operating activities totalled $1,837.6m (2022: $1,550.8m). Grants and subsidies from Government for hospital and aged care operations totalled $707.0m (2022: $567.3m). Grants and subsidies represent 39% (2022: 37%) of revenue from operating activities.

(b) Expenses from continuing operation
The Company's expenses from operating activities totalled $2,142.7m (2022: $1,651.0m). Expenses on personnel costs represent 55.8% (2022: 60%) of total operating expense.

Staffing levels have increased during the reporting period with total full time equivalents of 11,774 as at 30 June 2023 (2022: 10,877).

The Company is entitled to recover eligible expenditure related to COVID-19 under government grant programmes. The Company has calculated claims for the eligible expenditure incurred on managing direct impacts of COVID-19 under the COVID-19 Aged Care Support Program (GO4863). A total of $34.8m of expenditure is to be claimed against the program, which remained un-received and unrecognised at 30 June 2023.

DIRECTORS' REPORT (continued)

Significant changes in the state of affairs

Calvary Bruce Public Hospital – Discontinued Operation
On 3 July 2023 in accordance with the *Health Infrastructure Enabling Act 2023* (Act) and *Health Infrastructure Enabling Regulation 2023* (Regulation) Calvary Bruce Public Hospital was compulsorily acquired by the Australian Capital Territory (Territory). The Act provided for the acquisition of the Public Hospital Land, Public Hospital Assets and the termination of the Calvary Network Agreement.

In addition to the Assets specifically stated in the Act, certain other interests (including other assets and liabilities) were consequently acquired by the Territory and classified as a 'Disposal Group Held for Sale' within these financial statements. The acquisition of these interests arose as a consequence of the acquisition of the Public Hospital Land, Public Hospital Assets and termination of the Calvary Network Agreement explicitly referenced within the Act. Refer to Note 26 for further details on 'Disposal Group Held for Sale'.

As provided for in the Act and Regulation, the Territory must provide just terms to a person from whom an interest has been acquired under the Act. As at the date of signing these financial accounts, Calvary continues to work through the compensation on the just terms regime set out in the Regulations.

There were no other significant changes in the state of affairs of the Company during the financial year.

Developments during the financial year

The Company's Board endorsed the Calvary National Growth Strategy - Towards 2025. The Strategy articulates the next phase of change and growth for Calvary; outlines the Calvary Care System as the primary goal for growth and proposes a range of strategic priorities to enact. Importantly, the Strategy provides guiding principles and criteria to support an ongoing discernment process, as we progress with implementation of the Calvary Care System.

In the financial year, a review process was undertaken to assess the assets acquired from the former Japara, and existing Calvary assets. This process identified assets that do not strategically align and whose value would be better reinvested within Calvary – including supporting the pay down of debt and future pipeline investment. Two of the homes identified as divestments were Calvary Nazareth and Calvary Central Park which resulted in the closure of the services, and relocation of the majority of residents to other Calvary homes, and the redeployment of staff to other Calvary homes during the year.

Calvary Care System – Kooyong precinct
Calvary commenced with the redevelopment of the Calvary Bethlehem Public Hospital as part of an integrated health precinct in November 2019 to address its aging infrastructure and ensure a sustainable model of care. The redevelopment involved the current public hospital being re-built to provide modern contemporary health care accommodation alongside complementary Calvary services including residential aged care and community care.

The redevelopment was completed and operational in January 2023.

DIRECTORS' REPORT (continued)

Future developments

Royal Commission into Aged Care
The Fair Work Commission made a decision to increase minimum wages by 15% for some employees working in aged care. This came into effect on 30 June 2023.

The Federal Government has committed to funding this by an additional $10.1 billion in Australian National Aged Care Classification (AN-ACC) funding (over 4 years from 2023-24), with an increase to the AN-ACC price to $243.10, including:

- $7.6 billion to align with the award wage increase (at 200 care minutes)
- $2.5 billion in indexation to cover other cost increases since the AN-ACC price was set
- a new $10.80 per resident per day hotelling supplement, including additional funding of $116 million (over 4 years from 2023-24)
- an additional $743 million (over 3 years from 2024-25) to align with the award wage increase to deliver a sector average of 215 care minutes from 1 October 2024
- an increase in the 24/7 registered nurse supplement of $178 million (over 4 years from 2023-24) to align with the award wage increase.
- an additional $6 million in 2023-24 for a new grant opportunity under the AN-ACC Transition Fund (in 2023-24) which will provide targeted support to particular residential aged care services.

The Company welcomes the proposed aged care sector reforms and looks forward to ongoing opportunities to work with Government on ensuring the long-term financial sustainability of the sector.

Significant events after year end

On 3 July 2023, in the interval between the end of the financial year and the date of this report, the Calvary Bruce Public Hospital (CPHB) was subject to a compulsory acquisition by the Territory. Refer to 'Significant changes in the state of affairs' and Note 26 for further details on 'Disposal Group Held for Sale'.

There has not arisen, in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Deed of access and indemnity – Directors

Little Company of Mary Health Care Ltd has executed a Deed of Access & Indemnity which provides Directors with the right of access to records for seven years after they cease office and also indemnifies Directors (to the extent permitted by law) against liability incurred in the course of their duties as a Director of companies within the Calvary group.

DIRECTORS' REPORT (continued)

Indemnification of officers and auditors

During the financial year, Little Company of Mary Health Care Limited (parent entity) has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 30 June 2023 and, since the financial year, Little Company of Mary Health Care Limited has paid premiums in respect of such insurance contracts for the year ending 30 June 2024. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are, or have been, directors or executive officers of the group.

The directors have not included details of the nature of the liabilities covered, or the amount of the premiums paid, in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

Since the end of the previous financial year, Little Company of Mary Health Care Limited has not otherwise indemnified, or made a relevant agreement for indemnifying, against a liability any person who is, or has been, an officer or auditor of Little Company of Mary Health Care Limited.

Rounding off

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies. Accordingly, amounts in the financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Proceedings on behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company, or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all, or any part, of those proceedings.

The Company was not a party to any such proceedings during the year.

Member guarantee

The Company is incorporated as a Company 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. As the Company only has one member, a total maximum of $100 is payable on a wind up.

DIRECTORS' REPORT (continued)

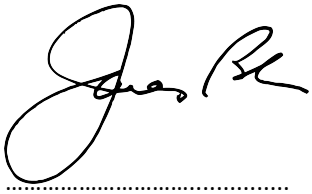
Registered Office

The Company's registered office and principal place of business is Level 12, 135 King Street, Sydney NSW 2000.

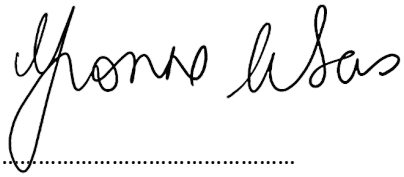
The auditor's independence declaration is included on page 11 of the financial statements.

The Directors' Report is signed in accordance with a resolution of the Directors.

On behalf of the Directors.



.....
Chair of the Board



.....
Director

Dated at this 26th day of October 2023.

Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of Little Company of Mary Health Care Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Stephen Isaac

Partner

Sydney

26 October 2023

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DIRECTORS' DECLARATION

In the opinion of the Directors of the Company:

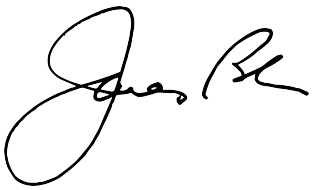
1. the Company is not publicly accountable;

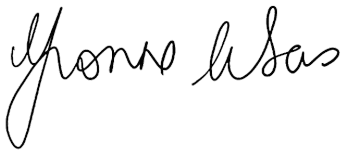
2. the financial statements and notes, set out on pages 13 to 45, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

   (a) complying with Australian Accounting Standards - General Purpose Financial Statements – Simplified Disclosures; and the Australian Charities and Not-for-profits Commission Regulation 2022; and
   (b) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its the performance, for the financial year ended on that date;

3. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors





....

Chair of the Board **Director**

Dated at this 26th day of October 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

In thousands of AUD	**Note**	**2023**	**2022**
Continuing operations			
Revenue	3	1,801,857	1,522,051
Other income	3	35,777	28,718
Total revenue		**1,837,634**	**1,550,769**
Employee benefits expense	27	1,196,494	997,095
Supplies		326,929	302,818
Computer Expenses		25,211	18,435
Contracted services		79,052	73,079
Depreciation and amortisation expense	5,6,8,9	155,697	127,039
Amortisation of Bed Licences		6,179	4,634
Impairment of goodwill	9	197,200	-
Repairs and maintenance		30,352	22,785
Power, light & heat		17,619	14,256
Other expenses		107,969	90,861
Total expenses		2,142,702	1,651,002
Results from operating activities		(305,068)	(100,233)
Finance income		7,195	925
Finance costs	4	(79,050)	(32,033)
Share of net profit of joint venture accounted for using the equity method	10	(1,778)	3,039
Deficit from continuing operations		(378,701)	(128,302)
Discontinued operation			
Surplus from discontinued operation	26	1,420	6,083
Deficit for the year		**(377,281)**	**(122,219)**
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to of the company		**(377,281)**	**(122,219)**

The accompanying notes, set out on pages 18 to 45, form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

In thousands of AUD	Note	2023	2022
Current assets			
Cash and cash equivalents	15	118,786	190,861
Term deposits	16	83,462	84,727
Trade and other receivables	11	116,106	130,976
Inventories		24,212	24,740
Other current assets	14	16,017	14,144
Assets held for sale	12	180,251	-
Total current assets		**538,834**	**445,448**
Non-current assets			
Trade and other receivables		3,988	3,829
Property, plant and equipment	5	2,021,545	2,229,826
Right-of-use assets	6	501,016	516,431
Investment property	8	2,444	2,493
Intangible assets	9	32,391	232,451
Interest in joint venture	10	3,616	5,394
Total non-current assets		**2,565,000**	**2,990,424**
Total assets		**3,103,834**	**3,435,872**
Current liabilities			
Trade and other payables		178,101	186,324
Borrowings	18	693	693
Lease liabilities	19	34,395	36,261
Employee benefits	27	204,130	226,471
Other provisions	22	6,164	8,652
Contract liabilities	23	39,580	44,030
Refundable loans	20	1,094,827	1,003,930
Liabilities held for sale	26	53,481	-
Total current liabilities		**1,611,371**	**1,506,361**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

In thousands of AUD	Note	2023	2022
Non-current liabilities			
Trade and other payables		3,135	163
Borrowings	18	650,290	712,840
Lease liabilities	19	528,904	524,335
Employee benefits	27	14,395	14,838
Other provisions	22	5,498	9,813
Total non-current liabilities		**1,202,222**	**1,261,989**
Total liabilities		**2,813,593**	**2,768,350**
NET ASSETS		**290,241**	**667,522**
Equity			
Equity Loan	21	40,870	40,870
Reserves		2,270	2,270
Retained earnings		247,101	624,382
TOTAL EQUITY		**290,241**	**667,522**

The accompanying notes, set out on pages 18 to 45, form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

In thousands of AUD	Note	2023	2022
Cash flows from operating activities			
Receipts from customers		1,103,700	966,771
Government grants received		984,788	811,016
Capital grants received		15,301	10,493
Payments to suppliers and employees		(2,083,664)	(1,794,333)
Interest received		7,701	860
Borrowing costs paid (including interest on ROU assets)		(49,383)	(32,270)
Other income received		36,974	29,657
Net cash provided by / (used in) operating activities		**15,417**	**(7,806)**
Cash flows from investing activities			
Proceeds on disposal of PP&E		6,631	1,312
Payment for PP&E		(98,386)	(157,112)
Payment for software		(6,299)	(8,530)
Proceeds from term deposits		1,265	67,274
Payment for acquisition of business operations		-	(379,510)
Net cash used in investing activities		**(96,789)**	**(476,566)**
Cash flows from financing activities			
Repayment of external borrowings		(71,450)	(297,624)
Proceeds from external borrowings		4,400	669,415
Repayment of finance leases (principal only)		(13,308)	(9,053)
Proceeds from residents contributions		397,616	241,089
Repayment of residents contributions		(307,961)	(185,634)
Net cash provided by financing activities		**9,297**	**418,193**
Net decrease in cash held		(72,075)	(66,179)
Cash at the beginning of the financial year		190,861	257,040
Cash at end of the financial year	15	**118,786**	**190,861**

The accompanying notes, set out on pages 18 to 45, form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

In thousands of AUD

2023	Equity loan	Specific Purpose Reserve	Retained earnings	Total Equity
Balance as at 1 July 2022	40,870	2,270	624,382	667,522
Net deficit for the year	-	-	(377,281)	(377,281)
Other comprehensive income for the	-	-	-	-
Total comprehensive loss for the year	-	-	(377,281)	(377,281)
Balance as at 30 June 2023	**40,870**	**2,270**	**247,101**	**290,241**

2022	Equity loan	Specific Purpose Reserve	Retained earnings	Total Equity
Balance as at 1 July 2021	40,870	2,270	746,601	789,741
Net surplus for the year	-	-	(122,219)	(122,219)
Other comprehensive income for the	-	-	-	-
Total comprehensive loss for the year	-	-	(122,219)	(122,219)
Balance as at 30 June 2022	**40,870**	**2,270**	**624,382**	**667,522**

The accompanying notes, set out on pages 18 to 45, form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

About this report

1. Reporting entity

Little Company of Mary Health Care Limited is a not-for-profit public company limited by guarantee, incorporated and domiciled in Australia. The Group consolidated financial statements comprise the Company and its controlled entities (referred to as "the Company"). For further information on the Group structure, refer to Note 24.

The Company is a registered charity with the Australian Charities and Not-for-profit Commission endorsed to access the following tax concessions: FBT exemption, GST concession and income tax exemption.

2. Basis of Preparation

2.1 Basis of Accounting

The consolidated financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). The consolidated financial statements comply with Australian Accounting Standards – Simplified Disclosures as issued by the AASB.

The consolidated financial statements have been prepared on the basis of historical cost. All amounts are presented in Australian dollars.

The consolidated financial statements were authorised by the Board on the 26th October 2023.

2.2 Functional and Presentation Currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand, unless otherwise stated.

2.3 Use of estimates and judgements

In the application of the Company's accounting policies, the Directors are required to make estimates and judgements about the carrying amount of assets and liabilities. The estimates and associated assumptions are based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the group. Actual results may differ from these estimates.

2.4 Going concern

These financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The Company incurred a loss during the year ended 30 June 2023 of $377.3m and, as at that date, the Company's current liabilities exceed current assets by $1,072.5m (2022: $1,060.9m). The Group had closing unrestricted cash of $27.8m, was compliant with all covenants and, based on forecasts, is expected to maintain compliance in the next 12 months.

2. Basis of Preparation (continued)

Additionally, in line with Australian Accounting Standards, $1,094.8m of refundable accommodation loans have been recognised as a current liability; however, there is a reasonable expectation that, in the normal course of business, no more than 25% of this balance is required to be repaid in the next 12 months, and a significant portion of this would be replaced by incoming refundable accommodation loans.

Our Results

3. Revenue from continuing operation

In thousands of AUD	**2023**	**2022**
Revenue from operating activities		
Revenue from rendering of services	1,045,483	939,514
Non recurrent grants	15,581	6,848
Recurrent grants received/receivable	247,559	249,658
Government aged care subsidy	434,994	305,387
Public Health Service capital grants	2,431	204
Resources received free of charge	846	795
ILU deferred management fees	5,561	4,390
Daily accommodation payment (DAP)	24,052	15,256
Imputed interest income on RADs	25,350	-
	1,801,857	**1,522,051**
Other Income		
Rental income	13,996	13,004
Donations	4,400	1,933
Other income	17,381	13,781
	35,777	**28,718**

3.1 Revenue from Operating Activities

Revenue from contracts with customer – AASB 15		
Recurrent grants received/receivable	227,478	231,199
Government accommodation subsidy Aged care	434,994	305,386
Non recurrent grants	15,581	6,848
	1,723,536	1,482,947
Revenue recognised under - *AASB 1058 Income of NFP entities*		
Recurrent grants received/receivable	20,081	18,459
Public Health Service capital grants	2,431	204
Resources received free of charge	846	795
	23,358	19,458
Revenue from leases - AASB 16 *Leases*		
ILU deferred management fees	5,561	4,390
Daily accommodation payments (DAPs)	24,052	15,256
Imputed interest income on RADs	25,350	-
	54,963	19,646
	1,801,857	**1,522,051**

3. Revenue (continued)

3.2 Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated by key service.

In thousands of AUD	**2023**	**2022**
Public Hospitals		
Newcastle	207,294	203,707
Bethlehem	10,698	10,373
Kogarah	47,117	47,297
	265,109	261,377
Private Hospitals		
Adelaide	365,284	316,642
John James	76,071	81,403
Bruce Private	62,591	55,471
Riverina	59,749	59,747
Tasmania	231,892	217,146
	795,587	730,409
Aged Care		
Retirement Communities	124,062	114,201
Aged Care Services	429,541	268,432
	553,603	382,633
Community Care	104,429	102,528
Little Company of Mary Health Care	4,808	6,000
Total revenue from operations	**1,723,536**	**1,482,947**

Accounting Policy

Income is measured at the fair value of the consideration, or contribution, received or receivable. When an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed or recognised at the point in time that the control of the services pass to the customer under AASB 15. The contribution is otherwise recognised immediately as income under AASB 1058. Where government grants are provided to construct non-financial assets, the income is recognised as construction occurs.

(i) Revenue recognition policy for revenue from contracts with customers (AASB 15)
AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations; however, where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

For further information on the accounting treatment for contract assets refer to Note 11, or for contract liabilities, refer to Note 23.

3. Revenue (continued)

Government revenue - recurrent grants
Recurrent grants are received from the Government to deliver outcome-based services on a range of programs to provide relief to sick and injured persons through the provision of care and treatment, and to promote, protect and maintain the health of the community. Revenue is recognised over time as performance obligations are met. The performance agreement between the Company and the Government specifying these services and programs typically cover the period of one year, and are renewed annually. Funding is usually received in advance, with a contract liability recorded for unspent funds.

Government aged care subsidy
Government aged care payments are received from the Government to assist with the provision of aged care and support services. Revenue is recognised over time as performance obligations are met.

Revenue from rendering of services - Patient fee revenue
Patient fee revenue is recognised on an accrual basis when the service has been provided to the patient. Accrued patient income represents an estimate of fees due from patients not billed at balance date. This estimate is calculated with reference to individual episode information and per diem rates.

Revenue from rendering of services - Resident fee revenue
Income is recognised on an accrual basis when the service has been provided to the resident. Accrued resident income represents an estimate of fees due from residents not billed at balance date.

(ii) Revenue recognition policy for revenue streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Public Health Service - capital grants
When the Company receives cash or other financial assets to construct or acquire a non-financial asset (eg, building) for its own use, it is considered to be a capital grant.

Under AASB 1058, capital grants received under an enforceable agreement to enable the Company to acquire or construct an item of property, plant and equipment to identified specifications, are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred, since this is deemed to be the most appropriate measure of completeness. When the cost incurred is not deemed to be the most accurate reflection of construction or acquisition, revenue is recognised on a straight-line basis.

Resources received free of charge
Income is recognised when fair value can be reliably measured. As permitted under AASB 1058, the Company, as an accounting policy choice, has elected to recognise revenue for services provided by Junior Medical Officers (JMO) and the nominal contribution amount for members of ACT public sector defined benefit superannuation schemes and ACT Health ICT support services, since the fair value of those services can be measured reliably.

It is considered impracticable to quantify and reliably estimate the monetary value of all other classes of free of charge services. Services received free, or for nominal consideration not recognised as income include, but are not limited to:
• companionship for patients and residents;
• support for mental health carers; and
• ward and fundraising assistance.

The usage of JMO services, superannuation contributions and ACT Health ICT support services are recognised as a corresponding expense, so the overall impact on net results is nil.

3. Revenue (continued)

(iii) Revenue recognised under AASB 16
Rental income as a sub-lessor
Rental income is recognised on a straight-line basis over the term of the relevant lease.

ILU deferred management fees
Deferred management fee (DMF) revenue represents the fee that is contractually deducted from the ingoing contribution that is paid back to a resident upon exit from a retirement village. DMF revenue is recognised over the expected length of stay of the resident. The Company discloses this revenue separately from revenue from contracts with customers.

Daily accommodation payment (DAP)
Persons entering an aged care facility who are assessed as "non-supported" are required to pay either a daily accommodation charge (DAP) or a Refundable Accommodation Deposit (RAD). Prior to 1 July 2014, persons entering an aged care facility who are assessed as "non-supported" were required to pay an accommodation bond. There are no significant financing components associated with accommodation payments.

Imputed interest income on RADs
Residential accommodation agreements in which residents who choose to pay Residential Accommodation Deposits (RAD) or a bond for their accommodation services are considered to be leases to residents within the scope of AASB16. The company has recognised as lease income an imputed non-cash charge representing the resident's right to occupy a room under the arrangement.

The Company has concluded that the lease term for these arrangements is no longer than 7 days (being the notice period required from a resident before departure) resulting in an imputed discount rate being akin to the short term cash rate.

Accommodation bonds and RADs paid by residents are repayable in the event of separation from the facility.

(iv) Other income
Interest
Interest income is recognised using the effective interest method.

Donations
Donations collected, including cash and plant and equipment, are recognised as other income when the Company gains control of the asset. Donations with specific conditions attached will be deferred until those conditions are satisfied.

(vi) Significant estimates and judgements relating to revenue
For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with several parties, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions.

Grants received by the Company have been accounted for under both AASB 15 and AASB 1058, depending on the terms and conditions and decisions made. If this determination was changed, then the revenue recognition pattern may have been different from that recognised in this financial report.

4. Finance costs

In thousands of AUD	**2023**	**2022**
Imputed interest expense on RAD and bond	25,350	-
Interest on finance leases	21,087	20,223
Other finance costs	32,613	11,810
	79,050	**32,033**

Our Assets

5. Property, Plant and Equipment

At Carrying Value *Note*	Land and buildings	Plant and equipment	Motor Vehicles	Assets under construction	Total
In thousands of AUD					
Carrying amount as at 1 July 2022	1,792,244	235,125	2,892	199,565	2,229,826
Additions	40,245	20,022	555	37,564	98,386
Transfers from assets under construction	153,981	27,800	-	(181,781)	-
Transfer to assets held for sale	(139,258)	(7,472)	(198)	(17,436)	(164,364)
Transfers to intangible assets	-	-	-	(1,365)	(1,365)
Disposals	(4,776)	(4,221)	(329)	-	(9,326)
Impairment	-	-	-	(5,046)	(5,046)
Depreciation expense	(66,885)	(58,906)	(775)	-	(126,566)
Balance at 30 June 2023	1,775,551	212,348	2,145	31,501	2,021,545
Book value as at 30 June 2023	2,097,346	501,332	7,125	31,501	2,637,304
Accumulated depreciation as at 30 June 2023	(321,795)	(288,984)	(4,980)	-	(615,759)
Net book value as at 30 June 2023	1,775,551	212,348	2,145	31,501	2,021,545
Book value as at 30 June 2022	2,109,057	526,441	7,761	199,565	2,842,824
Accumulated depreciation as at 30 June 2022	(316,813)	(291,316)	(4,869)	-	(612,998)
Net book value as at 30 June 2022	1,792,244	235,125	2,892	199,565	2,229,826

Assets pledged as security for loans
Land and buildings with a fair value less cost to sale of $2,378.3m (2022: $2,425.3m) have been provided as security for external loans payable by the Parent Entity, Little Company of Mary Health Care Ltd. This includes land for the Bruce Public Hospital that has been classified as an asset held for sale (refer to Note 26).

Covenants - freehold land & buildings
The title to the buildings located at Cessnock with a value of $24.5m (2022: $24.5m) is held with caveats. The property is required to be used as an aged care facility and there are restrictions around selling the property to an entity other than a not-for-profit entity.

Accounting Policy

Recognition and measurement
Property, plant and equipment is stated at historical cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

Capitalised interest
Borrowing costs relating to qualifying assets are capitalised and form part of the total construction cost of the asset in the Statement of Financial Position.

5. Property, Plant and Equipment (continued)

Depreciation
Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	40 years
Building improvements	10 years
Plant and equipment	6-10 years
Computer equipment	3 years
Motor vehicles	7 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment
At each reporting date, the Company assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Value in Use is calculated as the asset's current replacement cost.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss. For non-current assets excluding goodwill, a previously recognised impairment loss is reversed only if there has been a change in assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years and is recognised in profit or loss.

6. Leases

This note provides information for leases where the entity is a lessee. For leases where the entity is a lessor, see Note 7.

Amounts recognised in the balance sheet
The balance sheet shows the following amounts relating to leases:

Right-of-use assets	Note	Land and buildings leased	Medical equipment leased	Motor vehicles leased	Total
In thousands of AUD					
Balance at 1 July 2022		511,830	4,590	11	516,431
Additions to right of use assets		16,689	4,341	-	21,030
Transfer to assets held for sale	26	(7,615)	(1,408)	-	(9,023)
Depreciation		(25,275)	(2,136)	(11)	(27,422)
Balance at 30 June 2023		495,629	5,387	-	501,016

Leasing arrangements
Land and medical equipment
Land located at ACT with a carrying value of $9.0m (2022: $9.0m) was a crown leasehold property of the type common in the ACT. The lease is a 99-year lease which commenced in 1999 and has special conditions attached, primarily that the land be used for hospital and ancillary purposes. On 3 July 2023 in accordance with the Health Infrastructure Enabling Act 2023 (Act) and Health Infrastructure Enabling Regulation 2023 (Regulation) Calvary Bruce Public Hospital was compulsorily acquired by the Australian Capital Territory (Territory). The Act provided for the acquisition of the Public Hospital Land and the termination of the Calvary Network Agreement. The leased medical equipment was also subject to the compulsory acquisition. Refer to Note 26 for further details on "Disposal Group Held for Sale".

Buildings
The Company leases corporate office buildings and hospitals across several states within Australia to perform its corporate and principal activities. All lease terms with extension options have been assessed to determine whether it is reasonably certain that the extension option will be exercised.

Calvary Adelaide Hospital
The Calvary Adelaide Hospital operates on premises under a 30-year leasing arrangement that commenced on 9 September 2019, with 3 optional renewal terms of 10 years each. The Company has not recognised the renewal options as it is not reasonably certain that the extension options will be executed. The rental payment is subject to an annual increase, to a maximum of 4% per annum.

Calvary John James Hospital
The Company commenced leasing the Calvary John James Hospital at 173 Strickland Crescent, Deakin in October 2016. The initial lease term is for 10 years and there is an option to extend for 10 years. To ensure continuous presence in the private hospital sector in the ACT, it is reasonably certain that the extension option will be exercised. The lease extension period has been included in the right-of-use asset and lease liabilities. The lease payments are adjusted at each anniversary date for an annual CPI increase.

Motor Vehicle
The Company leases vehicles which are used to perform its corporate and principal activities, such as visiting patients in regional and metropolitan areas. The lease terms vary from 2 to 5 years and the lease payments are fixed during the lease term.

6. Leases (continued)

Medical Equipment
The Company leases medical equipment which is predominantly used in hospitals to perform its principal activities. Certain medical equipment leases are subject to a minimum purchase of consumables which have been included in calculating the right-of-use asset and corresponding liability. All other variable lease payments have been excluded from the initial measurement of the lease. The lease terms vary from 2 to 5 years.

Accounting Policy

Definition of a lease
At inception of a contract, the Company assesses whether a lease exists – ie, does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. This involves an assessment of whether:

- The contract involves the use of an identifiable asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset – ie, decision-making rights in relation to changing how and for what purpose the asset is used.

The Company has elected not to separate non-lease components from lease components have accounted for all leases as a single component.

Short-term leases and leases of low-value assets
The Company has elected not to recognise right-of-use assets and lease liabilities of low-value assets and short-term leases. Lease payments relating to short-term and low-value leases are recognised as an expense on a straight-line basis over the lease term.

Short-term leases are leases with a lease term of 12 months or less. Low-value assets leases are less than $10,000.

As a lessee
Leased assets are initially recognised as right-of-use assets of the Company, consisting of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date, less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The right-of-use is assessed for impairment indicators at each reporting date.

The corresponding liability to the lessor is included in the statement of financial position as a lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease; however, where this cannot be readily determined, then the Company's incremental borrowing rate is used.

6. Leases (continued)

Lease payments included in the measurement of lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured where there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (eg, CPI), or a change in the Company's assessment of lease term. Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the re-measurement, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Concessionary leases
The Group applies the option allowed under AASB 16 for not-for-profit entities to measure concessionary leases at cost. Cost represents the measurement of the lease liability and is a negligible amount.

The nature of the concessionary lease is detailed below.

LCM Calvary Health Care Holdings Ltd (Holdings), a controlled entity, is the trustee of the land known as the Fitzgerald Estate land held by the Fitzgerald Estate Trust. The address of this land is 91-97 and 101 Rocky Point Road Kogarah NSW. A lease agreement for this land and buildings has been entered between Holdings (as trustee) and Calvary Health Care Sydney Ltd, which commenced on 7 June 2007 and expires on 30 June 2074. The lease agreement provides for a nominal rent of $1 per annum.

7. Leases as a Lessor

Lessors classify leases as either operating or finance leases using the principles in AASB 16.

Operating leases

The Company leases building space to external parties under operating lease terms and conditions. Expiry of operating leases ranges from 1 to 4 years and are subject to regular market reviews. Lease rental revenue is disclosed as Other Income.

The Company has two commercial property leases in its investment property consisting of land and buildings.

Refer to Note 8 for further details on the investment property.

Residential aged care
Residential accommodation agreements in which residents who choose to pay Residential Accommodation Deposits (RAD) or a bond for their accommodation services are considered to be a lease under AASB 16. The company has recognised as lease income an imputed non-cash charge representing the resident's right to occupy a room under the arrangement.

The company has concluded that the lease term for these arrangements is no longer than 7 days (being the notice period required from a resident before departure) resulting in an imputed discount rate being akin to the short-term cash rate.

7. Leases as a Lessor (continued)

The Company discloses Daily Accommodation Payment (DAP), Daily Accommodation Contribution (DAC) and accommodation supplement revenue separately from revenue from contracts with customers (refer to Note 3).

Retirement Villages
Deferred management fee (DMF) revenue represents the fee that is contractually deducted from the ingoing contribution that is paid back to a resident upon exit from a retirement village. DMF revenue is recognised over the expected length of stay of the resident. The Company discloses this revenue separately from revenue from contracts with customers (refer to Note 3).

8. Investment Property

In thousands of AUD	2023	2022
Cost		
Balance at 1 July 2022	2,493	2,543
Depreciation expense	(49)	(50)
Balance as at 30 June 2023	2,444	2,493

Investment properties are real estate properties held to earn rentals and/or for capital appreciation. Rental income and operating expenses from investment property are reported within revenue and other expenses, respectively.

Accounting Policy

Recognition and measurement
Investment property is held at cost, which includes expenditure that is directly attributable to the acquisition of the investment property.

Depreciation
Investment properties consist of land and buildings, with the buildings depreciated over 40 years on a straight-line basis.

De-recognition
Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in the statement of profit or loss and other comprehensive income.

9. Intangible Assets

At Cost	**Goodwill**	**Bed licences**	**Software**	**Total**
In thousands of AUD				
Carrying amount at 1 July 2022	207,790	12,359	12,302	232,451
Additions/costs incurred	-	-	6,299	6,299
Impairment of goodwill	(197,200)	-	-	(197,200)
Transfers from asset under construction	-	-	1,365	1,365
Amortisation	-	(6,179)	(4,345)	(10,524)
Carrying amount at 30 June 2023	10,590	6,180	15,621	32,391

9. Intangible Assets (continued)

Impairment of goodwill

On 5 November 2021, the Company acquired 100% of the issued share capital of Japara Healthcare Limited (Japara), a residential aged care services provider, resulting in goodwill of $197.2m, being the difference between total purchase considerations and fair value of assets and liabilities recorded on acquisition. This goodwill was attributed mainly to the highly skilled and trained Japara workforce and the synergy from integrating Japara with Calvary's existing aged care services. Upon impairment testing the recoverable amount of the CGU, determined based on Fair Value Less Cost of Disposal (FVCLD), was concluded to be below the recoverable value resulting in the impairment of goodwill of $197.2m.

Accounting Policy – Goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash generating units expected to benefit from the synergies achieved from combining acquired facilities with the rest of the Group. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Impairment losses are recognised directly in profit or loss in the consolidated statement of profit or loss and other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Based on the impairment review conducted by the management, impairment losses were recorded against the Japara Healthcare Limited cash generating unit.

Accounting Policy - Software

Recognition and measurement
Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of, and recognition criteria for, an intangible asset, are recognised as intangible software assets measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation
Software is amortised using the straight-line method over 1-5 years and is recognised in profit or loss. Amortisation methods, useful lives and residual values are reviewed at each reporting date with the effect of any changes in estimate accounted for on a prospective basis.

Accounting Policy - Bed Licences

Recognition and measurement
On 30 September 2021, the Australian Government announced the discontinuation of the licences from 1 July 2024. Management expect that the remaining useful lives of the bed licences would not extend beyond 1 July 2024 and, therefore, have determined that it is appropriate to commence the amortisation of these licences under AASB 138 Intangible Assets from 1 October 2021 to 30 June 2024 on a straight-line basis.

10. Equity-accounted investees

In thousands of AUD	2023	2022
Interest in Joint Venture	3,616	5,394
Balance at 30 June 2023	3,616	5,394

Accounting Policy – Equity-accounted Joint Venture

The Calvary MHIH JV Pty Ltd, commonly referred to as My Home Hospital (MHH), is a joint venture in which the Company has joint control and a 50% ownership interest. The MHH was established in September 2020 and delivers an integrated model of care, offering an alternative to the traditional hospital based interventional care.

In 2021, the joint venture, using its learnings from MHH, established the COVID Care at Home program to support COVID positive patients to receive virtual care during their isolation and recovery. This service has operated in NSW, VIC, QLD and WA, treating over 188k patients in its first 12 months of operation. During the year, the Company has recorded a share of the net loss of $1.8m from the MHH joint venture using the equity method.

MHH is structured as a separate vehicle and the Company has residual interest in the net assets of MHH. Accordingly, the Company has classified its interest in MHH as a joint venture. In accordance with the agreement under which the joint venture is established, the Company and the other investor in the joint venture have agreed to make additional contributions, subject to the joint venture board requesting further funding by the issuance of a funding notice. This commitment has not been recognised in these consolidated financial statements.

11. Trade and Other Receivables

In thousands of AUD	2023	2022
Current		
Trade receivables	65,633	53,996
Contract assets	26,550	24,979
Grant receivable	3,362	8,752
Other receivables	17,509	40,736
Net GST receivables	3,052	2,513
	116,106	130,976

Movement in the impairment of receivables

In thousands of AUD	2023	2022
Balance at the beginning of the year	(12,735)	(3,174)
Acquisitions through business combinations	-	(6,549)
Transfer to disposal group held for sale (Note 26)	3,636	-
Impairment losses recognised/reversed during the	(220)	(4,211)
Amounts written off	993	1,199
Balance at the end of the year	(8,326)	(12,735)

11. Trade and Other Receivables (continued)

Accounting Policy

Recognition and measurement
Trade receivables are recognised when they are originated. All other financial assets are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets are added to, or deducted from, the fair value of the financial assets, as appropriate, on initial recognition. A trade receivable without a significant financing component is initially recognised at the transaction price.

Financial assets
The Company holds receivables with the objective to collect the contractual cash flows and, therefore, measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Other financial assets are classified and subsequently measured at amortised cost, as they are held for collection of contractual cash flows solely representing payments of principal and interest.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transactions costs on the date when they originated. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Impairment of financial assets
The Company applies a simplified approach in calculating expected credit losses (ECLs) for trade receivables, recognising a loss allowance based on lifetime ECLs at each reporting date, rather than monitoring changes in credit risk. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company considers a financial asset is in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of consideration received and receivable is recognised in profit or loss.

Contract assets
Where a timing difference arises between the payment for sale of goods and rendering of services and the timing of satisfaction, a contract asset or contract liability is required to be recognised.

For further information on contract liabilities, refer to Note 23.

Contract assets arise when work has been performed on a particular program, or services have been transferred to the customer, but the invoicing milestone has not been reached and the rights to the consideration are not unconditional. If the rights to the consideration are unconditional, then a receivable is recognised. No impairment losses were recognised in relation to these assets during the year (2022: $nil).

11. Trade and Other Receivables (continued)

Costs to fulfil a contract
Where costs are incurred to fulfil a contract, they are accounted for under the applicable accounting standard, unless the costs:

- relate directly to a contract;
- generate or enhance resources that will be used to satisfy performance obligations in the future; and
- are expected to be recovered.

If so, the costs are capitalised as contract assets. The contract asset is released to expenses on the same basis as the associated revenue is recognised.

12. Assets classified as held for sale

At 30 June 2023, as a result of the Calvary National Growth Strategy, the land and buildings at the Group's Central Park aged care facility and other land assets with a total value of $45.6m were identified as assets held for sale, and were reclassified out of property, plant and equipment accordingly (note 5). As is required under *AASB 5 Non-current Assets Held for Sale and Discontinued Operations*, assets held for sale are recognised at the lower of their carrying value and their fair value less costs of sale.

In FY23, an impairment loss of $5.0m (FY22: nil) was recorded against the assets held for sale to reflect the fair value of some of these assets.

In addition, with the CPHB compulsory acquisition, certain assets and liabilities were transferred and classified as held for sale associated with the disposal group held for sale. The assets classified as held for sale as result of the CPHB compulsory acquisition amounted to $134.6m. Refer to Note 26.

13. Commitments

13.1. Expenditure Commitments

At 30 June 20223, the Parent had entered into contracts to purchase plant and equipment for $2.8m (2022: $1.0m).

Public private partnership
In 2005/06, the NSW Health Administration Corporation entered into a contract with a private sector provider, Novacare Project Partnership, for financing, design, construction and commissioning of a new hospital facility, a mental health facility and refurbishment of existing buildings, and facilities management and delivery of ancillary non-clinical services on the Calvary Mater Newcastle site until November 2033.

Expenditure of $9.6m (2022: $8.7m) for the provision of facilities management and delivery of other non-clinical services on the Calvary Mater Newcastle site was incurred for the year ended 30 June 2023.

As the Company is not contractually committed to the agreement, the expenditure commitment over the life of the service provision is contingent upon recurrent funding continuing to be received from the NSW Health Department, via Hunter New England Local Health District.

13.2 Capital Commitments

In thousands of AUD	2023	2022
Buildings	376	135,558
Building improvements on leasehold land	-	6,273
Plant & equipment	136	13,517
	512	155,348

The Company has contracted for certain capital commitments as at 30 June 2023. No work relating to these capital commitments has been performed or invoice received.

Our Financing and Capital Structure

14. Other Assets

In thousands of AUD	2023	2022
Current		
Prepayments	15,362	13,767
Other assets	655	377
	16,017	14,144

15. Cash and Cash Equivalents

In thousands of AUD	2023	2022
Cash at bank and on hand	87,415	103,443
Short-term term deposits	1,800	67,016
Cash at bank - special purpose funds	29,571	20,402
	118,786	190,861

Accounting Policy

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in-hand and term deposits with a term of less than three months.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

16. Term Deposits

In thousands of AUD	2023	2022
Term deposits (greater than 3 months and less than 12 months maturity)	83,462	84,727

17. Restricted Assets

Company holds assets which are restricted by externally imposed conditions (eg, in line with grant and donor requirements). The assets are only available for application in accordance with the terms of these restrictions.

In thousands of AUD	**2023**	**2022**
Special Purpose / Conditions imposed by granting body	8,318	7,062
No.2 Account / Conditions imposed by NSW Ministry of Health	94,615	89,881
Other donations / Conditions imposed by donor	717	1,802
Research grants / Conditions imposed by granting body	-	971
Other grants / Conditions imposed by granting body	30,117	29,108
Trust funds / Trust Deed	4,022	4,798
Term deposit / Conditions imposed by Bank for Guarantee	6,693	6,813
	144,482	140,435
Disclosed in the Statement of Financial		
Cash and cash equivalents	59,639	54,351
Term deposits (greater than 3 months and less than 12 months maturity)	84,843	86,084
	144,482	140,435

Bank guarantees
The Parent Entity has provided a Bank Guarantee for $4.9m in favour of the Workcover Corporation of South Australia, which is required as a condition of Calvary Heath Care Adelaide Limited and Calvary Home Care Services Limited being granted the right of workers compensation self-insurance from 1 July 2011 and 1 March 2012, respectively.

18. Borrowings

This note provides information about the Company's interest-bearing loans and borrowings which are measured at amortised cost.

In thousands of AUD	**Total**	**Utilised**	**Unused**
2023			
Secured external loans	640,000	556,500	83,500
Unsecured loan - The Corporation of the Little Company of Mary	5,750	5,750	-
Bethlehem redevelopment construction loan	88,733	88,733	-
Total borrowings	734,483	650,983	83,500

In thousands of AUD	**2023**	**2022**
Current	693	693
Non-current	650,290	712,840
	650,983	713,533

The difference between total utilised borrowings of $562m and total borrowing of $650m is attributable to the Bethlehem Redevelopment Project financial liability.

18. Borrowings (continued)

Secured external loans
In November 2021, the Company entered a syndicated loan facility. The purpose of this facility was to fund the purchase consideration of the Japara Healthcare Limited and refinance existing debt facilities. The syndicated facility has a total facility limit of $640m. At 30 June 2023, $556.5m (2022: $594.2m) was drawn down. This is structured as follows:

In thousands of AUD

Facility	Commitment	Drawn at close	Maturity Date
Facility B	315,000	315,000	23-Oct-24
Facility C	315,000	241,500	23-Oct-26
Facility D	10,000	-	23-Oct-26
Total	**640,000**	**556,500**	

Borrowings under this facility bear interest at a floating BBSY bid plus a margin. The Company has complied with all debt covenants through the reporting period.

Covenants on loan facilities
Calvary's loan facilities contain undertakings to comply with financial covenants and ensure that the guarantors of these facilities, which include the Company and its controlled entities ("Group"), collectively meet certain minimum threshold amounts of Group EBITDA and Group Total Assets. The main financial covenants which Calvary is subject to are Loan to Value Ratio and Interest Cover Ratio. Financial covenants testing is undertaken monthly and reported at the Calvary Board meetings. Reporting of financial covenants to financiers occurs semi-annually for the rolling 12-month periods to 30 June and 31 December. Calvary was in compliance with all its financial covenants as at 30 June 2023.

Bethlehem Redevelopment Project financial liability
As at 30 June 2023, Calvary has recorded funds of $86.7m provided by a project financier under the Bethlehem re-development agreements as a financial liability. The interest on the funds provided were capitalised as directly attributable costs of the project and were accounted for as part of the project costs during the construction period. The principal of the loan and the interest accrued during the construction period have commenced repayment upon completion of the development of the property in January 2023.

Accounting Policy

Financial liabilities - recognition and measurement
Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

Interest expense
Interest expense is recognised using the effective interest method.

Derecognition
The Company derecognises financial liabilities when, and only when, the Company's obligations are either discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

19. Lease Liabilities

In thousands of AUD	2023	2022
Current	34,395	36,261
Non-current	528,904	524,335
	563,299	560,596

19.1 Amounts recognised in statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

In thousands of AUD	2023	2022
Interest on lease liabilities	21,270	20,459
Depreciation expense of right-of-use assets	27,422	24,963
Expense relating to short-term leases	2,976	1,693
Expense relating to leases of low-value assets that are not shown above as short-term leases	-	42
Expenses relating to variable lease payments not included in lease liabilities	-	1,241
	51,668	48,398

For further information on the accounting policy for lease liabilities, refer to Note 6.

20. Refundable loans

In thousands of AUD	2023	2022
Resident contributions - residential aged care	899,688	848,817
Resident contributions - independent living units	195,139	155,113
	1,094,827	1,003,930

Accounting Policy

Accommodation payments
Persons entering an aged care facility who are assessed as “non-supported” are required to pay either a daily accommodation charge (DAP) or a Refundable Accommodation Deposit (RAD). Prior to 1 July 2014, persons entering an aged care facility who are assessed as “non-supported” were required to pay an accommodation bond. Accommodation bonds and RADs are held by the Company in the form of interest free loans from residents.

Accommodation bonds and RADs paid by residents are repayable in the event of separation from the facility.

21. Equity Loan

In thousands of AUD	2023	2022
Equity Loan from The Corporation of the Little Company of Mary	40,870	40,870

This Equity Loan, in favour of The Corporation of the Little Company of Mary, is interest free with no obligation for repayment by the Company.

22. Provisions

In thousands of AUD	2023	2022
Provisions - current	6,164	8,652
Provisions - non current	5,498	9,813
	11,662	18,465

Accounting Policy

Provisions comprise workers compensation, medical malpractice, make good provisions and aged care capital works funds.

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

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

Assessment of claims
For medical malpractice and other insurance provisions, the Company undertakes a formal claims review process in evaluating how clinical and public liability incidents and claims are managed. The Company creates adequate provisions for insurer reserved matters or incidents that may have the potential for a claim.

Claim reserves and provisions are established based on the most likely estimate taking into account any legislative issues, the facts surrounding the potential liability and the expected quantum of any payment on resolution of the matter. Where the Company self-insures, regular review of potential future claims are conducted using actuarial assessments.

23. Contract Liabilities

In thousands of AUD	2023	2022
Contract liabilities - current	39,580	44,030
	39,580	44,030

Where a timing difference arises between the payment for sale of goods and rendering of services and the timing of satisfaction of a performance obligation, a contract asset or contract liability is to be recognised in accordance with AASB15.

23. Contract Liabilities (continued)

Contract liabilities represent the unspent grants or revenue received on the condition that specified services are delivered or conditions are fulfilled.

The services are usually provided, or the conditions usually fulfilled, within 12 months of receipt of the grant / fees. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date, or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

Where capital grants are received for the Company to acquire or construct an item of property, plant and equipment which will be controlled by the Company, then the funds are initially recognised as a contract liability and amortised to revenue as and when the obligation is satisfied.

Other current liabilities – arising under contract with customers
Private Health Insurance (PHI) companies conduct audits to ensure private patient insurance monies have been accurately claimed by the Company on behalf of the patient. The effect of the PHI refund for the 2022/23 financial year is not deemed to be material and, as such, a refund liability relating to the right of return accessible by the PHI is not recorded.

Our Company Structure

24. Company Entities

Controlled entities are all incorporated in Australia and 100% owned by Little Company of Mary Health Care Limited. Set out below is a list of material subsidiaries of the Group:

- Calvary Health Care ACT Limited
- Calvary Bruce Private Hospital Limited
- Calvary Clinic Pty Limited
- Calvary Health Care Bethlehem Limited
- Calvary Health Care Sydney Limited
- Calvary Health Care (Newcastle) Limited
- Calvary Health Care Adelaide Limited
- Calvary Private Health Care Canberra Limited
- Calvary Health Care Tasmania Limited
- Calvary Health Care Riverina Limited
- Calvary Retirement Communities Ltd
- Calvary Home Care Services Limited
- LCM Calvary Health Care Holdings Limited
- Calvary Holdings Pty Ltd
- Japara Property Holdings Pty Ltd
- Japara Aged Care Property Trust
- Calvary Administration Pty Ltd
- Calvary Aged Care Services Pty Ltd
- Japara Healthcare Pty Ltd
- Japara Property Management Pty Ltd
- Japara Developments Pty Ltd
- Japara Retirement Living Pty Ltd

Accounting Policy
Basis of consolidation
The Company controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of controlled entities are included in the consolidated financial statements, from the date

24. Company Entities (continued)

that control commences until the date that control ceases. The accounting policies of controlled entities have been changed, when necessary, to align them with the policies adopted by the Company.

Transactions eliminated on consolidation
Intra-Company balances, and any unrealised income and expenses arising from intra-Company transactions, are eliminated.

25. Parent Entity disclosures

As at, and throughout, the year ended 30 June 2023, the parent entity of the Company was Little Company of Mary Health Care Limited.

In thousands of AUD	**2023**	**2022**
Result of parent entity		
Loss for the period	(43,720)	(16,337)
Distribution from subsidiaries	85,592	171,697
	41,872	**155,360**
Financial Position of parent entity at year		
Current assets	49,860	94,957
Non-current assets	908,332	894,889
Total assets	**958,192**	**989,846**
Current liability	11,377	21,937
Non-current liabilities	648,858	711,824
Total liabilities	660,235	733,761
Net assets	**297,957**	**256,085**
Accumulated Surplus	297,957	256,085
Total Equity	**297,957**	**256,085**

26. Disposal Group Held for Sale and Discontinued Operations

26.1 Details of Disposal Group Held for Sale and Discontinued Operation

On 11 May 2023 the ACT Government introduced the *Health Infrastructure Enabling Act 2023* (the Act) and *Health Infrastructure Enabling Regulation 2023* (the Regulation), which on passage enabled the ACT government (the Territory) to compulsorily acquire part of the land where Calvary Public Hospital Bruce is situated, transition the operation of the public hospital to the territory and terminate the Calvary Network Agreement (CNA). The Act was passed on 31 May 2023 with an effective date of 3 July 2023.

On 3 July 2023, the Calvary Bruce Public Hospital (CPHB) was therefore subject to compulsory acquisition by the Territory. The provision of public hospital services by the Company ceased after this date. In accordance with the Act, the public hospital land and all assets categorised as 'public hospital assets' were taken under the control of the Territory. On the acquisition date, the CNA and the Lease between Calvary and the Territory still had 76 years to run.

In addition to the Assets specifically stated in the Act, certain other interests (including other assets and liabilities) were consequently acquired and classified as 'Disposal Group Held for Sale' within these financial statements. The acquisition of these interests arose as a consequence of the acquisition of the Public Hospital Land, Public Hospital Assets and termination of the Calvary Network Agreement explicitly referenced within the Act.

26. Disposal Group Held for Sale (continued)

For liabilities directly associated with assets classified as held for sale, the Directors believe that, the responsibility for these obligations, including accrued leave entitlements at that time for those employees who were undertaking public hospital services, resides with the ACT Health.

As at 30 June 2023 the hospital operations of Calvary Bruce Public Hospital were presented as a disposal group held for sale.

Under the Act reasonable compensation for the acquisition must be provided under just terms, to a person from whom an interest has been acquired under the Act. As at the date of signing these financial accounts, Calvary continues to work through the compensation on just terms regime set out in the Regulations.

Estimates and judgements relating to disposal group held for sale

On classification as a disposal group held for sale no impairment losses have been recognised based on the Company's estimate of the valuation of the hospital assets and related compensation to be received under the Act. This is supported by valuations from independent valuers and is expected to surpass the carrying value of the assets represented below.

26.2 Results of Discontinued Operation

The statement of profit or loss, including the comparative period balances, has been re-presented to show the discontinued operation separately from the continuing operation:

In thousands of AUD	**2023**	**2022**
Revenue from operations	346,461	321,284
Other income	1,197	939
Total revenue for the year	**347,658**	**322,223**
Employee benefits expense	233,258	205,201
Other operating expenses	113,390	110,724
Total expenses for the year	**346,648**	**315,925**
Results from operating activities	**1,010**	**6,298**
Net finance income / (costs)	410	(215)
Net surplus for the year	**1,420**	**6,083**

Cashflow used in Discontinued Operation

The consolidated statement of cashflow includes the net cash outflow of the discontinued operation for the current year and the comparative period:

In thousands of AUD	**2023**	**2022**
Cash flows from operating activities	23,807	8,148
Cash flows from investing activities	(15,763)	(10,524)
Cash flows from financing activities	(8,206)	(32,068)
Net cash outflow for the year	**(162)**	**(34,444)**

26. Disposal Group Held for Sale (continued)

26.3 Assets and liabilities of Disposal Group Held for Sale

In thousands of AUD	**2023**
Trade and other receivables	3,577
Other current assets	1,188
Property, plant and equipment	118,689
Inventory	2,091
Right of use assets	9,023
Assets held for sale	**134,568**
Employee benefits	39,233
Trade and other payables	11,854
Contract liabilities	870
Lease liabilities	1,524
Liabilities held for sale	**53,481**
Net Assets Held for Sale	**81,087**

27. Employee remuneration

27.1 Employee benefits expense

In thousands of AUD	**2023**	**2022**
Salaries and wages	1,056,019	898,891
Superannuation - defined contribution	95,087	78,696
Superannuation - defined benefit	498	542
Workcover	22,613	15,698
Long-term and post-employment benefits	22,277	3,268
	1,196,494	997,095

27.2 Employee Provisions

In thousands of AUD	**2023**	**2022**
Current		
Annual leave	104,450	119,209
Long service leave	90,908	102,018
Redundancy	-	35
Other employee provisions	8,772	5,209
	204,130	226,471
Non-current		
Long service leave	14,395	14,838
	14,395	14,838

Accounting Policy

A liability is recognised for benefits accruing to employees in respect of salaries and wages, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Short-term benefits
Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

26. Employee remuneration (continued)

Other long-term benefits
Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to the reporting date.

Defined contribution plan
Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

27.3 Key Management Personnel compensation

The key management personnel compensation included in 'personnel expenses' is as follows:

In thousands of AUD	**2023**	**2022**
Compensation to directors and other members of key management personnel of the company and the Group	17,508	17,772

28. Related Parties

28.1 Transaction with key management personnel

From time-to-time, Directors and other key management personnel of the Company may be treated as patients. This service is provided on the same terms and conditions as those entered into by other employees or customers and are trivial or domestic in nature.

28.2 Transactions with other related parties

In thousands of AUD	**2023**	**2022**
Received during the year from The Corporation of the Little Company of Mary:		
Compensation - rental for LCM representatives	-	2
Revenue from care fees and maintenance	219	215
	219	**217**
Payments during the year to The Corporation of the Little Company of Mary:		
Repayments of borrowings	816	850
Stipends	-	22
Interest	248	278
	1,064	**1,150**
Payments made during the year to Calvary Ministries Limited:		
Payment of Board and other expenses	854	539
Profit/(Loss) recognised during the year relating to equity-accounted investments		
My Home Hospital	(1,778)	3,039

28.3 Balances with other related parties

In thousands of AUD	**2023**	**2022**
Amounts payable to The Corporation of the Little Company of Mary:		
Loan payable - ILU contributions for accommodation of Sisters	6,815	6,194
Other loan payable	5,217	5,969
	12,032	**12,163**

28.4 Other related party disclosures (continued)

Other loan payable

The Group has an interest free loan of $5.2m from The Corporation of the Little Company of Mary. The loan is repayable in quarterly instalments of $0.3m, from 10 October 2019, over a 10-year period. The loan is unsecured and subordinated to all other creditors.

Residential premises
Residential premises at Hillpine Avenue, Kogarah are provided rent-free to Little Company of Mary Sisters who are associated with the Company.

Independent living units
The Sisters of the Order of the Little Company of Mary, who were residents in the independent living units at Calvary Retirement Community Ryde, were charged a maintenance levy calculated according to normal village maintenance fees. Sisters in the hostel and nursing home were charged care fees as per the schedule of approved fees issued by the Department of Health and Ageing. The maintenance charge and care fees for the financial year totalled $0.2m (2022: $0.2m).

Equity Loan

In thousands of AUD	**2023**	**2022**
Equity Loan from The Corporation of the Little Company of Mary	40,870	40,870

The equity loan is an equity contribution from The Corporation of the Little Company of Mary, relating to the transfer of land and buildings by The Corporation of the Little Company of Mary. The equity loan is interest-free, repayable at the discretion of the Company and subordinated to all other creditors of the Company.

29. Remuneration of auditors

In thousands of AUD	**2023**	**2022**
(a) Audit and other assurance services		
KPMG Australia		
Audit of financial statements	1,033	809
Regulatory assurance services	323	93
Total remuneration for audit and other	**1,356**	**902**
(b) Other services		
KPMG Australia		
Other services	-	65
Total remuneration for other services	**-**	**65**
Total remuneration of auditors	**1,076**	**967**

30. Economic Dependency

The public hospital facilities within the Company operated by Calvary Health Care ACT Limited, Calvary Health Care Bethlehem Limited, Calvary Health Care Sydney Limited and Calvary Health Care (Newcastle) Limited depend on the annual appropriation of monies by their relevant State or Territory Governments to fund operations and meet commitments, in accordance with separate agreements between these companies and the relevant Government authority.

The Directors currently believe that, collectively, the Company has sufficient cash resources to ensure the Parent Entity and each controlled entity will continue to trade as a going concern and they are unaware of any material uncertainties, events or conditions, which may cast significant doubt on this belief.

31. Contingent liabilities

Claims on managed fund
On 1 July 1989, the NSW Government implemented a self-insurance scheme known as the Treasury Managed Fund (TMF). Since that time, the Group has been a member of the TMF. The TMF will pay to, or on behalf of, the Group all sums which it shall become legally liable to pay by way of compensation or legal liability, except for employment-related, discrimination and harassment claims that do not have state-wide implications. Therefore, since 1 July 1989, apart from the exceptions noted above, no contingent liabilities exist in respect of liability claims against the Group.

A Solvency Fund (now called Pre-Managed Fund) Reserve was established by the NSW Government to deal with the insurance matters incurred before 1 July 1989 that were above the limit of insurance held, or for matters that were incurred prior to 1 July 1989 that would have become verdicts against the State. The Pre-Managed Fund will respond to all claims against the Group.

There were no further significant contingent liabilities in respect of the year ended 30 June 2023.

32. Subsequent events

On 3 July 2023, in the interval between the end of the financial year and the date of this report, the Calvary Bruce Public Hospital (CPHB) was subject to a mandatory acquisition by the ACT Health (refer to Note 26).

There has not arisen, in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

33. Other Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

33.1 Income tax

The Parent Company and all but two subsidiaries are exempt from income tax under the current provisions of the Australian Income Tax Assessment Act (1997). Two subsidiaries within the Company, Glad Pty Ltd and Lovell H.C.S. Pty Ltd are Australian tax paying entities. The subsidiaries have ceased trading.

33.2 Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.
The GST components of cash flows arising from operating, investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

33.3 Finance income and expense

Interest income and expenses are recognised using the effective interest method.

34. Changes to accounting policies

There have been no changes to accounting policies in preparation of these financial statements of the Company.

KPMG

Independent Auditor's Report

To the members of Little Company of Mary Health Care Limited

Opinion

We have audited the ***Financial Report***, of Little Company of Mary Health Care Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* including:

- giving a true and fair view of the ***Group***'s financial position as at 30 June 2023, and of its financial performance and its cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards – Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022 (ACNCR)*

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2023.
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.
- Notes including a summary of significant accounting policies.
- Directors' declaration of the Company.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Other information

Other Information is financial and non-financial information in Little Company of Mary Health Care Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

i. preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Framework and the ACNC and ACNCR;

ii. implementing necessary internal control 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; and

iii. assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and

ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 *Australian Auditing Standards*, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

i. 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.

ii. 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 registered Company's internal control.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

iv. Conclude on the appropriateness of Directors' 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 registered Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Group and Company to cease to continue as a going concern.

v. 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.

We communicate with the Directors of the registered Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

Stephen Isaac

Partner

Sydney

26 October 2023

LITTLE COMPANY OF MARY HEALTH CARE LIMITED_ACNC GROUP

"KB-9"

← Back to Financials & Documents

Annual Information Statement 2024

Legal name:
Little Company of Mary Health Care Limited_ACNC Group

About the group

Website:
calvarycare.org.au

Group size:
Large

Group programs

Description of the group's activities and outcomes:
Calvary is a charitable, Catholic not-for-profit organisation, continuing the Mission of the Sisters of the Little Company of Mary in Australia. Our Mission is to provide quality, compassionate health care to the most vulnerable, including those reaching the end of life. We provide aged and home care, acute and sub-acute hospital care, across 5 States and 2 Territories. For more details please go to www.calvarycare.org.au

Human resources

Human resources:
Full time employees: 3499
Part time employees: 9986
Casual employees: 4031
Full-time equivalent staff (FTE): 10849.00
Estimated number of volunteers: 847

Annual report

Note: If you want to see the financial report or annual report that this group has submitted, go back to Financials & Documents

Financial Reporting

Group's 2024 reporting period:
1 July 2023 to 30 June 2024

Type of financial statement:
General purpose financial statements simplified disclosure

Financial report consolidated with more than one entity?:
Yes

Reportable related party transactions in the 2024 reporting period?:
Yes

Types of reportable related party transactions:
Loans from/to a related party
Salary/wages paid to a related party's relative(s)
Charity goods or services provided at a discount to a related party
Investment in a related party

More than one remunerated key management personnel member:
Yes

Number of remunerated key management personnel:

53

Total amount paid to key management personnel:
$17,945,000

Income and Expenses

Comprehensive Income Statement summary

Gross income

Revenue from government including grants	$810,679,000
Donations and bequests	$2,232,000
Revenue from providing goods or services	$1,262,677,000
Revenue from investments	$10,266,000
All other revenue	$28,242,000
Total revenue	$2,114,096,000
Other income (for example, gains)	$0
Total gross income	$2,114,096,000

Expenses

Employee expenses	$1,342,309,000
Interest expenses	$102,308,000
Grants and donations made for use in Australia	$529,424
Grants and donations made for use outside Australia	$0
All other expenses	$812,149,576
Total expenses	$2,257,296,000

Net income

Net surplus/(deficit)	-$143,200,000
Other comprehensive income	-$258,000
Total comprehensive income	-$143,458,000

Balance Sheet extract

Assets

Total current assets	$496,751,000
Non-current loans receivable	$0
Other non-current assets	$2,458,661,000
Total non-current assets	$2,458,661,000
Total assets	$2,955,412,000

Liabilities

Total current liabilities	$2,019,118,000
Non-current loans payable	$227,297,000
Other non-current liabilities	$562,214,000
Total non-current liabilities	$789,511,000
Total liabilities	$2,808,629,000

Net assets/liabilities

Net assets/liabilities	$146,783,000

"KB-10"

Calvary

Being for Others

Annual Financial Report

30 June 2024

Little Company of Mary Health Care Limited

ABN 11 079 815 697



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DIRECTORS' REPORT

The Board of Directors of Little Company of Mary Health Care Limited (the Company) submit their report for the year ended 30 June 2024.

Directors

The names of the Company's Directors in office during the financial year and until the date of this report are as follows.

NAME	QUALIFICATIONS	AREAS OF SPECIFIC RESPONSIBILITY
Jim Birch AM	BHA, FCHSM	Chair All Committees, Ex Officio
Lucille Scomazzon	LLB (Hons 1), BA, GAICD	Director (appointed Deputy Chair 12.7.23) Member, Clinical Governance Committee Member, Audit Finance & Risk Committee (to 1.3.24) Member and Chair, Performance & Risk & Remuneration Committee (from 1.3.24)
David Catchpole (Retired 23.11.23)	BEc, Dip FP, FAICD, FCPA (Retired)	Director Chair, Performance & Remuneration Committee (to 23.11.23) Member, Audit Finance & Risk Committee (to 23.11.23)
Jennifer Stratton	BA (Economics, English & History), FAICD	Director Chair, Mission & Ethics Committee Member, Performance & Remuneration Committee
Lucille Halloran	BCom (Hons), BA GAICD	Director Member, Mission & Ethics Committee Member, Clinical Governance Committee
Annette Carruthers AM	MBBS (Hons), FRACGP, FAICD, Grad Dip App Fin	Director Member, Performance & Remuneration Committee Member, Clinical Governance Committee
Agnes Sheehan	BA Business Studies (Hons), GAICD	Director Member, Audit Finance & Risk Committee Member, Clinical Governance Committee
Professor Christopher Baggoley AO	BVSC (Hons), BMBS, B Soc Admin, FACEM, FRACMA, D Univ (FUSA), FAAHMS	Director Chair, Clinical Governance Committee Member, Mission & Ethics Committee
Yvonne Le Bas	BBus Studies, MA, Fellow CA Aus/NZ, Fellow Inst. CA England/Wales, FAICD	Director Member, Audit Finance & Risk Committee Chair Audit Finance & Risk Committee (from 27.7.23)
David Issa (Appointed 23.11.23)	Bachelor of Science (Mathematics)	Director Member, Audit Finance & Risk Committee (from 23.11.23)

DIRECTORS' REPORT (continued)

Directors were in office for the entire period unless otherwise stated.

The Directors attended the following Board meetings and applicable Committees each Director was eligible to attend:

Director	Board Meetings		AFRC		MEC		PRC		CGC	
	Held	Att	Held	Att	Held	Att	Held	Att	Held	Att
Jim Birch AM	9	9								
David Catchpole	3	3	3	3			2	2		
Jennifer Stratton	9	9			4	4	4	2		
Lucille Halloran	9	9			4	4			4	3
Annette Carruthers AM	9	9					4	4	4	4
Lucille Scomazzon	9	9	3	3			2	2	4	4
Agnes Sheehan	9	9	5	5					4	4
Prof Chris Baggoley AO	9	8			4	3			4	3
Yvonne Le Bas	9	8	5	5						
David Issa	6	6	2	2						

Key:
ARC Audit Finance & Risk Committee
MEC Mission & Ethics Committee
PRC Performance & Remuneration Committee
CGC Clinical Governance Committee

Short and long term objectives

Calvary's vision, as a Catholic health, community and aged care provider, is to excel and be recognised as a continuing source of healing, hope and nurturing to the people and communities it serves. Calvary's unique strength is being able to provide quality, patient centred, integrated longitudinal care through its range of services and partnerships with other health care providers.

Calvary's strategic intent is to be the health, community and aged care provider of choice, delivering with equity and compassion integrated, seamless, safe and quality care appropriate to the individual and community's needs.

Calvary's four priority focus areas are:

- Care for our people and our working environment
- A focus on quality and safety
- Partnering and planning for the present and future
- Caring for our resources.

DIRECTORS' REPORT (continued)

Principal activities

The principal activities of the Company during the period were the provision of acute health services by private and public hospital facilities, sub-acute services, palliative care, residential aged care, independent living units ('ILU'), community and home care services.

Within these activities, Calvary has developed models of care that have been specifically designed to meet customer expectations, while reducing cost, complexity and risk. This includes the continued development of home and community-based services to better manage chronic disease and palliative and end of life care. Calvary's doctors, nurses and carers work closely with Local Health Districts, Primary Health Networks and other stakeholders to improve the care journey of a patient and reduce their burden within what can be a complex system.

The Directors believe that we should be striving to achieve the best commercial results to sustain our operations, fund better integration, grow and innovate in pursuit of our strategic aims. Demonstrating wise stewardship and contributing to social stability in the communities Calvary serve requires a strong financial base. Calvary achieves this through strict cost management and the pursuit of improved revenue rates. Calvary continues to invest in its ability to be a source of healing and in facilities which enable Calvary to provide a wider range of services to the local communities.

Review of operations

A deficit of $143.5m was reported for the Company for the financial year ended 30 June 2024 (2023: $377.3m).

Review of operations
(a) Revenues
The Company's revenue from operating activities totalled $2,103.8m (2023: $1,837.6m). Grants and subsidies from Government for hospital and aged care operations totalled $863.0m (2023: $701.4m). Grants and subsidies represent 42% (2023: 39%) of revenue from operating activities.

(b) Expenses
The Company's expenses from operating activities totalled $2,155.0m (2023: $2,142.7m). Expenses on personnel costs represent 62% (2023: 56%) of total operating expense.

Staffing levels have decreased during the reporting period with total full time equivalents of 10,849 as at 30 June 2024 (2023: 11,774).

Whilst the COVID pandemic continued into this financial year it has not materially affected the financial performance or financial position of the Group. During the current year, the Group received COVID support funding from the Department of Health and Aged Care in the form of a $45.7m expense reimbursement for COVID-specific expenses in relation to current and previous financial year expenses.

DIRECTORS' REPORT (continued)

Significant changes in the state of affairs

Calvary Bruce Public Hospital
On 3 July 2023 in accordance with the Health Infrastructure Enabling Act 2023 (Act) and Health Infrastructure Enabling Regulation 2023 (Regulation) (together, the Legislation) Calvary Bruce Public Hospital (Bruce Public) was compulsorily acquired by the Australian Capital Territory (Territory). The Act provided for the acquisition of the Public Hospital Land, Public Hospital Assets (as defined in the Act) and the termination of the Calvary Network Agreement.

In addition to the Assets specifically stated in the Act, certain other interests (including other assets and liabilities) were consequently acquired by the Territory and classified by Calvary as a 'Disposal Group Held for Sale' within the 30 June 2023 financial statements.

The Legislation requires the Territory to provide reasonable compensation on just terms to a person from whom an interest has been acquired under the Act. The claims submitted to the Territory pursuant to the Legislation are currently being considered by the Territory. Refer to Note 27 *Disposal Group Held for Sale* for further details on the claimed compensation amount.

There were no other significant changes in the state of affairs of the Company during the financial year.

Developments during the financial year

Last year, the Company's Board endorsed the Calvary National Growth Strategy - Towards 2025. The Strategy articulates the next phase of change and growth for Calvary; outlines the Calvary Care System as the primary goal for growth and proposes a range of strategic priorities to enact. Importantly, the Strategy provides guiding principles and criteria to support an ongoing discernment process, as we progress with implementation of the Calvary Care System.

In the financial year, a review process was undertaken to assess the assets acquired from the former Japara, and existing Calvary assets. This process identified assets for divestment that do not strategically align and whose value would be better reinvested within Calvary – including supporting the pay down of debt and the future pipeline investment. One of the Calvary Aged Care homes identified as a divestment was Calvary Bonbeach which resulted in the closure of the service in May 2024, and relocation of the majority of residents to other Calvary Aged Care homes, and the redeployment of staff to other Calvary Aged Care homes.

Calvary Hallam was also closed in August 2024, with relocation of the majority of residents to other Calvary Aged Care homes, and the redeployment of staff to other Calvary Aged Care homes. The Department of Health and Aged Care were notified in May 2024. No decision has been made by the Group regarding the future use of the Calvary Hallam.

DIRECTORS' REPORT (continued)

Future developments

In FY24, the government announced an Aged Care Taskforce which would review the funding arrangements for aged care and developed options for a system that is fair and equitable for everyone in Australia.
The role of the taskforce was to:

- a review of funding arrangements for aged care;
- develop options for a system that is fair and equitable for everyone in Australia;
- build on Royal Commission into Aged Care Quality and Safety recommendations.

To review aged care funding arrangements, the taskforce focused on:

- supporting a sustainable system;
- equity for older people needing aged care now and into the future;
- making innovation the sector default; and
- enhancing the elements of the system that Australians value, including putting people using aged care at the centre of the funding arrangements.

On 12 September 2024, the Australian Government has announced the introduction of the Aged Care Bill 2024 and reforms to funding in its response to the Aged Care Taskforce Recommendations. It has also provided details of the Support At Home Program. The Group welcomes the outcome from this government announcement and is looking forward to ongoing opportunity to work with Government on ensuring the long - term service quality and financials sustainability of the sector.

Significant events after year end

Under the current syndicated loan facility, the $315m Facility B was due to mature in November 2024. On 8 October 2024, the Group refinanced a $309.6m syndicated bullet term loan facility with a 3-year term.

There has not arisen, in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Deed of access and indemnity – Directors

Little Company of Mary Health Care Ltd has executed a Deed of Access & Indemnity which provides Directors with the right of access to records for seven years after they cease office and also indemnifies Directors (to the extent permitted by law) against liability incurred in the course of their duties as a Director of companies within the Calvary group.

DIRECTORS' REPORT (continued)

Indemnification of officers and auditors

During the financial year, Little Company of Mary Health Care Limited (parent entity) has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 30 June 2024 and, since the financial year, Little Company of Mary Health Care Limited has paid premiums in respect of such insurance contracts for the year ending 30 June 2025. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are, or have been, directors or executive officers of the group.

The directors have not included details of the nature of the liabilities covered, or the amount of the premiums paid, in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

Since the end of the previous financial year, Little Company of Mary Health Care Limited has not otherwise indemnified, or made a relevant agreement for indemnifying, against a liability any person who is, or has been, an officer or auditor of Little Company of Mary Health Care Limited.

Rounding off

Amounts in the financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Proceedings on behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company, or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all, or any part, of those proceedings.

The Company was not a party to any such proceedings during the year.

Member guarantee

The Company is incorporated as a Company 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. As the Company only has one member, a total maximum of $100 is payable on a wind up.

DIRECTORS' REPORT (continued)

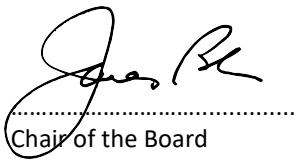
Registered Office

The Company's registered office and principal place of business is Level 15, 345 George Street, Sydney NSW 2000.

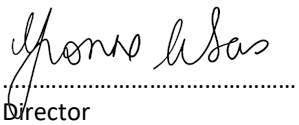
The auditor's independence declaration is included on page 11 of the financial statements.

The Directors' Report is signed in accordance with a resolution of the Directors.

On behalf of the Directors.



.....
Chair of the Board



.....
Director

Dated at this 24th day of October 2024.

Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the Directors of Little Company of Mary Health Care Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Stephen Isaac
Partner

Sydney
24 October 2024

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DIRECTORS' DECLARATION

In the opinion of the Directors of the Company:

1. the Company is not publicly accountable;

2. the financial statements and notes, set out on pages 13 to 47, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

   (a) complying with Australian Accounting Standards - General Purpose Financial Statements – Simplified Disclosures; and the Australian Charities and Not-for-profits Commission Regulation 2022; and
   (b) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its the performance, for the financial year ended on that date;

3. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors

.....
Chair of the Board

.....
Director

Dated at this 24th day of October 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

In thousands of AUD	**Note**	**2024**	**2023**
Revenue from operations	3	2,073,356	1,801,857
Other income	3	30,474	35,777
Total revenue for the year		**2,103,830**	**1,837,634**
Employee benefits expense	28	1,342,309	1,196,494
Supplies		340,786	326,929
Computer Expenses		29,338	25,211
Contracted services		91,028	79,052
Depreciation and amortisation expense	5,6,8	152,526	155,697
Amortisation of Bed Licences	9	6,180	6,179
Impairment costs	5,12	15,730	197,200
Repairs and maintenance		34,166	30,352
Power, light & heat		18,247	17,619
Other expenses		124,678	107,969
Total expenses for the year		2,154,988	2,142,702
Results from operating activities		(51,158)	(305,068)
Finance income		9,444	7,195
Finance costs	4	(102,308)	(79,050)
Share of net profit / (loss) of joint venture accounted for using the equity method	10	822	(1,778)
Net Deficit from continuing operations for the year		(143,200)	(378,701)
Discontinued operations			
(Deficit) / surplus from discontinued operations		(258)	1,420
Other comprehensive income for the year		-	-
Total comprehensive loss for the year attributable to members of the company		**(143,458)**	**(377,281)**

The accompanying notes, set out on pages 18 to 47, form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

In thousands of AUD	Note	2024	2023
Current assets			
Cash and cash equivalents	15	112,476	118,786
Term deposits	16	80,029	83,462
Trade and other receivables	11	204,450	116,106
Inventories		26,220	24,212
Other current assets	14	17,080	16,017
Assets classified as held for sale	5,12,27	56,496	180,251
Total current assets		**496,751**	**538,834**
Non-current assets			
Trade and other receivables		2,225	3,988
Property, plant and equipment	5	1,927,005	2,021,545
Right-of-use assets	6	501,525	501,016
Investment property	8	-	2,444
Intangible assets	9	23,468	32,391
Interest in joint venture	10	4,438	3,616
Total non-current assets		**2,458,661**	**2,565,000**
Total assets		**2,955,412**	**3,103,834**
Current liabilities			
Trade and other payables	17	187,599	178,101
Borrowings	19	315,693	693
Lease liabilities	20	39,791	34,395
Employee benefits	28	211,522	204,130
Other provisions	23	5,457	6,164
Contract liabilities	24	51,525	39,580
Refundable loans	21	1,207,531	1,094,827
Liabilities classified as held for sale	27	-	53,481
Total current liabilities		**2,019,118**	**1,611,371**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

In thousands of AUD	Note	2024	2023
Non-current liabilities			
Trade and other payables	17	1,559	3,135
Borrowings	19	227,297	650,290
Lease liabilities	20	539,907	528,904
Employee benefits	28	16,933	14,395
Other provisions	23	3,815	5,498
Total non-current liabilities		**789,511**	**1,202,222**
Total liabilities		**2,808,629**	**2,813,593**
NET ASSETS		**146,783**	**290,241**
Equity			
Equity Loan	22	40,870	40,870
Reserves		2,270	2,270
Retained earnings		103,643	247,101
TOTAL EQUITY		**146,783**	**290,241**

The accompanying notes, set out on pages 18 to 47, form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

In thousands of AUD	Note	2024	2023
Cash flows from operating activities			
Receipts from customers		1,154,445	1,103,700
Government grants received		872,027	984,788
Capital grants received		4,125	15,301
Payments to suppliers and employees		(1,969,682)	(2,083,664)
Interest received		9,288	7,701
Borrowing costs paid (including interest on ROU assets)		(60,520)	(49,383)
Other income received		30,571	36,974
Net cash provided by operating activities		**40,254**	**15,417**
Cash flows from investing activities			
Proceeds on disposal of PP&E		16,528	6,631
Payment for PP&E		(61,655)	(98,386)
Payment for software		(2,229)	(6,299)
Proceeds from redemption of term deposits		3,433	1,265
Net cash used in investing activities		**(43,923)**	**(96,789)**
Cash flows from financing activities			
Repayment of external borrowings		(107,993)	(71,450)
Proceeds from external borrowings		-	4,400
Repayment of lease principal		(12,950)	(13,308)
Proceeds from residents contributions		411,736	397,616
Repayment of residents contributions		(293,434)	(307,961)
Net cash (used in) / provided by financing activities		**(2,641)**	**9,297**
Net decrease in cash held		(6,310)	(72,075)
Cash at the beginning of the financial year		118,786	190,861
Cash at end of the financial year	15	**112,476**	**118,786**

The accompanying notes, set out on pages 18 to 47, form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

In thousands of AUD

2024	Equity loan	Specific Purpose Reserve	Retained earnings	Total Equity
Balance as at 1 July 2023	40,870	2,270	247,101	290,241
Net deficit for the year	-	-	(143,458)	(143,458)
Other comprehensive income for the	-	-	-	-
Total comprehensive loss for the year	-	-	(143,458)	(143,458)
Balance as at 30 June 2024	**40,870**	**2,270**	**103,643**	**146,783**

2023	Equity loan	Specific Purpose Reserve	Retained earnings	Total Equity
Balance as at 1 July 2022	40,870	2,270	624,382	667,522
Net deficit for the year	-	-	(377,281)	(377,281)
Other comprehensive income for the	-	-	-	-
Total comprehensive loss for the year	-	-	(377,281)	(377,281)
Balance as at 30 June 2023	**40,870**	**2,270**	**247,101**	**290,241**

The accompanying notes, set out on pages 18 to 47, form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

About this report

1. Reporting entity

Little Company of Mary Health Care Limited is a not-for-profit public company limited by guarantee, incorporated and domiciled in Australia. The Group consolidated financial statements comprise the Company and its controlled entities (referred to as "the Company"). For further information on the Group structure, refer to Note 25.

The Company is a registered charity with the Australian Charities and Not-for-profit Commission endorsed to access the following tax concessions: FBT exemption, GST concession and income tax exemption.

2. Basis of Preparation

2.1 Basis of Accounting

The consolidated financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). The consolidated financial statements comply with Australian Accounting Standards – Simplified Disclosures as issued by the AASB.

The consolidated financial statements have been prepared on the basis of historical cost. All amounts are presented in Australian dollars.

The consolidated financial statements were authorised by the Board on the 24th October 2024.

2.2 Functional and Presentation Currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

Amounts in the financial statements and Director's Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

2.3 Use of estimates and judgements

In the application of the Company's accounting policies, the Directors are required to make estimates and judgements about the carrying amount of assets and liabilities. The estimates and associated assumptions are based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the group. Actual results may differ from these estimates.

2. Basis of Preparation (continued)

2.4 Going concern

These financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The Company incurred a deficit during the year ended 30 June 2024 of $143.5m (2023: $377.3m) and, as at that date, the Company's current liabilities exceed current assets by $1,522.4m (2023: $1,072.6m). The Group had closing unrestricted cash of $65.6m, was compliant with all covenants and, based on forecasts, is expected to maintain compliance in the next 12 months.

Under the current syndicated loan facility, the $315m Facility B was due to mature in November 2024 and as a result is presented as a current liability. On 8 October 2024, the Group refinanced a $309.6m syndicated bullet term loan facility with a 3-year term. As a result, the financial statements have been prepared on a going concern basis, as the Directors believe the Group will be able to meet its obligations as they fall due for at least the next 12 months.

Additionally, in line with Australian Accounting Standards, $1,207.5m of refundable accommodation loans have been recognised as a current liability; however, there is a reasonable expectation that, in the normal course of business, no more than 25% of this balance is required to be repaid in the next 12 months, and a significant portion of this would be replaced by incoming refundable accommodation loans.

Our Results

3. Revenue

In thousands of AUD	**2024**	**2023**
Revenue from operating activities		
Revenue from rendering of services	1,133,278	1,045,483
Non recurrent grants	52,345	15,581
Recurrent grants received/receivable	264,585	247,559
Government aged care subsidy	541,388	434,994
Public Health Service capital grants	4,125	2,431
Resources received free of charge	581	846
ILU deferred management fees	7,988	5,561
Daily accomodation payment (DAP)	27,278	24,052
Imputed interest income on RAD and bond	41,788	25,350
	2,073,356	**1,801,857**
Other Income		
Rental income	15,146	13,996
Donations	2,232	4,400
Profit on disposal of property, plant and equipment	599	-
Other income	12,497	17,381
	30,474	**35,777**

3. Revenue (continued)

3.1 Revenue from Operating Activities

Revenue from contracts with customers - *AASB 15*		
Revenue from rendering of services	1,133,278	1,045,483
Recurrent grants received/receivable	245,605	227,478
Government accommodation subsidy Aged care	541,388	434,994
	1,920,271	1,707,955
Revenue recognised under - *AASB 1058 Income of NFP entities*		
Recurrent grants received/receivable	18,980	20,081
Public Health Service capital grants	4,125	2,431
Resources received free of charge	581	846
Non recurrent grants	52,345	15,581
	76,031	38,939
Revenue from leases - AASB 16 *Leases*		
ILU deferred management fees	7,988	5,561
Daily accommodation payment (DAP)	27,278	24,052
Imputed interest income on RAD and bond	41,788	25,350
	77,054	54,963
	2,073,356	**1,801,857**

3.2 Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated by key service.

In thousands of AUD	**2024**	**2023**
Public Hospitals		
Newcastle	212,035	207,294
Bethlehem	12,893	10,698
Kogarah	50,500	47,117
	275,428	265,109
Private Hospitals		
Adelaide	418,192	365,284
John James	84,297	74,993
Bruce Private	67,699	58,757
Riverina	63,349	59,749
Tasmania	236,180	231,892
	869,717	790,675
Aged Care		
Retirement Communities	146,312	121,873
Aged Care Services	507,329	421,061
	653,641	542,934
Community Care	118,011	104,429
Little Company of Mary Health Care	3,474	4,808
Total revenue from operations	**1,920,271**	**1,707,955**

3. Revenue (continued)

Accounting Policy

Income is measured at the fair value of the consideration, or contribution, received or receivable. When an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed or recognised at the point in time that the control of the services pass to the customer under AASB 15. The contribution is otherwise recognised immediately as income under AASB 1058. Where government grants are provided to construct non-financial assets, the income is recognised as construction occurs.

(i) Revenue recognition policy for revenue from contracts with customers (AASB 15)

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations; however, where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

For further information on the accounting treatment for contract assets refer to Note 11, or for contract liabilities, refer to Note 24.

Government revenue - recurrent grants
Recurrent grants are received from the Government to deliver outcome-based services on a range of programs to provide relief to sick and injured persons through the provision of care and treatment, and to promote, protect and maintain the health of the community. Revenue is recognised over time as performance obligations are met. The performance agreement between the Company and the Government specifying these services and programs typically cover the period of one year, and it is renewed annually. Funding is usually received in advance, with a contract liability recorded for unspent funds.

Government aged care subsidy
Government aged care payments are received from the Government to assist with the provision of aged care and support services. Revenue is recognised over time as performance obligations are met.

Revenue from rendering of services - Patient fee revenue
Patient fee revenue is recognised on an accrual basis when the service has been provided to the patient. Accrued patient income represents an estimate of fees due from patients not billed at balance date. This estimate is calculated with reference to individual episode information and per diem rates.

Revenue from rendering of services - Resident fee revenue
Income is recognised on an accrual basis when the service has been provided to the resident. Accrued resident income represents an estimate of fees due from residents not billed at balance date.

3. Revenue (continued)

(ii) Revenue recognition policy for revenue streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Public Health Service - capital grants
When the Company receives cash or other financial assets to construct or acquire a non-financial asset (eg, building) for its own use, it is considered to be a capital grant.

Under AASB 1058, capital grants received under an enforceable agreement to enable the Company to acquire or construct an item of property, plant and equipment to identified specifications, are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred, since this is deemed to be the most appropriate measure of completeness. When the cost incurred is not deemed to be the most accurate reflection of construction or acquisition, revenue is recognised on a straight-line basis.

COVID-19 Aged Care Support Program (GO4863) Grant Income
Grant income in relation to the COVID-19 Aged Care Support Program is recognised when the grant application is approved by the Department of Health and Aged Care, at which point the right to payment arises.

(iii) Revenue recognised under AASB 16

Rental income as a sub-lessor
Rental income is recognised on a straight-line basis over the term of the relevant lease.

ILU deferred management fees
Deferred management fee (DMF) revenue represents the fee that is contractually deducted from the ingoing contribution that is paid back to a resident upon exit from a retirement village. DMF revenue is recognised over the expected length of stay of the resident. The Company discloses this revenue separately from revenue from contracts with customers.

Daily accommodation payment (DAP)
Persons entering an aged care facility who are assessed as “non-supported” are required to pay either a daily accommodation charge (DAP) or a Refundable Accommodation Deposit (RAD). Prior to 1 July 2014, persons entering an aged care facility who are assessed as “non-supported” were required to pay an accommodation bond. There are no significant financing components associated with accommodation payments.

Imputed interest income on RADs
Residential accommodation agreements in which residents who choose to pay Residential Accommodation Deposits (RAD) or a bond for their accommodation services are considered to be leases to residents within the scope of AASB16. The company has recognised as lease income an imputed non-cash charge representing the resident's right to occupy a room under the arrangement.

The Company has concluded that the lease term for these arrangements is no longer than 7 days (being the notice period required from a resident before departure) resulting in an imputed discount rate being akin to the short term cash rate.

Accommodation bonds and RADs paid by residents are repayable in the event of separation from the facility.

3. Revenue (continued)

(iv) Other income

Interest
Interest income is recognised using the effective interest method.

Donations
Donations collected, including cash and plant and equipment, are recognised as other income when the Company gains control of the asset.

Donations with specific conditions attached will be deferred until those conditions are satisfied.

(vi) Significant estimates and judgements relating to revenue

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement.

Grants received by the Company have been accounted for under both AASB 15 and AASB 1058, depending on the terms and conditions and decisions made. If this determination was changed, then the revenue recognition pattern may have been different from that recognised in this financial report.

4. Finance costs

In thousands of AUD	**2024**	**2023**
Imputed interest expense on RAD and bond	41,788	25,350
Interest on leases	21,908	21,270
Other finance costs	38,612	32,430
	102,308	**79,050**

Our Assets

5. Property, Plant and Equipment

At Carrying Value	*Note*	Land and buildings	Plant and equipment	Motor Vehicles	Assets under construction	Total
In thousands of AUD						
Carrying amount as at 1 July 2023		1,775,551	212,348	2,145	31,501	2,021,545
Additions		5,716	38,288	909	16,742	61,655
Transfers from assets under construction		11,373	6,108	-	(17,481)	-
Transfer to assets held for sale	12	(26,853)	(3)	-	-	(26,856)
Impairment		-	-	-	(7,745)	(7,745)
Disposals		(709)	(646)	(499)	(1,070)	(2,924)
Depreciation expense		(65,173)	(52,997)	(500)	-	(118,670)
Balance at 30 June 2024		1,699,905	203,098	2,055	21,947	1,927,005
Book value as at 30 June 2024		2,085,749	538,671	7,330	21,947	2,653,697
Accumulated depreciation as at 30 June 2024		(385,844)	(335,573)	(5,275)	-	(726,692)
Net book value as at 30 June 2024		1,699,905	203,098	2,055	21,947	1,927,005
Book value as at 30 June 2023		2,097,346	501,332	7,125	31,501	2,637,304
Accumulated depreciation as at 30 June 2023		(321,795)	(288,984)	(4,980)	-	(615,759)
Net book value as at 30 June 2023		1,775,551	212,348	2,145	31,501	2,021,545

Assets pledged as security for the syndicated loan facility
Land and buildings of $1,327.3m (2023: $1,334.7m) have been provided as security for external loans payable by the Parent Entity, Little Company of Mary Health Care Ltd. These assets are stated at historical cost less any accumulated depreciation and any accumulated impairment losses.

Covenants - freehold land & buildings
The title to the buildings located at Cessnock with cost of $24.5m (2023: $24.5m) is held with caveats. The property is required to be used as an aged care facility and there are restrictions around selling the property to an entity other than a not-for-profit entity.

Accounting Policy

Recognition and measurement
Property, plant and equipment is stated at historical cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

Capitalised interest
Borrowing costs relating to qualifying assets are capitalised and form part of the total construction cost of the asset in the Statement of Financial Position.

5. Property, Plant and Equipment (continued)

Depreciation
Depreciation is recognised so as to allocate the cost of assets less their residual values over their useful lives, using the straight-line method. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Assets held under leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	40 years
Building and leasehold improvements	10 years
Plant and equipment	6-10 years
Computer equipment	3 years
Motor vehicles	7 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment
At each reporting date, the Company assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Value in Use is calculated as the asset's current replacement cost.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss. For non-current assets excluding goodwill, a previously recognised impairment loss is reversed only if there has been a change in assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years and is recognised in profit or loss.

6. Leases

This note provides information for leases where the entity is a lessee. For leases where the entity is a lessor, see Note 7.

Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

Right-of-use assets	Note	Land and buildings leased	Medical equipment leased	Motor vehicles leased	Total
In thousands of AUD					
Balance at 1 July 2023		495,629	5,387	-	501,016
Additions to right of use assets		20,237	13,589	102	33,928
Depreciation		(25,572)	(3,228)	(40)	(28,840)
Adjustment due to lease modification and remeasurement		(4,579)	-	-	(4,579)
Balance at 30 June 2024		485,715	15,748	62	501,525

Leasing arrangements

Buildings
The Company leases corporate office buildings and hospitals across several states within Australia to perform its corporate and principal activities. All lease terms with extension options have been assessed to determine whether it is reasonably certain that the extension option will be exercised.

Calvary Adelaide Hospital
The Calvary Adelaide site operates on premises under a 30-year leasing arrangement that commenced on 9 September 2019, with 3 optional renewal terms of 10 years each. The Company has not recognised the renewal options as it is not reasonably certain that the extension options will be executed. The rental payment is subject to an annual increase, to a maximum of 4% per annum.

Calvary John James Hospital
The Company commenced leasing the Calvary John James Hospital at 173 Strickland Crescent, Deakin in October 2016. The initial lease term is for 10 years and there is an option to extend for 10 years. To ensure continuous presence in the private hospital sector in the ACT, it is reasonably certain that the extension option will be exercised, and that the lease extension period has been included in the right-of-use asset and lease liabilities. The lease payments are adjusted at each anniversary date for an annual CPI increase.

Motor Vehicle
The Company leases vehicles which are used to perform its corporate and principal activities, such as visiting patients in regional and metropolitan areas. The lease terms vary from 2 to 5 years and the lease payments are fixed during the lease term.

Medical Equipment
The Company leases medical equipment which is predominantly used in hospitals to perform its principal activities. Certain medical equipment leases are subject to a minimum purchase of consumables which have been included in calculating the right-of-use asset and corresponding liability. All other variable lease payments have been excluded from the initial measurement of the lease. The lease terms vary from 2 to 5 years.

6. Leases (continued)

Accounting Policy

Definition of a lease
At inception of a contract, the Company assesses whether a lease exists – ie, does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. This involves an assessment of whether:

- The contract involves the use of an identifiable asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset – ie, decision-making rights in relation to changing how and for what purpose the asset is used.

The Company has elected not to separate non-lease components from lease components have accounted for all leases as a single component.

Short-term leases and leases of low-value assets
The Company has elected not to recognise right-of-use assets and lease liabilities of low-value assets and short-term leases. Lease payments relating to short-term and low-value leases are recognised as an expense on a straight-line basis over the lease term.

Short-term leases are leases with a lease term of 12 months or less. Low-value assets leases are less than $10,000.

As a lessee
Leased assets are initially recognised as right-of-use assets of the Company, consisting of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date, less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The right-of-use is assessed for impairment indicators at each reporting date.

The corresponding liability to the lessor is included in the statement of financial position as a lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease; however, where this cannot be readily determined, then the Company's incremental borrowing rate is used.

Lease payments included in the measurement of lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

6. Leases (continued)

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured where there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (eg, CPI), or a change in the Company's assessment of lease term. Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the re-measurement, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Concessionary leases
The Group applies the option allowed under AASB 16 for not-for-profit entities to measure concessionary leases at cost. Cost represents the measurement of the lease liability and is a negligible amount.

The nature of the concessionary lease is detailed below.

LCM Calvary Health Care Holdings Ltd (Holdings), a controlled entity, is the trustee of the land known as the Fitzgerald Estate land held by the Fitzgerald Estate Trust. The address of this land is 91-97 and 101 Rocky Point Road Kogarah NSW. A lease agreement for this land and buildings has been entered between Holdings (as trustee) and Calvary Health Care Sydney Ltd, which commenced on 7 June 2007 and expires on 30 June 2074. The lease agreement provides for a nominal rent of $1 per annum.

7. Leases as a Lessor

Lessors classify leases as either operating or finance leases using the principles in AASB 16.

Operating leases

The Company leases building space to external parties under operating lease terms and conditions. Expiry of operating leases ranges from 1 to 4 years and are subject to regular market reviews. Lease rental revenue is disclosed as Rental Income.

The Company has two commercial property leases in its investment property consisting of land and buildings.

Refer to Note 8 for further details on the investment property.

Residential aged care
Residential accommodation agreements in which residents who choose to pay Residential Accommodation Deposits (RAD) or a bond for their accommodation services are considered to be a lease under AASB 16. The company has recognised as lease income an imputed non-cash charge representing the resident's right to occupy a room under the arrangement.

The company has concluded that the lease term for these arrangements is no longer than 7 days (being the notice period required from a resident before departure) resulting in an imputed discount rate being akin to the short-term cash rate.

The Company discloses Daily Accommodation Payment (DAP), Daily Accommodation Contribution (DAC) and accommodation supplement revenue separately from revenue from contracts with customers (refer to Note 3).

Retirement Villages
Deferred management fee (DMF) revenue represents the fee that is contractually deducted from the ingoing contribution that is paid back to a resident upon exit from a retirement village. DMF revenue is recognised over the expected length of stay of the resident. The Company now discloses this revenue separately from revenue from contracts with customers (refer to Note 3).

8. Investment Property

In thousands of AUD	2024	2023
Cost		
Balance at 1 July 2023	2,444	2,493
Depreciation expense	(44)	(49)
Transfer to assets held for sale	(2,400)	-
Balance as at 30 June 2024	-	2,444

Investment properties are real estate properties held to earn rentals and/or for capital appreciation. Rental income and operating expenses from investment property are reported within revenue and other expenses, respectively.

In FY24, the Group's investment properties at Parkdale and Kensington have been identified as held for sale as result of the Calvary National Growth Strategy. Refer to Note 12.

Accounting Policy

Recognition and measurement
Investment property is held at cost, which includes expenditure that is directly attributable to the acquisition of the investment property.

Depreciation
Investment properties consist of land and buildings, with the buildings depreciated over 40 years on a straight-line basis.

De-recognition
Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in the statement of profit or loss and other comprehensive income.

9. Intangible Assets

At Cost	**Goodwill**	**Bed licences**	**Software**	**Total**
In thousands of AUD				
Carrying amount at 1 July 2023	10,590	6,180	15,621	32,391
Additions	-	-	2,229	2,229
Amortisation	-	(6,180)	(4,972)	(11,152)
Carrying amount at 30 June 2024	10,590	-	12,878	23,468

Accounting Policy – Goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash generating units expected to benefit from the synergies achieved from combining acquired facilities with the rest of the Group. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Impairment losses are recognised directly in profit or loss in the consolidated statement of profit or loss and other comprehensive income. An impairment loss recognised for goodwill is not reversed. Based on the impairment review conducted by the management, no impairment losses were recorded against the cash generating units.

9. Intangible Assets (continued)

Accounting Policy - Software

Recognition and measurement
Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of, and recognition criteria for, an intangible asset, are recognised as intangible software assets measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation
Software is amortised using the straight-line method over 1-5 years and is recognised in profit or loss. Amortisation methods, useful lives and residual values are reviewed at each reporting date with the effect of any changes in estimate accounted for on a prospective basis.

Accounting Policy - Bed Licences

Recognition and measurement
On 30 September 2021, the Australian Government released a discussion paper Improving Choice in Residential Aged Care - ACAR Discontinuation. The discussion paper confirmed its intention to abolish the Aged Care Approvals Round ("ACAR") and associated supply restrictions on bed licences, which was first announced in May 2021. The reforms have seen the discontinuation of the licences from 1 July 2024.

These bed licences were previously recognised as intangible assets with an indefinite useful life and, therefore, were not amortised. Following the Government's announcement and the information provided in the discussion paper in September 2021, that remaining useful lives of the bed licences would not extend beyond 1 July 2024 and it was determined that it is appropriate to commence the amortisation of these licences under AASB 138 Intangible Assets from 1 October 2021 to 30 June 2024 on a straight-line basis.

10. Equity-accounted investees

In thousands of AUD	**2024**	**2023**
Interest in Joint Venture	4,438	3,616
Balance at 30 June 2024	4,438	3,616

Accounting Policy – Equity-accounted Joint Venture

The Calvary MHIH JV Pty Ltd, commonly referred to as My Home Hospital (MHH), is a joint venture in which the Company has joint control and a 50% ownership interest. The MHH was established in September 2020 and delivers an integrated model of care, offering an alternative to the traditional hospital based interventional care.

In 2021, the joint venture, using its learnings from MHH, established the COVID Care at Home program to support COVID positive patients to receive virtual care during their isolation and recovery. This service has operated in NSW, VIC, QLD and WA, treating over 188k patients in its first 12 months of operation. During the year, the Company has recorded a share of net profit of $0.8m from the MHH joint venture using the equity method.

MHH is structured as a separate vehicle and the Company has residual interest in the net assets of MHH. Accordingly, the Company has classified its interest in MHH as a joint venture. In accordance with the agreement under which the joint venture is established, the Company and the other investor in the joint venture have agreed to make additional contributions, subject to the joint venture board requesting further funding by the issuance of a funding notice. This commitment has not been recognised in these consolidated financial statements.

11. Trade and Other Receivables

In thousands of AUD	**2024**	**2023**
Current		
Trade receivables	77,114	65,633
Contract assets	25,670	26,550
Grant receivable	3,905	3,362
Other receivables	14,778	17,509
Net GST receivables	4,443	3,052
Compensation receivable (Note 27)	78,540	-
	204,450	116,106

Movement in the impairment of receivables

In thousands of AUD	**2024**	**2023**
Balance at the beginning of the year	(8,326)	(12,735)
Transfer to disposal group held for sale	-	3,636
Impairment losses recognised/reversed during the year	(24)	(220)
Amounts written off	1,123	993
Balance at the end of the year	(7,227)	(8,326)

Accounting Policy

Recognition and measurement
Trade receivables are recognised when they are originated. All other financial assets are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets are added to, or deducted from, the fair value of the financial assets, as appropriate, on initial recognition. A trade receivable without a significant financing component is initially recognised at the transaction price.

Impairment of financial assets
The Company applies a simplified approach in calculating expected credit losses (ECLs) for trade receivables, recognising a loss allowance based on lifetime ECLs at each reporting date, rather than monitoring changes in credit risk. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.
The Company considers a financial asset is in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

De-recognition
The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to the asset to another entity. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of consideration received and receivable is recognised in profit or loss.

11. Trade and Other Receivables (continued)

Contract assets
Where a timing difference arises between the payment for sale of goods and rendering of services and the timing of satisfaction, a contract asset or contract liability is required to be recognised.

For further information on contract liabilities, refer to Note 24.

Contract assets arise when work has been performed on a particular program, or services have been transferred to the customer, but the invoicing milestone has not been reached and the rights to the consideration are not unconditional. If the rights to the consideration are unconditional, then a receivable is recognised. No impairment losses were recognised in relation to these assets during the year (2023: $nil).

12. Assets classified as held for sale

At 30 June 2024, as a result of the Calvary National Growth Strategy, the land and buildings at the Group's Central Park aged care facility and other land assets with a total value of $56.5m (2023: $45.6m) were identified as assets held for sale, and were reclassified out of property, plant and equipment accordingly (note 5). As is required under *AASB 5 Non-current Assets Held for Sale and Discontinued Operations*, assets held for sale are recognised at the lower of their carrying value and their fair value less costs of sale.

In FY24, an impairment loss of $8.0m (2023: $5.0m) was recorded against the asset held for sale to reflect the fair value of some of these assets.

At 30 June 2023, following the announcement of the compulsory acquisition of Bruce Public by the Territory, certain assets and liabilities were transferred and classified as 'held for sale' in accordance, as part of the disposal group held for sale. The net assets classified as held for sale as a result of the Bruce Public compulsory acquisition amounted to $81m as at 30 June 2023.

On 3 July 2023, the compulsorily acquisition of Bruce Public by the Territory, resulted in the Company losing control of the hospital and ceasing to operate Bruce Public. The net carrying value of the disposal group held for sale as at 3 July 2023, totalling $79 million, was derecognised. Refer to Note 27, *Disposal Group Held for Sale and Discontinued Operation*, for further details.

13. Commitments

13.1. Expenditure Commitments

Public private partnership
In 2005/06, the NSW Health Administration Corporation entered into a contract with a private sector provider, Novacare Project Partnership, for financing, design, construction and commissioning of a new hospital facility, a mental health facility and refurbishment of existing buildings, and facilities management and delivery of ancillary non-clinical services on the Calvary Mater Newcastle site until November 2033.

Other expenditure commitments, totalling $10.3m (2023: $9.6m), for the provision of facilities management and delivery of other non-clinical services on the Calvary Mater Newcastle site, were expended for the year ended 30 June 2024.

As the Company is not contractually committed to the agreement, the expenditure commitment over the life of the service provision is contingent upon recurrent funding continuing to be received from the NSW Health Department, via Hunter New England Local Health District.

13.2 Capital Commitments

In thousands of AUD	2024	2023
Buildings	1,414	376
Building improvements on leasehold land	3,670	-
Plant & equipment	7,379	136
	12,463	512

The Company has contracted for certain capital commitments as at 30 June 2024. No work relating to these capital commitments has been performed or invoice received.

Our Financing and Capital Structure

14. Other Assets

In thousands of AUD	2024	2023
Prepayments	15,826	15,362
Other assets	1,254	655
	17,080	16,017

15. Cash and Cash Equivalents

In thousands of AUD	2024	2023
Cash at bank and on hand	78,976	87,415
Short-term term deposits	1,458	1,800
Cash at bank - special purpose funds	32,042	29,571
	112,476	118,786

Accounting Policy

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in-hand and term deposits with a term of less than three months.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

16. Term Deposits

In thousands of AUD	2024	2023
Term deposits (greater than 3 months and less than 12 months maturity)	80,029	83,462

17. Trade and Other Payables

In thousands of AUD	**2024**	**2023**
Trade payables	51,488	46,418
Accrued expenses	59,655	73,757
Accrued payroll	64,971	51,321
Others	13,044	9,740
	189,158	181,236
Current	187,599	178,101
Non-current	1,559	3,135
	189,158	181,236

18. Restricted Assets

Company holds assets which are restricted by externally imposed conditions (eg, in line with grant and donor requirements). The assets are only available for application in accordance with the terms of these restrictions.

In thousands of AUD	**2024**	**2023**
Special Purpose / Conditions imposed by granting body	2,998	8,318
No.2 Account / Conditions imposed by NSW Ministry of Health	92,108	94,615
Other donations / Conditions imposed by donor	1,250	717
Other grants / Conditions imposed by granting body	23,036	30,117
Trust funds / Trust Deed	4,957	4,022
Term deposit / Conditions imposed by Bank for Guarantee	2,509	6,693
	126,858	144,482
Disclosed in the Statement of Financial Position as:		
Cash and cash equivalents	46,829	61,020
Term deposits (greater than 3 months and less than 12 months maturity)	80,029	83,462
	126,858	144,482

Bank guarantees
The Parent Entity has provided a Bank Guarantee for $4.94m in favour of the Workcover Corporation of South Australia, which is required as a condition of Calvary Heath Care Adelaide Limited and Calvary Home Care Services Limited being granted the right of workers compensation self-insurance from 1 July 2011 and 1 March 2012, respectively.

19. Borrowings

This note provides information about the Company's interest-bearing loans and borrowings which are measured at amortised cost.

In thousands of AUD	Total	Utilised	Unused
2024			
Secured external loans	605,000	481,500	123,500
Unsecured loan - The Corporation of the Little Company of Mary	4,433	4,433	-
Bethlehem redevelopment construction loan	57,057	57,057	-
Total borrowings	666,490	542,990	123,500

In thousands of AUD	2024	2023
Current	315,693	693
Non-current	227,297	650,290
	542,990	650,983

Secured external loans
In November 2021, the Company entered a syndicated loan facility with Australia and New Zealand Banking Group Limited (ANZ), Westpac Banking and Corporation (WBC), National Australia Bank Limited (NAB) and Perpetual Corporate Trust Limited (as custodian for the Metrics Credit Partners Diversified Australian Senior Loan Fund). The purpose of this facility was to fund the purchase consideration of Japara Healthcare Limited and refinance existing debt facilities. The syndicated facility has a total facility limit of $640m. At 30 June 2024, $481.5m (2023: $556.5m) was drawn down. This is structured as follows:

In thousands of AUD

Facility	**Commitment**	**Drawn at close**	**Maturity Date**
Facility B	315,000	315,000	4-Nov-24
Facility C	280,000	166,500	4-Nov-26
Facility D	10,000	-	4-Nov-26
Total	**605,000**	**481,500**	

Borrowings under this facility bear interest at a floating BBSY bid plus a margin. The Company has complied with all debt covenants through the reporting period.

Under the current syndicated loan facility, the $315m Facility B was due to mature in November 2024. On 8 October 2024, the Group refinanced a $309.6m syndicated bullet term loan facility with a 3-year term.

Covenants on loan facilities
Calvary's loan facilities contain undertakings to comply with financial covenants and ensure that the guarantors of these facilities, which include the Company and its controlled entities ("Group"), collectively meet certain minimum threshold amounts of Group EBITDA and Group Total Assets. The main financial covenants which Calvary is subject to are Loan to Value Ratio and Interest Cover Ratio. Financial covenants testing is undertaken quarterly and reported at the Calvary Board meetings. Reporting of financial covenants to financiers occurs semi-annually for the rolling 12-month periods to 30 June and 31 December. Calvary was in compliance with all its financial covenants as at 30 June 2024.

19. Borrowings (continued)

Bethlehem Redevelopment Project financial liability
As at 30 June 2024, Calvary has recorded funds of $57.1m provided by a project financier under the Bethlehem re-development agreements as a financial liability. The principal of the loan and the interest accrued during the construction period have commenced repayment upon completion of the development of the property in January 2023.

Accounting Policy
Financial liabilities - recognition and measurement
Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

Interest expense
Interest expense is recognised using the effective interest method.

Derecognition
The Company derecognises financial liabilities when, and only when, the Company's obligations are either discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

20. Lease Liabilities

In thousands of AUD	**2024**	**2023**
Current	39,791	34,395
Non-current	539,907	528,904
	579,698	563,299

Future lease payments in relation to lease liabilities as at period end are as follows:

In thousands of AUD	**2024**	**2023**
Within one year	41,158	47,116
Later than one year but not later than five years	184,907	177,151
Later than five years	877,792	1,000,989
	1,103,857	1,225,256

20.1 Amounts recognised in statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

In thousands of AUD	**2024**	**2023**
Interest on lease liabilities	21,908	21,270
Depreciation expense of right-of-use assets	28,840	27,422
Expense relating to short-term leases	2,507	2,976
	53,255	51,668

For further information on the accounting policy for lease liabilities, refer to Note 6.

21. Refundable loans

In thousands of AUD	2024	2023
Resident contributions - residential aged care	983,230	899,688
Resident contributions - independent living units	224,301	195,139
	1,207,531	1,094,827

Accounting Policy

Accommodation payments
Persons entering an aged care facility who are assessed as "non-supported" are required to pay either a daily accommodation charge (DAP) or a Refundable Accommodation Deposit (RAD). Prior to 1 July 2014, persons entering an aged care facility who are assessed as "non-supported" were required to pay an accommodation bond. Accommodation bonds and RADs are held by the Company in the form of interest free loans from residents.

Accommodation bonds and RADs paid by residents are repayable in the event of separation from the facility. Accommodation bonds were subject to a reduction of the original loan as specified in the Resident Agreement. For each resident, the loan reduction is recognised as revenue on a straight-line basis over the term of the residency at the aged care facility or five years, whichever is less.

22. Equity Loan

In thousands of AUD	2024	2023
Equity Loan from The Corporation of the Little Company of Mary	40,870	40,870

This Equity Loan, in favour of The Corporation of the Little Company of Mary, is interest free with no obligation for repayment by the Company.

23. Provisions

In thousands of AUD	2024	2023
Provisions - current	5,457	6,164
Provisions - non current	3,815	5,498
	9,272	11,662

In thousands of AUD	Medical and Malpractice	Other Provisions	Total
Balance at 1 July	4,762	6,900	11,662
Arising during the year	295	1,052	1,347
Utilised during the year	(354)	(3,383)	(3,737)
Balance at 30 June	**4,703**	**4,569**	**9,272**

23. Provisions (continued)

Accounting Policy

Provisions comprise workers compensation, medical malpractice, make good provisions and aged care capital works funds.

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

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

Assessment of claims
For medical malpractice and other insurance provisions, the Company undertakes a formal claims review process in evaluating how clinical and public liability incidents and claims are managed. The Company creates adequate provisions for insurer reserved matters or incidents that may have the potential for a claim.

Claim reserves and provisions are established based on the most likely estimate taking into account any legislative issues, the facts surrounding the potential liability and the expected quantum of any payment on resolution of the matter. Where the Company self-insures, regular review of potential future claims are conducted using actuarial assessments.

24. Contract Liabilities

In thousands of AUD	**2024**	**2023**
Contract liabilities - current	51,525	39,580
	51,525	39,580

Where a timing difference arises between the payment for sale of goods and rendering of services and the timing of satisfaction of a performance obligation, a contract asset or contract liability is to be recognised in accordance with AASB15.

Contract liabilities represent the unspent grants or revenue received on the condition that specified services are delivered or conditions are fulfilled.

The services are usually provided, or the conditions usually fulfilled, within 12 months of receipt of the grant / fees. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date, or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

Where capital grants are received for the Company to acquire or construct an item of property, plant and equipment which will be controlled by the Company, then the funds are initially recognised as a contract liability and amortised to revenue as and when the obligation is satisfied.

Our Company Structure

25. Company Entities

Controlled entities are all incorporated in Australia and 100% owned by Little Company of Mary Health Care Limited. Set out below is a list of material subsidiaries of the Group:

- Calvary Health Care ACT Limited
- Calvary Bruce Private Hospital Limited
- Calvary Clinic Pty Limited
- Calvary Health Care Bethlehem Limited
- Calvary Health Care Sydney Limited
- Calvary Health Care (Newcastle) Limited
- Calvary Health Care Adelaide Limited
- Calvary Private Health Care Canberra Limited
- Calvary Health Care Tasmania Limited
- Calvary Health Care Riverina Limited
- Calvary Retirement Communities Ltd
- Calvary Home Care Services Limited
- LCM Calvary Health Care Holdings Limited
- Calvary Holdings Pty Ltd
- Japara Property Holdings Pty Ltd
- Japara Aged Care Property Trust
- Calvary Administration Pty Ltd
- Calvary Aged Care Services Pty Ltd
- Japara Property Management Pty Ltd
- Japara Developments Pty Ltd
- Calvary Retirement Living Pty Ltd

Accounting Policy

Basis of consolidation

The Company controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of controlled entities are included in the consolidated financial statements, from the date that control commences until the date that control ceases. The accounting policies of controlled entities have been changed, when necessary, to align them with the policies adopted by the Company.

Transactions eliminated on consolidation

Intra-Company balances, and any unrealised income and expenses arising from intra-Company transactions, are eliminated.

26. Parent Entity disclosures

As at, and throughout, the year ended 30 June 2024, the parent entity of the Company was Little Company of Mary Health Care Limited.

In thousands of AUD	**2024**	**2023**
Result of parent entity		
Deficit for the period	(48,007)	(43,720)
Distribution from subsidiaries	-	85,592
	(48,007)	**41,872**
Financial Position of parent entity at year end		
Current assets	55,157	49,860
Non-current assets	787,536	908,332
Total assets	**842,693**	**958,192**
Current liability	39,366	11,377
Non-current liabilities	553,377	648,858
Total liabilities	592,743	660,235
Net assets	**249,950**	**297,957**
Accumulated Surplus	249,950	297,957
Total Equity	**249,950**	**297,957**

27. Disposal Group Held for Sale and Discontinued Operations

27.1 Details of Disposal Group Held for Sale and Discontinued Operation

Calvary Bruce Public Hospital

On 11 May 2023 the ACT Government introduced the Health Infrastructure Enabling Act 2023 (the Act) and Health Infrastructure Enabling Regulation 2023 (the Regulation), which on passage enabled the ACT government (the Territory) to compulsorily acquire part of the land where Calvary Public Hospital Bruce is situated, transition the operation of the public hospital to the territory and terminate the Calvary Network Agreement (CNA). The Act was passed on 31 May 2023 with an effective date of 3 July 2023.

On 3 July 2023, the Calvary Bruce Public Hospital (CPHB) was subject to compulsory acquisition by the Territory. The provision of public hospital services by the Company ceased after this date. In accordance with the Act, the public hospital land and all assets categorised as 'public hospital assets' were taken under the control of the Territory. On the acquisition date, the CNA and the Lease between Calvary and the Territory still had 76 years to run.

In addition to the Assets specifically stated in the Act, certain other interests (including other assets and liabilities) were consequently acquired and classified as 'Disposal Group Held for Sale' as at 30 June 2023. The acquisition of these interests arose as a consequence of the acquisition of the Public Hospital Land, Public Hospital Assets and termination of the CNA explicitly referenced within the Act. As at 30 June 2023 the hospital operations of Calvary Bruce Public Hospital were presented as a disposal group held for sale.

27. Disposal Group Held for Sale and Discontinued Operations (continued)

27.2 Results of Discontinued Operation

The statement of profit or loss, including the comparative period balances, for 30 June 2023 was presented to show the discontinued operation separately from the continuing operation:

In thousands of AUD	**2024**	**2023**
Revenue from operations	3,235	346,461
Other income	696	1,197
Total revenue for the year	**3,931**	**347,658**
Employee benefits expense	1,405	233,258
Other operating expenses	2,949	113,390
Total expenses for the year	**4,354**	**346,648**
Results from operating activities	**(423)**	**1,010**
Net finance income / (costs)	165	410
Net Surplus for the year	**(258)**	**1,420**

Cashflow used in Discontinued Operation

In thousands of AUD	**2024**	**2023**
Cash flows from operating activities	(3,482)	23,807
Cash flows from investing activities	-	(15,763)
Cash flows from financing activities	(741)	(8,206)
Net cash flows for the year	**(4,223)**	**(162)**

27.3 Assets and Liabilities of Disposal Group Classified as Held for Sale

In thousands of AUD	**2023**
Trade and other receivables	3,577
Other current assets	1,188
Property, plant and equipment	118,689
Inventory	2,091
Right of use assets	9,023
Assets held for sale	**134,568**
Employee benefits	39,233
Trade and other payables	11,854
Contract liabilities	870
Lease liabilities	1,524
Liabilities held for sale	**53,481**
Net Assets Held for Sale	**81,087**

27.4 Derecognition of Disposal Group and Recognition of Compensation Claim

On 3 July 2023, the compulsorily acquisition of Bruce Public by the Territory, resulted in the Company ceasing to operate Bruce Public.

The net carrying value of the disposal group held for sale as at 3 July 2023, totalling $79 million, was derecognised. This represents a decrease from the assets and liabilities classified held for sale as at 30 June 2023, which amounted to $81 million.

On 1 July 2024 Calvary submitted claims to the Territory for compensation arising from the compulsory acquisition of the Hospital Assets and Hospital Land in accordance with the claims process outlined in the Legislation. The claimed compensation amount was determined by independent expert valuers in accordance with the framework of the Legislation. The claim is being considered by the Territory.

Under the requirements of the accounting standards, the amount of compensation is required to be constrained when the amount of compensation is not expected to be resolved for a period of time and is susceptible to factors outside of Calvary's control. On this basis alone, the Group has not recorded a gain on divestment at 30 June 2024, however anticipate that, following settlement of the claim with the Territory, a gain on divestment of Calvary Bruce Public Hospital will be recorded in future periods.

28. Employee remuneration

28.1 Employee benefits expense

In thousands of AUD	**2024**	**2023**
Salaries and wages	1,182,433	1,056,019
Superannuation - defined contribution	113,656	95,087
Superannuation - defined benefit	321	498
Workcover	27,757	22,613
Long-term and post-employment benefits	18,142	22,277
	1,342,309	1,196,494

28.2 Employee Provisions

In thousands of AUD	2024	2023
Current		
Annual leave	110,762	104,450
Long service leave	91,776	90,908
Redundancy	690	-
Other employee provisions	8,294	8,772
	211,522	204,130
Non-current		
Long service leave	16,933	14,395
	16,933	14,395

Accounting Policy

A liability is recognised for benefits accruing to employees in respect of salaries and wages, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Short-term benefits
Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Other long-term benefits
Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to the reporting date.

Defined contribution plan
Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

28.3 Key Management Personnel compensation

The key management personnel compensation included in 'personnel expenses' is as follows:

In thousands of AUD	2024	2023
Compensation to directors and other members of key management personnel of the company and the Group	17,945	17,508

29. Related Parties

29.1 Transaction with key management personnel

From time-to-time, Directors and other key management personnel of the Company may be treated as patients. This service is provided on the same terms and conditions as those entered into by other employees or customers and are trivial or domestic in nature.

29.2 Transactions with other related parties

In thousands of AUD	**2024**	**2023**
Received during the year from The Corporation of the Little Company of Mary:		
Revenue from care fees and maintenance	-	219
	-	**219**
Payments during the year by The Corporation of the Little Company of Mary:		
Repayments of borrowings	784	816
Interest	216	248
	1,000	**1,064**
Payments made during the year to Calvary Ministries Limited:		
Payment of Board and other expenses	370	854
Profit/(Loss) recognised during the year relating to equity-accounted investments		
My Home Hospital	822	(1,778)

29.3 Balances with other related parties

In thousands of AUD	**2024**	**2023**
Amounts payable to The Corporation of the Little Company of Mary:		
ILU contributions for accommodation of Sisters	9,056	6,815
Other loan payable	4,433	5,217
	13,489	**12,032**

Other loan payable
The Group has an interest free loan of $4.4m from The Corporation of the Little Company of Mary. The loan is repayable in quarterly instalments of $0.3m, from 10 October 2019, over a 10-year period. The loan is unsecured and subordinated to all other creditors of Holdings.

29.4 Other related party disclosures

Residential premises
Residential premises at Hillpine Avenue, Kogarah are provided rent-free to Little Company of Mary Sisters who are associated with the Company.

Independent living units
The Sisters of the Order of the Little Company of Mary, who were residents in the independent living units at Calvary Retirement Community Ryde, were charged a maintenance levy calculated according to normal village maintenance fees. Sisters in the hostel and nursing home were charged care fees as per the schedule of approved fees issued by the Department of Health and Ageing. The maintenance charge and care fees for the financial year totalled $0.2m (2023: $0.2m).

Equity Loan

In thousands of AUD	**2024**	**2023**
Equity Loan from The Corporation of the Little Company of Mary	40,870	40,870

The equity loan is an equity contribution from The Corporation of the Little Company of Mary, relating to the transfer of land and buildings by The Corporation of the Little Company of Mary and is interest-free, repayable at the discretion of the Company and subordinated to all other creditors of the Company.

On 30 June 2018, a $10m equity loan was converted to an interest-free loan, repayable over 10 years from 1 July 2020. The loan is repaid on quarterly instalments of $0.3m, from 1 July 2019, over a 10-year period. The Corporation of the Little Company of Mary may require early repayment of the balance owing, giving at least one year's notice. As at 30 June 2024, the carrying value of the loan was valued at $4.4m (Note 19 and Note 29.3).

30. Remuneration of auditors

In thousands of AUD	**2024**	**2023**
(a) Audit and other assurance services		
KPMG Australia		
Audit of financial statements	951	1,033
Regulatory assurance services	45	323
Total remuneration for audit and other assurance services	**996**	**1,356**

31. Economic Dependency

The public hospital facilities within the Company operated by Calvary Health Care Bethlehem Limited, Calvary Health Care Sydney Limited and Calvary Health Care (Newcastle) Limited depend on the annual appropriation of monies by their relevant State or Territory Governments to fund operations and meet commitments, in accordance with separate agreements between these companies and the relevant Government authority.

The Directors currently believe that, collectively, the Company has sufficient cash resources to ensure the Parent Entity and each controlled entity will continue to trade as a going concern and they are unaware of any material uncertainties, events or conditions, which may cast significant doubt on this belief.

32. Contingent liabilities and assets

Claims on managed fund
On 1 July 1989, the NSW Government implemented a self-insurance scheme known as the Treasury Managed Fund (TMF). Since that time, the Company has been a member of the TMF. The TMF will pay to, or on behalf of, the Company all sums which it shall become legally liable to pay by way of compensation or legal liability, except for employment-related, discrimination and harassment claims that do not have state-wide implications. Therefore, since 1 July 1989, apart from the exceptions noted above, no contingent liabilities exist in respect of liability claims against the Company.

A Solvency Fund (now called Pre-Managed Fund) Reserve was established by the NSW Government to deal with the insurance matters incurred before 1 July 1989 that were above the limit of insurance held, or for matters that were incurred prior to 1 July 1989 that would have become verdicts against the State. The Pre-Managed Fund will respond to all claims against the Company.

Other than the above, there is no other contingent assets or liabilities in relation to the reporting period.

33. Subsequent events

Under the current syndicated loan facility, the $315m Facility B was due to mature in November 2024. On 8 October 2024, the Group refinanced a $309.6m syndicated bullet term loan facility with a 3-year term.

There has not arisen, in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

34. Other Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

34.1 Income tax

The Parent Company and all but two subsidiaries are exempt from income tax under the current provisions of the Australian Income Tax Assessment Act (1997). Two subsidiaries within the Company, Glad Pty Ltd and Lovell H.C.S. Pty Ltd are Australian tax paying entities. The subsidiaries have ceased trading.

34.2 Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.
The GST components of cash flows arising from operating, investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

34.3 Finance income and expense

Interest income and expenses are recognised using the effective interest method.

35. Changes to accounting policies

There have been no changes to accounting policies in preparation of these financial statements of the Company.

Material accounting policy information
The Group also applied Disclosure of Accounting Policies and Definition of Accounting Estimates (Amendments to AASB 7, 101, 108 and AASB Practice Statement 2) from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and have made any relevant updates accordingly.

Independent Auditor's Report

To the members of Little Company of Mary Health Care Limited

Opinion

We have audited the ***Financial Report***, of Little Company of Mary Health Care Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* including:

i. giving a true and fair view of the Group's financial position as at 30 June 2024, and of its financial performance and its cash flows for the year ended on that date; and

ii. complying with *Australian Accounting Standards – Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022 (ACNCR).*

The ***Financial Report*** comprises:

i. Consolidated statement of financial position as at 30 June 2024.

ii. Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.

iii. Notes, including material accounting policies.

iv. Directors' declaration of the Company.

The Group consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Other information

Other Information is financial and non-financial information in Little Company of Mary Health Care Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

i. preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Framework and the ACNC and ACNCR;

ii. implementing necessary internal control 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; and

iii. assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report[1]

Our objective is:

i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and

ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

i. 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.

ii. 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 registered Group's internal control.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

iv. Conclude on the appropriateness of Directors' 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 registered Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Group and Company to cease to continue as a going concern.

v. 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.

We communicate with the Directors of the registered Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

KPMG

Stephen Isaac
Partner

Sydney
24 October 2024

LITTLE COMPANY OF MARY HEALTH CARE LIMITED_ACNC GROUP

"KB-11"

← Back to Financials & Documents

Annual Information Statement 2025

Legal name:
Little Company of Mary Health Care Limited_ACNC Group

About the group

Website:
calvarycare.org.au

Group size:
Large

Group programs

Calvary Private & Public Hospitals

Program classification:
Hospital care

Program locations:
NSW, Australia
Victoria, Australia
South Australia, Australia
Tasmania, Australia
Australian Capital Territory, Australia

Program beneficiaries:
General community in Australia

Program website:
calvarycare.org.au

Calvary Residential Aged Care

Program classification:
Nursing homes

Program locations:
Australian Capital Territory, Australia
NSW, Australia
South Australia, Australia
Victoria, Australia
Tasmania, Australia

Program beneficiaries:
Adults - aged 65 and over
General community in Australia

Program website:
calvarycare.org.au

Calvary Home Care Services

Program classification:
In-home aid and personal assistance

Program locations:
Tasmania, Australia
Northern Territory, Australia
South Australia, Australia
NSW, Australia
Victoria, Australia
Australian Capital Territory, Australia

Program beneficiaries:
Adults - aged 65 and over
People with chronic illness (including terminal illness)
People with disabilities
Males
Females
Veterans and/or their families
General community in Australia

Program website:
calvarycare.org.au

Description of the group's activities and outcomes:
Calvary is a charitable Catholic not-for-profit organisation continuing the mission of the Sisters of the Little Company of Mary, in our hospitals, home and virtual care services, retirement living and residential aged care homes across four states and two territories. Our mission is to provide quality, compassionate health care to the most vulnerable, including those reaching the end of their life. We provide aged and home care, acute and sub-acute health care; and specialist palliative care and comprehensive care for people in the final year of life. For more details, please go to www.calvarycare.org.au

Human resources

Human resources:
Full time employees: 3459
Part time employees: 9989
Casual employees: 4255
Full-time equivalent staff (FTE): 10891.00
Estimated number of volunteers: 723

Annual report

Note: If you want to see the financial report or annual report that this group has submitted, go back to Financials & Documents

Financial Reporting

Group's 2025 reporting period:
1 July 2024 to 30 June 2025

Type of financial statement:
General purpose financial statements simplified disclosure

Financial report consolidated with more than one entity?:
Yes

Reportable related party transactions in the 2025 reporting period?:
Yes

Types of reportable related party transactions:
Loans from/to a related party
Investment in a related party

More than one remunerated key management personnel member:
Yes

Number of remunerated key management personnel:

23

Total amount paid to key management personnel:
$8,730,000

Income and Expenses

Comprehensive Income Statement summary

Gross income

Revenue from government including grants	$857,469,000
Donations and bequests	$2,083,000
Revenue from providing goods or services	$1,265,915,000
Revenue from investments	$11,065,000
All other revenue	$49,824,000
Total revenue	$2,186,356,000
Other income (for example, gains)	$0
Total gross income	$2,186,356,000

Expenses

Employee expenses	$1,399,406,000
Interest expenses	$98,390,000
Grants and donations made for use in Australia	$525,000
Grants and donations made for use outside Australia	$0
All other expenses	$826,740,000
Total expenses	$2,325,061,000

Net income

Net surplus/(deficit)	-$138,705,000
Other comprehensive income	$44,000
Total comprehensive income	-$138,661,000

Balance Sheet extract

Assets

Total current assets	$489,523,000
Non-current loans receivable	$0
Other non-current assets	$2,243,662,000
Total non-current assets	$2,243,662,000
Total assets	$2,733,185,000

Liabilities

Total current liabilities	$1,884,524,000
Non-current loans payable	$321,730,000
Other non-current liabilities	$518,809,000
Total non-current liabilities	$840,539,000
Total liabilities	$2,725,063,000

Net assets/liabilities

Net assets/liabilities	$8,122,000

MATER MISERICORDIAE LIMITED

"KB-12"

← Back to Financials & Documents

Annual Information Statement 2022

Legal name:
Mater Misericordiae Limited

ABN:
83096708922

About the charity

Website:
mater.org.au

Charity size:
Large

Is the charity an incorporated association?:
No

Does the Charity intend to fundraise in the next reporting period?:
No

Charity programs

Hospital services and rehabilitation services

Program classification:
Hospital care

Program locations:
Queensland, Australia

Program beneficiaries:
General community in Australia

Description of the charity's activities and outcomes:
The provision of a comprehensive range of health services in the Catholic and mercy traditions for the people of Queensland

Human resources

Human resources:
Full time employees: 3062
Part time employees: 4706
Casual employees: 1867
Full-time equivalent staff (FTE): 5972.00
Estimated number of volunteers: 387

Annual report

Note: If you want to see the financial report or annual report that this charity has submitted, go back to Financials & Documents

Financial Reporting

Charity's 2022 reporting period:
1 July 2021 to 30 June 2022

Type of financial statement:
General purpose financial statements

Financial report consolidated with more than one entity?:

Yes

Did your charity have any related party transactions:
Yes

Does your charity have documented policies or processes about related party transactions?:
Yes

More than one remunerated key management personnel member:
Yes

Number of remunerated key management personnel:
14

Total amount paid to key management personnel:
$4,438,000

Financial report submitted to a state/territory regulator?:
No

Income and Expenses

Comprehensive Income Statement summary

Gross income

Revenue from government including grants	$600,485,000
Donations and bequests	$8,463,000
Revenue from providing goods or services	$701,089,000
Revenue from investments	$164,000
All other revenue	$75,975,000
Total revenue	$1,386,176,000
Other income (for example, gains)	$0
Total gross income	$1,386,176,000

Expenses

Employee expenses	$855,179,000
Interest expenses	$3,834,000
Grants and donations made for use in Australia	$0
Grants and donations made for use outside Australia	$0
All other expenses	$613,779,000
Total expenses	$1,472,792,000

Net income

Net surplus/(deficit)	-$86,616,000
Other comprehensive income	$121,035,000
Total comprehensive income	$34,419,000

Balance Sheet extract

Assets

Total current assets	$214,959,000
Non-current loans receivable	$0
Other non-current assets	$2,156,233,000
Total non-current assets	$2,156,233,000
Total assets	$2,371,192,000

Liabilities

Total current liabilities	$327,675,000
Non-current loans payable	$82,601,000
Other non-current liabilities	$168,379,000
Total non-current liabilities	$250,980,000
Total liabilities	$578,655,000

Net assets/liabilities

Net assets/liabilities	$1,792,537,000

"KB-13"

Mater Misericordiae Ltd

ABN 83 096 708 922

and
its subsidiaries

Annual Report

for the year ended 30 June 2022

Mater Misericordiae Ltd and its subsidiaries
Annual Report
For the year ended 30 June 2022

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Mater Misericordiae Ltd and its subsidiaries
Annual Report
For the year ended 30 June 2022

Corporate information

ABN 83 096 708 922

Directors

The Directors at the date of this report are:

Mr Francis Sullivan AO (Chair)
Ms Virginia Ryan (Deputy Chair)
Ms Virginia Bourke
Mr Patrick Brady
Mr Gerard Houlihan
Sr Sandra Lupi
Ms Jennifer Parker
Dr John Rivers
Ms Jane Yacopetti

Company secretary

Mr Laurence Rogencamp

Registered office and principal place of business

Level 10, 14 Stratton Street,
Brisbane, Queensland, Australia

Solicitors

Rogencamp and Co. Lawyers
Brisbane, Queensland, Australia

Bankers and Lenders

National Australia Bank Ltd
Brisbane, Queensland, Australia

Australia and New Zealand Bank Ltd
Brisbane, Queensland, Australia

Archdiocesan Development Fund
Brisbane, Queensland, Australia

Northern Australia Infrastructure Facility
Cairns, Queensland, Australia

Auditor

Grant Thornton Audit Pty Ltd
Brisbane, Queensland, Australia

Mater Misericordiae Ltd and its subsidiaries
Annual Report
For the financial year ended 30 June 2022

Directors' report

Introductory Statement

The Directors of Mater Misericordiae Ltd (Company) (MML) present their report together with the annual financial report of the MML Group (Group) for the year ended 30 June 2022. MML is a not-for-profit organisation limited by guarantee, incorporated and domiciled in Australia. The annual report was authorised for issue by the Directors on 28 October 2022.

About Mater

Mater Misericordiae Ltd (MML) is a company limited by guarantee and exists to continue the health care mission of the Sisters of Mercy through our Canonical Sponsor Mercy Partners. The Company is registered as a charity under the *Australian Charities and Not-for-Profits Commission (ACNC) Act 2012*.

The Company has a single member, being Mercy Partners ABN 85961 861 (Mercy Partners RICE). Mercy Partners is a Public Juridical Person established under the laws of the Roman Catholic Church and civil law, to take over membership and canonical sponsorship of Mercy ministries. Mercy Partners was established by the four Mercy Congregations in Queensland. The member of the Company has retained some of the powers that ordinarily may sit with the Board of Directors. The spilt of powers is documented in the Company Constitution.

The Member of Mater Misericordiae Ltd changed on 1st September 2022. The Member Mercy Partners ABN 85 961 861 162 (incorporated under the *Roman Catholic Church Incorporation of Church Entities Act 1994*) has been dissolved under that Act, and Mercy Partners Ltd ACN 656 883 957 (incorporated under the *Corporation Act*) is the successor entity and assumed membership of Mater Misericordiae Ltd on 1st September 2022.

The Sisters of Mercy established the Mater Hospital in 1906 to care for the sick and needy in the spirit of Christ the Healer. The fundamental mission is the overriding organisational driver. As a catholic company the organisation must be cognisant of, and adhere to, Canon Law. Where conflict between Canon Law and the civil law exists, civil law will prevail.

Our Mission	We serve together to bring God's mercy to our communities through compassionate, transforming, healing ministries.
Our Vision	Empowering people to live better lives through improved health and wellbeing.
Our Values	• We honour and promote the dignity of human life and all creation • We act with compassion and integrity • We strive for excellence.

Directors' report (continued)

Objectives and Principal Activities

The principal activities of MML is the operation of Hospital and Health Services, and through our subsidiaries Mater also undertakes education, research and fundraising to support the mission.

- Our health operations include private hospital and health services and operates public hospital and health services on behalf of the Queensland Health.
- Mater Education Ltd provides clinical training and staff education and learning support.
- Mater Research Ltd supports clinical researchers and undertakes translational research and is a joint venture partner with the Translational Research Institute.
- Mater Foundation Ltd undertakes fundraising to support our mission and objectives for MML.

MML monitors its performance through the Board, Board Committees, executive reporting and management against financial and non-financial annual performance targets. The significant public health contract is managed through regular reporting to Queensland Health.

Strategy

Our strategy compels us to enhance our strength in interventional healthcare through the expansion of our health services in the home and community or development of new business health models addressing the emerging health and wellbeing needs of the community. We are committed to a thriving Mission and will achieve sustainable, relevant, size and scope through growth in profitable business areas to facilitate further investment in strategic innovations, partnerships and service development.

Our strategic vision is directly linked to our Mission focus to support areas of need with particular commitment to health equity for priority communities including regional and remote, First Nations peoples, refugees, homeless people, the poor, marginalised and vulnerable.

Significant changes in the state of affairs

There were no significant changes in the state of affairs during the financial year.

Operational and Financial Review

The operating result of the consolidated Group for the year ended 30 June 2022 was a net deficit of $64.49M (2021: net surplus of $421.27M). The decrease in the current year surplus reflects the one -off net gain in 2021 from the merge of related entities of $385.74M and a higher depreciation expense (2022:$144.69M compared to 2021:$89.84M) due to the revaluation of assets on the 30 June 2021.

The consolidated Group recorded revenue from operations for the year ended 30 June 2022 of $1.51Bn (2021: $1.44Bn).

Net assets for the consolidated Group at 30 June 2022 was $1.86Bn (2021: $1.81Bn).

Directors' report (continued)

Board and Board Committees.

The Board's primary role is to ensure the Company continues to provide health services to the community, faithful to the original mission of the Sisters of Mercy now carried on through Mercy Partners, through the protection and enhancement of the assets of a not for profit organisation.

To assist the Board of Directors in discharging their duties the Board has established a number of board committees including Finance and Audit Committee, Clinical and Business Systems Committee, Strategic Development and Sustainable Infrastructure Committee and Mission, People and Culture Committee.

Finance and Audit Committee

The primary objectives for the Committee to assist the Board of Directors in discharging their duties with regard to: financial management, reporting and financial and accounting policies; financial budgeting and forecasting activity; financial risk management (including fraud risk), oversight of external and internal audit, and internal controls assurance over financial risks; integrated risk management; accounting, reporting and corporate governance issues pertaining to the Mater and its subsidiaries; and ensuring Mater meets its legal, compliance and moral obligations.

Clinical and Business Systems Committee

The primary objective for the Committee is to assist the Board of Directors in discharging their duties with regard to: clinical risk and safety for Mater; clinical governance framework and its effectiveness; the interface between the core strategic objectives of the Mater (in health, education and research); and the business and financial systems which support achieving those objectives.

Strategic Development and Sustainable Infrastructure Committee

The primary objective is for the Committee to assist the Board of Directors in discharging their duties with regard to: Strategic decisions and business development opportunities; ensuring that the Mater operates consistently with Laudato si'; master planning for all Mater sites; oversight of all major projects; stewardship of all property assets of the ministry; and ensuring that an appropriate governance framework is in place for the management of Mater infrastructure.

Mission, People and Culture Committee

The primary objective of the Committee is to:

- Ensure the cultural health of the Mater is aligned to the mission, purpose and values of the Mater;
- Ensure that Mater is seen and experienced as an organisation offering added value because of its Mission, and wider role of being a not-for profit Catholic Health organisation, in addition to its public health role;
- Provide strategic oversight, support and advice on the development of strategies, plans, policies and monitoring of outcomes in relation to workforce and Industrial Relations matters;
- Promote the provision of health services in the spirit of the Sisters of Mercy;
- Promote the provision of compassionate services with a preference for the poor, marginalised and vulnerable;
- Discern reflectively so that the corporate affairs of the Company reflect the moral and social teachings of the Catholic Church;
- Undertake policy development from a clinical, corporate and community perspective with special reference to Canon Law and the Catholic Health Australia Code of Ethical Standards.

Directors' report (continued)

Board of Directors

The names of Directors of the Company in office during the financial year and at the date of this report is set out below.

Mr Francis John Sullivan AO **BA (Politics), M Theol** ***Appointed*** ***July 2019***	Francis Sullivan AO is the Chair of the Mater Misericordiae Limited Board and is a member of Mater's Finance and Audit Committee. Before commencing at Mater he was Chief Executive Officer at the Truth, Justice and Healing Council and Secretary General of the Australian Medical Association (AMA). Francis is committed to equity and justice and has been highly successful in bringing a social conscience to the political debate on health and aged care issues. He spent 14 years as the Chief Executive Officer of Catholic Health Australia (CHA), speaking for 73 private and public hospitals and more than 500 aged care services across Australia. Prior to that, Francis was senior adviser to the Minister for Health in Western Australia. Francis has a master's degree in theology from Loyola University in Chicago and a bachelor's degree in politics from Curtin University in Western Australia. Early in 2008, the Australian Catholic University awarded him an honorary Doctorate for his work in public health advocacy.
Ms Virginia Ryan **BA, LLB** ***Appointed*** ***September 2019***	Virginia was appointed to the Mater Board in September 2019 and to the position of Deputy Chair in August 2020. She was appointed Board Chair of Mater Foundation in August 2020. Virginia has been a member of a catholic school board, a Commissioner on the Legal Aid Commission of Queensland, and a Board member of an Australian Health Practitioner Agency board. In 2017 Virginia was appointed Deputy President of the Queensland Mental Health Review Tribunal. In this role, she interacts daily with those who face significant illness challenges, their supports in the community and clinicians and others who provide treatment and care. Virginia has degrees in Arts and Law from Sydney University and more than thirty years' experience as a Brisbane lawyer. She has worked at Caxton Legal Centre, was the state convenor of the state peak body for community legal centres, and a volunteer lawyer. She has been a Registrar in a federal court and a member of a number of tribunals, including the Social Security Appeals tribunal, the Queensland Civil and Administrative Tribunal, and for more than ten years, the Queensland Mental Health Review Tribunal. She has been an accredited mediator, and is committed to fair processes, collaborative decision making and transparency and accountability in governance.

Directors' report (continued)

Board of Directors (continued)

Mr Patrick Brady **BE (Civil) Hons** ***Appointed*** ***September 2019***	Mr Brady was appointed to the Mater Misericordiae Limited Board in September 2019 and is a member of the Finance and Audit and Chair of the Sustainable Development and Strategic Infrastructure committees. He was previously Chair of Mater Health Services North Queensland Limited where he also served as a member of the Capital Projects Committee and the Finance Committee. Mr Brady has over 35 years' experience in the civil engineering industry in metro and regional Queensland, across urban development, public infrastructure, agriculture and mining engineering. Mr Brady is a Founder and Executive Director of Premise, one of Queensland's leading engineering firms providing engineering, environmental, water and agricultural consulting services from eight locations across Australia, Port Moresby and Vietnam. Mr Brady's previous Board positions include immediate past Chairman of the Port of Townsville Limited, Townsville Branch president of the Urban Development Industry Australia (UDIA). He has also performed board duties with the Townsville CBD Taskforce, Townsville Water Security Taskforce, Townsville Industrial Development Board, DSDMIP and the Townsville Crocodiles Basketball Club. Mr Brady currently serves as: • Chair, Engineering Advisory Board, College of Science and Engineering, James Cook University • Chair, Premise Holdings Pty Ltd.
Ms Virginia Bourke **BA/LLB(Hons) MA FAICD** ***Appointed*** ***February 2020***	Virginia Bourke joined the Mater Misericordiae Limited Board in February 2020 and draws on significant experience in law, corporate governance and consultancy, as well as active involvement in community organisations. She is currently a member of Mater's Clinical and Business Systems Committee. Virginia is the Chair of Mercy Health, a national not-for-profit provider of health, aged and community services. She is also Chair of St John Ambulance Victoria and a Director of St John Ambulance Australia, Catholic Health Australia and Caritas Australia. She is a member of the Boards Appointment Committee with the Catholic Archdiocese of Melbourne and an Advisory Board Member for the PM Glynn Institute at Australian Catholic University. Virginia is a lawyer and consultant in private practice with a breadth of corporate governance and commercial experience. She is a consultant with the national health industry group at MinterEllison Lawyers and previously worked as General Counsel for the Institute of the Sisters of Mercy of Australia and Papua New Guinea and as Special Counsel in the Employment Law group at MinterEllison Lawyers.

Directors' report (continued)

Board of Directors (continued)

Mr Gerard Houlihan ***Appointed*** ***September 2019***	Gerard Houlihan was appointed to the Mater Misericordiae Ltd Board in September 2019 and is a member of the Strategic Development and Sustainable Infrastructure Committee. Gerard is a Solicitor of the Supreme Court of Queensland. Gerard's association with the health and aged care ministries of the Sisters of Mercy commenced with his appointment to the General Administrative Committee of the Mater in Rockhampton in 1991. He was later appointed to the then Health Services Board of the Rockhampton Congregation of the Sisters of Mercy in 1994 and he served as Chairman of that Board for five years from 1995 to 2000. When Mercy Health and Aged Care Central Queensland Limited (MH&ACCQL) was incorporated as a separate entity in 2001, Gerard continued as a Director on the MH&ACCQL Board. He is currently a member of the Mater Misericordiae Limited Board and a member of the Major Projects and Infrastructure committee. Gerard has been with Rees R & Sydney Jones Solicitors, Rockhampton all of his working life and until January 2020 had been a partner of that firm for more than 36 years. He is highly respected in both the legal and wider community and currently consults to Rees R & Sydney Jones Solicitors.
Ms Jenny Parker **BCOM(UQ), FCA, GAICD** ***Appointed*** ***September 2019***	Jenny was appointed to the Mater Misericordiae Limited Board in September 2019 and is Chair of the Finance and Audit Committee. Jenny is the Oceania Health & Life Sciences Leader at Ernst & Young, based in Brisbane. Jenny has a proven track record in leading governance, risk, and consulting engagements within the Heath Sector. Jenny is the Deputy Chair for Catholic Health Australia, and The Finance Council of the Archdiocese of Brisbane. Jenny is also the Chair of the Brisbane Catholic Education Board and a Board member and Chair of the Finance, Audit and Risk Committee for the Museum of Queensland. Ms Parker has served as the engagement partner for Department of Housing and Public Works, Department of State Development, Ergon Energy, QSuper Limited, WorkCover Queensland, Brisbane City Council and Stanwell Corporation as well as St Vincent's Hospital Group.

Directors' report (continued)

Board of Directors (continued)

Sandra Lupi rsm **M Soc Admin, BA, Dip T, GAICD** ***Appointed*** ***November 2018***	Sr Sandra Lupi was appointed to the Board of Mater Misericordia Ltd in November 2018 and is a member of the Clinical Governance and People Culture and Mission committees. Sr Sandra is a member of the Brisbane Sisters of Mercy. She has 15 years' experience in leadership in the Sisters of Mercy and extensive experience in governance in the not for profit sector. Sandra is a graduate of the Australian Institute of Company Directors since 2013 and completed the AICD Director Nexus Program in June 2018. Since 2014 Sandra has been a Director of Mangrove Housing Ltd and serves as Deputy Chair. She is a member of the Risk Committee of the Board and Chair of the Board's Business Development Committee. In June 2021, Sister Sandra became a Director on the Board of Karuna Hospice Service Ltd.
Dr John Rivers **BSc(Med), MBBS, FRACP, FCSANZ, Grad Dip AFI, GAICD** ***Appointed*** ***September 2019***	Dr John Rivers was appointed to the Mater Misericordiae Ltd Board in September 2019 and is Chair of the Clinical and Business Systems Committee. Dr Rivers is a Cardiologist and an experienced non-executive Director working in the hospital and health care industry. Prior to the amalgamation of the Queensland Mater hospitals, he was a director of the Mater North Queensland board and Chair of the Risk and Quality Committee. He previously completed a Graduate Diploma in Applied Finance & Investment. He has led long term projects for clinical outcomes improvement and medical quality systems with extensive publication on these topics. He is an active angel investor with Brisbane Angels and is a former Executive Chair of health system regulator (HQCC). Dr Rivers is a non-executive director of Wesley Medical Research and Cardihab, an e-health enterprise developed by CSIRO. He is currently Executive Chair of the Queensland Cardiovascular Group.

Directors' report (continued)

Board of Directors (continued)

Ms Jane Yacopetti **RN, RM,** **B, AppSc, MHP** **GAICD** ***Appointed*** ***February 2019***	Jane was appointed to the Mater Misericordiae Limited Board in February 2019 and is a member of the Finance and Audit Committee, the Strategic Development and Sustainable Infrastructure Committee and is Chair of the Mission, People and Culture Committee. With more than thirty years' experience in both the private and public sectors of health, Jane has held senior executive roles in a large regional health organisation and in several tertiary health institutions in Australia. Her management experience, qualifications and expertise are extensive and varied, giving her a key perspective on the complexities and challenges currently facing the industry. Jane has worked internationally and in rural and remote communities, experiences that have provided her with a valuable insight into the challenges involved in delivering health services in often difficult environments. For 15 years Jane ran a successful health consultancy business. Jane currently works as an executive consultant for Johnstaff Health Advisory. Jane has extensive experience with major health infrastructure projects and has also managed the organisation change components of large capital projects in Australia. Jane has governance experience having served as a board member of Children's Health Queensland Governing Board since 2013, serving as Deputy Chair from 2013-2017.

Company Secretary

Mr Laurence Rogencamp **BA, LLB** ***Appointed July 2001***	Mr Laurence Rogencamp was appointed as Company Secretary in July 2001. Mr Rogencamp is a solicitor of the Supreme Court of Queensland, having been admitted in 1987. Mr Rogencamp has practised principally in the corporate and commercial areas of law and is Company Secretary of Mater Education Ltd, Mater Research Ltd and Mater Foundation. Mr Rogencamp is a Director of Holy Cross Services Ltd and Mangrove Housing Ltd and is a Graduate Member of the Australian Institute of Company Directors.

Directors' report (continued)

Meetings of the Board and Committees

The following table outlines the meetings held and attendance at each committee.

Directors Name	Board	Finance and Audit	Clinical and Business Systems	Major Planning and Infra-structure (Note 1)	Strategic Development and Sustainable Infra-structure	Mission, People and Culture	Joint Finance & Audit and Clinical & Business Systems
	No. of meetings attended						
Mr Francis Sullivan AO	11/11	6/6					2/2
Sr Sandra Lupi	11/11		5/6			4/4	2/2
Ms Jane Yacopetti	10/11	6/6		2/4	4/4	3/4	2/2
Mrs Virginia Ryan	10/11						
Mrs Jennifer Parker	11/11	6/6					2/2
Mr Patrick Brady	11/11	6/6		4/4	4/4		1/2
Mr Gerard Houlihan	11/11			2/4	4/4		
Dr John Rivers	11/11		6/6				2/2
Ms Virginia Bourke	9/11		5/6				2/2

Note 1: the Major Planning and Infrastructure Committee was replaced by the Strategic Development and Sustainable Infrastructure Committee during the year.

Members Guarantee

The Company is limited by guarantee. If the Company were wound up, the Constitution states that each member is required to contribute a maximum of $10.00 each towards meeting any outstanding obligations of the Company. At 30 June 2022 the collective liability of members was $10.00 (2021: $10.00). At 30 June 2022 the number of members of the Company was one (1) (2021: 1).

Subsequent Events

With effect from 1 September 2022, the entity **Mercy Partners RICE** has been dissolved under the *Roman Church (incorporation of Church Entities) Act 1994* (Qld) (**RICE Act**) and Mercy Partners Ltd is the successor entity. Mercy Partners Ltd will replace Mercy Partners RICE as the sole member of the Company with effect on and from 1 September 2022.

Auditor

The Company has appointed Grant Thornton Audit Pty Ltd as external auditor. A copy of the auditor's independence declaration as required under Section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012* is set out on page 12.

Signed in accordance with a resolution of the Directors.

Mr Francis Sullivan AO
Chair
Date: 28 October 2022

Ms Jennifer Parker
Director
Date: 28 October 2022

Grant Thornton Audit Pty Ltd
King George Central
Level 18
145 Ann Street
Brisbane QLD 4000
GPO Box 1008
Brisbane QLD 4001

T +61 7 3222 0200

Auditor's Independence Declaration

To the Directors of Mater Misericordiae Ltd

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Mater Misericordiae Ltd for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

M C Bragg
Partner - Audit & Assurance

Brisbane, 28 October 2022

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Consolidated statement of profit or loss and other comprehensive income

	Notes	2022 $000	2021 $000
Revenue			
Rendering of services	**B1**	1,251,085	1,221,687
Sale of goods	**B1**	74,352	71,113
Other revenue	**B1**	179,823	144,311
Total revenue		**1,505,260**	**1,437,111**
Expenses			
Employee expenses		(881,479)	(834,648)
Pharmaceutical and medical expenses		(297,732)	(279,197)
Property and maintenance expenses		(69,398)	(59,025)
Catering and domestic expenses		(32,328)	(20,550)
Lottery expenses		(41,031)	(28,307)
Digital expenses		(27,275)	(22,454)
Administration expenses		(68,005)	(64,579)
Depreciation and amortisation expense		(144,648)	(89,840)
Impairment of assets		(827)	13,549
Finance expenses		(3,834)	(2,914)
Net loss on disposal of property, plant and equipment		(311)	(836)
Total expenses		**(1,566,868)**	**(1,388,801)**
Operating (deficit)/surplus		**(61,608)**	**48,310**
Share of profit/(loss) in associates and joint ventures	**G2**	(2,878)	354
Net gain from merge of related entities	**B2**	-	385,742
Loan forgiveness	**B2**	-	(13,136)
Net surplus/(deficit) for the financial year		**(64,486)**	**421,270**
Other comprehensive income			
Net change in fair value of investments		(4,449)	3,720
Revaluation of land and buildings	**D3**	121,019	654,885
Total other comprehensive income		**116,570**	**658,605**
Total comprehensive income attributable to the owners		**52,084**	**1,079,875**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

	Notes	2022 $000	2021 $000
Assets			
Current assets			
Cash and cash equivalents	C2	90,035	72,834
Trade and other receivables	C3	129,626	101,438
Inventories	D1	36,149	26,402
Investments	C4	27,675	30,205
Other assets	D2	28,210	21,259
Total current assets		**311,695**	**252,138**
Non-current assets			
Property, plant and equipment	D3	1,920,169	1,846,511
Intangible assets	D5	74,796	76,693
Investments using the equity method	G2	70,323	73,142
Right of use assets	D4	68,200	76,043
Other assets	D2	390	271
Total non-current assets		**2,133,878**	**2,072,660**
Total assets		**2,445,573**	**2,324,798**
Liabilities			
Current liabilities			
Trade and other payables	C5	119,746	118,011
Loans and borrowings	C6	8,830	11,018
Contract liabilities	D6	51,200	22,310
Provisions	D7	153,369	143,286
Total current liabilities		**333,145**	**294,625**
Non-current liabilities			
Loans and borrowings	C6	147,633	111,121
Contract liabilities	D6	60,395	64,343
Provisions	D7	43,733	46,126
Total non-current liabilities		**251,761**	**221,590**
Total liabilities		**584,906**	**516,215**
Net assets		**1,860,667**	**1,808,583**
Equity			
Building reserve	E1	240,478	240,478
Financial asset revaluation reserve	E1	(875)	4,185
Asset revaluation reserve	E1	775,904	654,885
Capital contributions	E2	27,643	27,643
Accumulated surplus		817,517	881,392
Total equity		**1,860,667**	**1,808,583**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

	Building reserve $000	Financial asset revaluation reserve $000	Asset revaluation reserve $000	Capital contribution $000	Accumulated surplus	Total Equity $000
Balance at 1 July 2020	**240,478**	**465**	**-**	**27,643**	**460,122**	**728,708**
Net surplus/(deficit) for the financial year	-	-	-	-	421,270	421,270
Other comprehensive income for the year	-	3,720	654,885	-	-	658,605
Total comprehensive income for the year	-	3,720	654,885	-	421,270	1,079,875
Balance at 30 June 2021	**240,478**	**4,185**	**654,885**	**27,643**	**881,392**	**1,808,583**
Balance at 1 July 2021	**240,478**	**4,185**	**654,885**	**27,643**	**881,392**	**1,808,583**
Net surplus/(deficit) for the financial year	-	-	-	-	(64,486)	(64,486)
Other comprehensive income for the year	-	(4,449)	121,019	-	-	116,570
Total comprehensive income for the year	-	(4,449)	121,019	-	(64,486)	52,084
Transfer of realised gains and losses	-	(611)	-	-	611	-
Total transactions with owners, recorded directly in equity	-	(611)	-	-	611	-
Balance at 30 June 2022	**240,478**	**(875)**	**775,904**	**27,643**	**817,517**	**1,860,667**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

	Notes	2022 $000	2021 $000
Cash flows from operating activities			
Receipts in the course of operations		1,583,775	1,394,586
Payments in the course of operations		(1,502,701)	(1,309,374)
Interest received		331	495
Interest paid		(3,834)	(2,327)
Net cash flows from/(used in) operating activities		**77,571**	**83,380**
Cash flows from investing activities			
Payments for property, plant and equipment and intangibles		(92,381)	(55,659)
Imputation credits received		101	105
Payment towards investment in joint venture		(59)	(95)
Proceeds from disposal of property, plant and equipment		190	95
Net proceeds/(payments) from investments		-	(5,000)
Cash acquired from business combinations		-	18,391
Net cash flows from/(used in) investing activities		**(92,149)**	**(42,163)**
Cash flows from financing activities			
Proceeds/ (repayment) from borrowings		39,506	(39,278)
Payment of lease liabilities		(7,727)	(5,987)
Repayments from related parties		-	15,000
Net cash flows from/(used in) financing activities		**31,779**	**(30,265)**
Net increase/(decrease) in cash and cash equivalents		**17,201**	**10,952**
Cash and cash equivalents at the beginning of the year		72,834	61,882
Cash and cash equivalents at the end of the year	**C2**	**90,035**	**72,834**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

A. Basis for financial statement preparation

Introduction

These consolidated financial statements comprise Mater Misericordiae Limited (MML) (the Company) and its controlled entities (the Group). MML is a not-for-profit company limited by guarantee incorporated and domiciled in Australia. The ultimate parent entity of MML is Mercy Partners.

The consolidated financial statements for the year ended 30 June 2022 were authorised for issue on 28 October 2022 in accordance with a resolution of the Board of Directors.

Compliance with prescribed requirements

This financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosure Requirements issued by the Australian Accounting Standard Board (AASB), other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-for profits Commission Act 2012.*

The significant accounting policies adopted in the preparation of these consolidated financial statements have been included in the relevant notes. These policies have been consistently applied for all years presented unless otherwise stated.

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs unless the application of fair value, present value, or net realisable value is required by the relevant accounting standard or as nominated in the notes to the consolidated financial statements.

Assets and liabilities are classified as either ‘current’ or ‘non-current’ in the consolidated statement of financial position and the associated notes. Assets are classified as current where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or there is not an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 or, where the amount is less than $500, to zero, unless disclosure of the full amount is specifically required and are presented in Australian dollars.

Comparative figures

This financial report is for the period 1 July 2021 to 30 June 2022. The comparatives are for the same period from 1 July 2020 to 30 June 2021. Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Accounting Standards or as a result of changes to consistently aligns presentation for all Group entities.

In the prior year’s financial statements, the revaluation increment for land and buildings of $654.885M was omitted from the financial statement line item for other comprehensive income in the Consolidated statement of profit or loss and other comprehensive income. The comparative balance in the current year’s financial statements has now been amended to conform to the current year presentation in line with Accounting Standards.

Notes to the consolidated financial statements

A. Basis for financial statement preparation (continued)

Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided within the relevant note.

Going concern

The financial statements have been prepared on the going concern basis, which assumes the Group will continue to be able to pay its debts as and when they fall due. As at 30 June 2022, the Group's current liabilities exceeds current assets by $21.45M (2021: $42.49M). Included within current liabilities, and contributing to the deficiency in net currents assets, is the following:

- Employee entitlements amounting to $145.19M for which $58.7M relates to long service leave which is not expected to be paid in full within the next 12 months from signing these financial statements; and
- Contract liabilities amounting to $51.2M which represents payments received in advance for performance obligations to be completed in future periods.

The Group has considerable financial resources together with long-term contracts with a number of Government and non-Government entities. The group has $1.92BN in property plant and equipment and generated a net operating cash flows of $77.57M in 2022 and has the ability to manage investing cashflows to moderate cash available.

As a consequence, the Directors believe that the Group is well placed to manage its business risks. After making enquiries the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial report. Refer to Note H3 for further information relating to economic dependency.

Notes to the consolidated financial statements (continued)

B. Financial performance

This section provides additional information about the financial performance of the Group including revenue and material profit and loss items.

B1 Revenue
B2 Material profit or loss items

B1 Revenue

The Group derives the following types of revenue:

	2022 $000	2021 $000
Rendering of services	1,251,085	1,221,687
Sale of goods	74,352	71,113
Investment income	2,469	903
Interest income	331	495
Rental income	15,877	15,817
Lottery income	68,667	52,864
Fundraising and donation income	32,313	26,369
Other revenue	60,166	47,863
Total other revenue	**179,823**	**144,311**
Total revenue	**1,505,260**	**1,437,111**

Revenue accounting policies

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

When there is no identified performance obligation identified within contract, income is recognised at the time when the Group gains controls over the assets.

Notes to the consolidated financial statements (continued)

B1 Revenue (continued)

Revenue is recognised for the major business activities as follows:

(a) Rendering of services

Revenue from a contract with a customer to provide services is recognised over the period in which the services are rendered.

(b) Sale of goods

Revenue from the sale of goods is recognised at the point in time the performance obligation is satisfied which is generally when control of the goods passes to the customer.

(c) Investment income

Investment income is comprised of dividend income including imputation credits, distributions from managed unit trusts and realised gain/losses on investments. Dividends and distributions are recognised when received.

(d) Interest income

Interest income is recognised on a proportional basis taking into account applicable interest rates.

(e) Lottery income

Lottery income includes revenue from various lottery draws. This revenue is recognised when the lottery is drawn as the Group's performance obligation has been fulfilled.

(f) Fundraising and donation income

Fundraising income includes revenue from fundraising events and projects. This revenue is recognised when the fundraising project is completed, or the event has taken place.

Donations are recognised as income when received.

(g) Other Revenue

(i) Government subsidies and grants

Government subsidies and grants are recognised in profit or loss when performance obligations stated within the funding agreements are satisfied. If conditions are attached to the grant which must be satisfied before the Group is eligible to retain the contribution, the grant will be recognised in the consolidated statement of financial position as a contract liability until those conditions are satisfied. Where there is no identified contractual performance obligation income is recognised at the time when funds are received.

(ii) Capital contributions

Revenue is recognised on the receipt of contributions where no contractual obligations have been established, or where contractual obligations have been established, over the life of their fulfilment, on a straight-line basis.

Notes to the consolidated financial statements (continued)

B1 Revenue (continued)

Revenue critical accounting judgements

Private Health Funding Agreement

During the financial year ended 30 June 2022, MML claimed Financial Viability Payments for quarters three and four from the Department of Health under the Private Health Facility Funding Agreement. The aim of the agreement is to provide private health facilities with financial assistance to cover their minimum viable cost base to ensure they are able to assist in the response to COVID-19 should the Department of Health require the support of the facilities. Both claims are subject to Queensland Audit Office review at the date of this report.

B2 Material profit or loss items

The Group has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the Group.

	Notes	2022 $000	2021 $000
Debt forgiveness		-	(13,136)
Gain on merge of Mercy Health and Aged Care Central Queensland Limited (MHACCQL) and Mater Health Services North Queensland Limited (MHSNQL)	G3	-	390,246
Loss on Holy Cross Services (HCS) leaving MML	G4	-	(4,504)
Total material items from profit or loss		**-**	**372,606**

(a) Debt forgiveness

During financial year ended 30 June 2021, the MML Board agreed to forgive HCS of the remaining debt that was outstanding which was $13.136M. This was approved as part of the process of HCS leaving MML on 1 March 2021.

(b) Gain on merge of MHACCQL and MHSNQL

On 1 July 2020, the Queensland Mater Ministries of Mercy Partners completed a merger process combining the three health businesses; MHSNQL, MHACCQL and MML.

The merge was completed by transferring the assets and liabilities of MHSNQL and MHACCQL to MML for no consideration. (Note: the aged care business and assets held for sale that related to MHACCQL was retained in the original legal entity). The gain recorded as a result of this event reflects the net fair value of the two companies as at 1 July 2020 being transferred into MML for no consideration.

(c) Loss on disposal of HCS

On 1 March 2021 HCS left the Group to move under the control of Mercy Partners. This transaction was carried out for no consideration and as a result, the prior year's profit or loss includes a $4.504M loss. The loss represents the net assets of HCS at 1 March 2021 being disposed of when it left MML.

Notes to the consolidated financial statements (continued)

C. Financial assets and financial liabilities

This note provides information about the Group's financial assets and liabilities, including specific information about the following types of financial assets and financial liabilities.

C1 Categories of financial instruments
C2 Cash and cash equivalents
C3 Trade and other receivables
C4 Investments
C5 Trade and other payables
C6 Loans and borrowings

C1 Categories of financial instruments

	Note	2022			2021		
		Current $000	Non-current $000	Total $000	Current $000	Non-current $000	Total $000
Financial assets							
Financial assets at amortised cost:							
Cash and cash equivalents	C2	90,035	-	90,035	72,834	-	72,834
Trade and other receivables	C3	129,626	-	129,626	101,438	-	101,438
Investments	C4	82	-	82	-	-	-
Financial assets at FVOCI:							
Investments	C4	27,534	-	27,534	30,129	-	30,129
Financial assets at FVPL:							
Investments	C4	59	-	59	76	-	76
Total financial assets		**247,336**	**-**	**247,336**	**204,477**	**-**	**204,477**
Financial liabilities							
Financial liabilities at amortised cost:							
Trade and other payables	C5	119,746	-	119,746	118,011	-	118,011
Loans and borrowings	C6	8,830	147,633	156,463	11,018	111,121	122,139
Total financial liabilities		**128,576**	**147,633**	**276,209**	**129,029**	**111,121**	**240,150**

Financial instrument accounting policies

(a) Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liabilities are derecognised when they are extinguished, discharged, cancelled or expired.

Notes to the consolidated financial statements (continued)

C1 Categories of financial instruments (continued)

(b) Classification and measurement of financial assets

(i) Initial measurement

Financial assets are measured initially at fair value adjusted by transaction costs (where applicable) and for the purpose of subsequent measurement are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL), or
- fair value through other comprehensive income (FVOCI).

Classifications are determined by both:

- the Group's business model for managing the financial asset
- the contractual cash flow characteristics of the financial assets.

(ii) Subsequent measurement

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Group's cash and cash equivalents, trade and other receivables and investments on term deposits with maturity greater than 3 months fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVPL)

Financial assets held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVPL. Further, irrespective of the business model used, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL.

Assets in this category are measured at fair value with gains or losses recognised in the profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions.

The Group has an equity investment falling into this category.

Notes to the consolidated financial statements (continued)

C1 Categories of financial instruments (continued)

Financial assets at fair value through other comprehensive income (FVOCI)

Investment in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Realised gains and losses and dividends from these investments continue to be recorded as investment income within the profit or loss unless the dividend clearly represents return of capital. Mater Foundation, a subsidiary of MML, has made this election to account for its investments at FVOCI.

(c) Classification and measurement of financial liabilities

(i) Initial measurement

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

(ii) Subsequent measurement

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

The Group's financial liabilities include trade and other payables and loans and borrowings. All interest-related charges that are reported in profit or loss are included within finance expenses.

(d) Impairment

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

With respect to trade receivables and contract assets, the Group makes use of a simplified approach and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Notes to the consolidated financial statements (continued)

C1 Categories of financial instruments (continued)

(e) Financial risk management

(i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group has moderate exposure to market risk with respect to its investments comprising listed and unlisted securities. Market risk is minimised by regular review of investment strategy as well as set investment allocation ranges to provide for portfolio diversification.

(ii) Credit risk

Credit risk predominantly arises when there is the possibility of the Group's debtors defaulting on their contractual obligations, resulting in a financial loss for the Group. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group maintains a prudent approach to managing liquidity risk by ensuring, as far as possible, that it will have sufficient liquid assets on a daily basis to meet its payment obligations when due, under both normal and stressed conditions.

To ensure the Group has sufficient funds to meet daily obligations, minimum levels of cash are held within the trading bank accounts. These accounts are reviewed daily, in conjunction with obligations to ensure sufficient funds are maintained.

The Group manages liquidity risk by continuously forecasting cash flow, monitoring future cash flows and the maturity profiles of financial assets and liabilities. During the current and prior years, there were no defaults or breaches on any payables or loans and borrowings.

C2 Cash and cash equivalents

	2022 $000	2021 $000
Cash on hand	134	97
Cash at bank	89,016	71,736
Short term deposits	885	1,001
Total cash and cash equivalents	**90,035**	**72,834**

Cash and cash equivalents are measured at amortised cost and include cash on hand, cash at bank and other short-term highly liquid financial assets with original maturities of three months or less that are readily convertible to known amounts of cash. These are used by the Group in the management of its short-term commitments.

Notes to the consolidated financial statements (continued)

C3 Trade and other receivables

	Note	2022 $000	2021 $000
Trade receivables		93,394	68,063
Less: expected credit losses		(4,576)	(4,319)
		88,818	63,744
Related party receivables	I1	97	204
Other receivables		235	376
Contract assets		40,476	37,114
Total trade and other receivables		**129,626**	**101,438**

Trade and other receivables accounting policies

(a) Trade receivables

Trade and other receivables are measured at amortised cost less expected credit losses. Trade receivables are reviewed on an ongoing basis and debts known to be uncollectible are written off when there is no reasonable expectation of recovery. Expected credit losses are measured in accordance with accounting policy outlined in Note C1.

(b) Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but is yet to establish an unconditional right to the consideration. Contract assets are specifically the revenue fees related to private inpatient stay for which an invoice has not yet been raised. Expected credit losses are measured in accordance with accounting policy outlined in Note C1.

C4 Investments

	2022 $000	2021 $000
Current		
Managed unit trusts and listed equities at FVOCI	27,534	30,129
Listed equity at FVPL	59	76
Term deposits at amortised cost	82	-
Total investments	**27,675**	**30,205**

Managed unit trusts comprised of funds invested in the following asset classes: direct cash, domestic equities, international equities, fixed interest and property.

Term deposits held under investments have maturity terms greater than 3 months.

Notes to the consolidated financial statements (continued)

C5 Trade and other payables

	Note	2022 $000	2021 $000
Current			
Trade payables		74,107	76,097
Other payables and accruals		44,480	40,686
Related party payables	I1	1,159	1,228
Total trade and other payables		**119,746**	**118,011**

Trade and other payables accounting policies

Trade and other payables are measured at amortised cost and are recognised for unpaid goods or services for which the Group has a present obligation to make payment.

Trade payables are unsecured and are usually paid within 30 days of recognition.

C6 Loans and borrowings

	2022 $000	2021 $000
Current		
Lease liabilities	8,830	11,018
Total current loans and borrowings	**8,830**	**11,018**
Non-current		
Borrowings	82,601	42,362
Lease liabilities	65,032	68,759
Total non-current loans and borrowings	**147,633**	**111,121**
Total loans and borrowings	**156,463**	**122,139**

Loans and borrowings accounting policies

(a) Interest bearing loans and borrowings

All loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve (12) months after the balance date.

(b) Borrowing costs

Borrowing costs are expensed as incurred. Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Notes to the consolidated financial statements (continued)

C6 Loans and borrowings (continued)

(c) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to the profit or loss if the carrying amount of the right-of-use asset is fully written down.

Debt facilities in use and available for use

In December 2021, MML ceased its debt facility with Diocesan Development Fund (DDF) and consolidated all borrowings with the Archdiocesan Development Fund (ADF). A loan balance of $58.659M was transferred as part of this transaction. At balance date, MML has a total loan facility with the ADF of $130.000M with $68.659M drawn down. The facility has a 10 year term, expiring in July 2029 and the interest rate per the agreement is based on the 90 day BBSY rate plus a margin. The borrowing is secured over various land and buildings held by the Group.

MML also has a debt facility with the Northern Australia Infrastructure Facility (NAIF). At balance date, MML has a total loan facility of $19.750M with $13.942M drawn down. The facility has a 20 year term, expiring in October 2040 and the interest rate per the agreement is a fixed rate equal to the government bond rate for the weighted average tenor applicable at the date of the facility agreement plus a margin. The borrowing is secured over a land and building held by the Group.

	2022 $000	2021 $000
Total facilities available:		
Borrowings	149,750	149,028
Guarantee facilities	3,966	4,915
	153,716	**153,943**
Facilities utilised at balance date:		
Borrowings	82,601	42,362
Guarantee facilities	2,835	2,738
	85,436	**45,100**
Facilities not used at balance date:		
Borrowings	67,149	106,666
Guarantee facilities	1,131	2,177
	68,280	**108,843**

Notes to the consolidated financial statements (continued)

C6 Loans and borrowings (continued)

Lease liabilities maturity analysis

The following table represents the Group's contractual maturities of lease liabilities. Contractual cash flows are at undiscounted values. Accordingly, these values may not agree to the carrying amount.

	2022 $000	2021 $000
Less than 1 year	10,910	9,924
1 to 5 years	35,838	36,858
More than 5 years	40,126	48,446
Total undiscounted lease liabilities	**85,319**	**95,228**

Notes to the consolidated financial statements (continued)

D Non-financial assets and liabilities

This note provides information about the Group's non-financial assets and liabilities, including specific information about the following types of non-financial asset and non-financial liabilities:

D1 Inventories
D2 Other assets
D3 Property, plant and equipment
D4 Right of use assets
D5 Intangible assets
D6 Contract liabilities
D7 Provisions

D1 Inventories

	2022 $000	2021 $000
Current		
Pharmaceutical and medical supplies at cost	34,568	24,938
Engineering spares at cost	412	449
Other inventories at cost	1,169	1,015
Total inventories	**36,149**	**26,402**

Inventory accounting policies

Inventories are stated at the lower of cost or net realisable value. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

The cost of inventories is assigned as follows:

- Pharmaceutical and medical supplies - weighted average cost
- Engineering spares - weighted average cost
- Foodstuffs - purchase cost on a first in, first out basis.

Net realisable value is the estimated selling price of the item used in the ordinary course of business.

Notes to the consolidated financial statements (continued)

D2 Other assets

	2022 $000	2021 $000
Current		
Work in progress – lottery	14,705	8,974
Prepayments – lottery and fundraising	2,627	1,669
Prepayments – other	10,878	10,616
Total current other assets	**28,210**	**21,259**
Non-current		
Prepaid land rental	390	271
Total non-current other assets	**390**	**271**

Work in progress – lottery

Work in progress – lottery relates to the cost of houses and land under construction plus completed house packages which are yet to be allocated to a specific lottery. These properties are expensed as prize costs when the relevant prize home lottery is drawn.

D3 Property, plant and equipment

	2022 $000	2021 $000
Land and buildings		
At valuation	1,702,335	1,662,310
At cost	-	9,264
Accumulated depreciation	-	(5,013)
	1,702,335	**1,666,561**
Leasehold improvements		
At cost	7,684	-
Accumulated depreciation	(4,466)	-
	3,218	**-**
Plant and equipment		
At cost	406,291	383,091
Accumulated depreciation	(260,711)	(251,556)
	145,580	**131,535**
Capital work in progress		
At cost	69,036	48,415
	69,036	**48,415**
Total property, plant and equipment written down value	**1,920,169**	**1,846,511**

Capitalised interest of $127k (2021: Nil) was taken up in property, plant and equipment during the financial year.

Notes to the consolidated financial statements (continued)

D3 Property, plant and equipment (continued)

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of the financial year is set out below:

	Land and buildings $000	Leasehold improvements $000	Plant and equipment $000	Capital work in progress (CWIP) $000	Total $000
Carrying amount at 1 July 2021	1,666,561	-	131,535	48,415	1,846,511
Additions	-	-	37,255	48,800	86,055
Transfers from CWIP to property, plant and equipment	13,622	-	12,826	(26,448)	-
Transfers from CWIP to intangibles	-	-	-	(1,731)	(1,731)
Transfers between asset classes	28	3,218	(3,246)	-	-
Depreciation charge	(98,091)	-	(32,341)	-	(130,432)
Impairment	(752)	-	-	-	(752)
Disposals	(52)	-	(449)	-	(501)
Increase in asset revaluation reserve	121,019	-	-	-	121,019
Carrying amount at 30 June 2022	**1,702,335**	**3,218**	**145,580**	**69,036**	**1,920,169**

Property, plant and equipment accounting policies

(a) Recognition and measurement

Property, plant and equipment are initially recorded at their cost of acquisition, being the fair value of the consideration provided plus costs incidental to the acquisition and all other costs incurred to bring the asset to a state where it is ready for use. The cost of property, plant and equipment constructed by the Group includes the cost of materials, direct labour and borrowing costs. An asset recognition threshold of $10,000 exists.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

Costs incurred subsequent to initial acquisition are added to an asset's carrying amount if they increase the service potential or useful life of that asset. Subsequent costs that do not meet these criteria are expensed as incurred.

Property

Land and buildings are initially recognised at cost and subsequently carried at their revalued amount or fair value.

Other plant and equipment

All other plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment.

Notes to the consolidated financial statements (continued)

D3 Property, plant and equipment (continued)

(b) Valuations

The fair value of land and buildings are assessed on an annual basis by an independent professional valuer. Comprehensive valuations are undertaken every 3 years, however if a particular asset class experiences significant and volatile changes to their fair value, that class is subject to specific appraisal in the reporting period, regardless of when the last specific appraisal occurred. Where assets have not been specifically appraised in the reporting period, previous valuations are kept materially up to date through either desktop valuations or the application of relevant indices, provided by the valuer. Such indices are either publicly available or derived from market information available to the valuer. The valuer provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Management assesses and confirms the relevance and suitability of indices provided by the valuer. Revaluation increments are credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. In that case it is recognised as income. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e: an exit price), regardless of whether the price is directly derived from observable inputs or estimated using another valuation technique. The two approaches used by the Group to determine fair value is either the market value approach or cost approach (current replacement cost), depending on the nature and use of the land and buildings. Market value relies on the availability of sales evidence and using the direct comparison method. Assets valued under this method include land and buildings for which there is market evidence available and includes land and buildings in a commercially or residentially zoned area. The cost approach reflects the amount that would be required to currently replace the service capacity of an asset and where the market approach is not suitable. Assets for which the current replacement cost approach is used by the Group include specialised assets such as Hospitals and hospital sites and associated facilities.

All land and buildings for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- Level 1: represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- Level 2: represents fair value measurements that are substantially derived from inputs (other than quoted prices included in level 1) that are observable, either directly or indirectly; and
- Level 3: represents fair value measurements that are substantially derived from unobservable inputs.

None of the Group's land and buildings fall within level one. Land and buildings for which there is comparable sales data or commercial use in nature fall within level 2, with specialised hospital and medical facilities and the land on which they sit falling within level 3.

Notes to the consolidated financial statements (continued)

D3 Property, plant and equipment (continued)

(b) Valuations (continued)

During the 2022 financial year, Marsh Pty Ltd (Marsh) was engaged to provide an assessment of movement in land and building values as at 30 June 2022 through a desktop valuation for land and provision of indices for buildings. The Group's land and building assets were comprehensively valued and appraised by Marsh in June 2021.

The valuation of land and buildings at 30 June 2022 resulted in a revaluation increment of $121.019M to the carrying value of land and buildings (2021: $654.885M).

(c) Depreciation

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the cost of each asset, less its estimated residual value (as applicable), over the estimated useful life of the assets as follows:

- Buildings (structure) – 40 to 50 years
- Buildings (systems) – 20 to 35 years
- Buildings (fit-out and others) – 15 years
- Leasehold improvements – 5 to 15 years
- Plant and equipment – 5 to 10 years

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

Leasehold improvements are depreciated over the lesser of the term of the lease or estimated useful lives of the improvements.

Asset residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate on an annual basis. When changes are made, adjustments are reflected prospectively in the current and future period only.

(d) Impairment

All non-current assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the asset's recoverable amount is determined. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised as an expense in the profit or loss.

(e) Derecognition

Property, plant and equipment assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Derecognition includes writing back accumulated depreciation and any accumulated impairment losses against the cost of acquisition or gross carrying amount of the asset. Any resulting gain or loss is represented by the difference between the proceeds, if any, and the carrying amount of the asset and is recognised in the profit or loss.

Notes to the consolidated financial statements (continued)

D3 Property, plant and equipment (continued)

Property, plant and equipment critical accounting estimates and judgements

(a) Carrying value of non-current assets assessed for indicators of impairment

The Group makes a formal estimate of recoverable amount when an indicator of impairment exists.

(b) Depreciation

The Group estimates the useful life and residual values where applicable of property, plant and equipment based on the expected period of time over which economic benefits from the use of the asset will be derived. The Group reviews useful life assumptions on an annual basis having given consideration to variables including historical and forecast usage rates, technological advancements and changes in legal and economic conditions.

(c) Valuation

During the financial year ended 30 June 2022, a revaluation of land and buildings was performed utilising both a desktop and indexation approach with an effective valuation date of 30 June 2022.

The Group seeks independent advice annually from a professional valuation expert. Judgements and estimates are used in determining the fair value of land and buildings including condition assessments (for comprehensive valuations), useful life and remaining useful lives, unit rates for buildings based on various cost databases and valuer's professional judgement. The Group reviews the estimates and judgements used by the valuer giving regard to internal experts and business knowledge.

D4 Right of use assets

	2022 $000	2021 $000
Right of use assets		
Equipment	734	797
IT	34	236
Motor Vehicles	413	438
Property	67,019	74,572
Carrying amount at 30 June 2022	**68,200**	**76,043**

Notes to the consolidated financial statements (continued)

D4 Right of use assets (continued)

A reconciliation of the carrying amount of right of use assets at the beginning and end of the financial year is set out below:

	Equipment $000	IT $000	Motor Vehicles $000	Property $000	Total $000
Right of use assets					
Carrying amount at 1 July 2021	797	236	438	74,572	76,043
Additions	509	-	701	1,336	2,546
Depreciation	(572)	(202)	(726)	(8,889)	(10,389)
Carrying amount at 30 June 2022	**734**	**34**	**413**	**67,019**	**68,200**

Expenses related to short-term leases and leases of low value assets during the year is $1.298M (2021: $1.102M).

Right of use assets accounting policies

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Notes to the consolidated financial statements (continued)

D5 Intangible assets

	2022 $000	2021 $000
Contractual rights		
At cost	70,179	70,179
Accumulated amortisation	(3,444)	(2,991)
	66,735	**67,188**
Licenses		
At cost	572	572
	572	**572**
Software		
At cost	61,479	64,188
Accumulated amortisation	(54,266)	(55,673)
	7,213	**8,515**
Other intangible assets		
At cost	2,361	2,107
Accumulated amortisation	(2,085)	(1,689)
	276	**418**
Total intangibles	**74,796**	**76,693**

A reconciliation of the carrying amount for intangibles at the beginning and end of the financial year is set out below:

	Contractual rights $000	Licenses $000	Software $000	Other intangible assets $000	Total $000
Carrying amount at 1 July 2021	67,188	574	8,513	418	76,693
Additions	-	-	251	25	276
Transfers from CWIP to intangibles	-	-	1,731	-	1,731
Amortisation expense	(453)	(2)	(3,205)	(167)	(3,827)
Impairment	-	-	(75)	-	(75)
Disposals	-	-	(2)	-	(2)
Carrying amount at 30 June 2022	**66,735**	**572**	**7,213**	**276**	**74,796**

Intangible asset accounting policies

(a) Recognition and measurement

Intangible assets are recognised at their cost of acquisition, being the fair value of the consideration provided plus costs incidental to the acquisition and all other costs incurred to bring the asset to a state where it is ready for use. An asset recognition threshold of $10,000 exists.

Costs incurred subsequent to initial acquisition are added to an asset's carrying amount if they increase the service potential or useful life of that asset. Subsequent costs that do not meet these criteria are expensed as incurred.

Notes to the consolidated financial statements (continued)

D5 Intangible assets (continued)

Contractual rights

Contractual rights are recognised at deemed cost less any accumulated amortisation and any accumulated impairment. The contractual rights consist of the Queensland Children's Hospital (QCH) car park management rights and the QCH footprint rights. MML holds the rights to purchase the QCH footprint in 60 years for a nominal amount of $1. The QCH footprint is not subject to amortisation due to the nature of this contractual right. The QCH car park management rights have been determined to have a life of 60 years and are subject to amortisation on a straight-line basis over its useful life. The QCH car park management rights are subject to impairment testing on an annual basis or whenever there is an indication of impairment. The gross value of the QCH car park management rights and the QCH footprint are $27.236M and $42.943M respectively. The QCH car park management rights have been amortised from November 2014 when MML began operating the car park. The remaining value for the QCH car park management rights at 30 June 2022 is $23.762M (2021: $24.245M) with a remaining expected life of 53 years and 5 months.

Licenses

Licenses are carried at cost less any accumulated impairment losses. The licenses have been granted by the relevant issuing government agency and have been determined to have indefinite useful lives.

Software

Software costs are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred in developing products or systems and costs incurred in acquiring software that will contribute to future period financial benefits through revenue generation are capitalised to software. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project.

(b) Amortisation

Amortisation is calculated on a straight line basis over the estimated useful life of the specific assets as follows:

- Contractual rights – 50 to 60 years
- Licences – indefinite
- Software – 3 to 6 years

Asset residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate on an annual basis. When changes are made, adjustments are reflected prospectively in the current and future period only.

Notes to the consolidated financial statements (continued)

D5 Intangible assets (continued)

(c) Impairment

Assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the asset's recoverable amount is determined. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised as an expense in the profit or loss.

(d) Derecognition

Intangible assets are derecognised when no future economic benefits are expected from their use. Derecognition includes writing back accumulated amortisation and any accumulated impairment losses against the cost of acquisition. Any resulting gain or loss is represented by the difference between the proceeds, if any, and the carrying amount of the asset and is recognised in the profit or loss.

Intangible assets critical accounting estimates and judgements

Amortisation

The Group estimates the useful life and residual values where applicable of all property, plant and equipment based on the expected period of time over which economic benefits from the use of the asset will be derived. The Group reviews useful life assumptions on an annual basis having given consideration to variables including historical and forecast usage rates, technological advancements and changes in legal and economic conditions.

D6 Contract liabilities

	2022 $000	2021 $000
Current		
Unearned income	51,200	20,720
Committed trust distributions	-	1,590
Total current	**51,200**	**22,310**
Non-current		
Unearned income	60,395	64,343
Total non-current	**60,395**	**64,343**
Total contract liabilities	**111,595**	**86,653**

Contract liabilities accounting policies

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Notes to the consolidated financial statements (continued)

D7 Provisions

	2022 $000	2021 $000
Current		
Employee entitlements	145,190	138,980
Provision for leave pay out to Queensland Health	360	307
Other provisions	7,819	3,999
Total current provisions	**153,369**	**143,286**
Non-current		
Employee entitlements	24,835	26,244
Provision for leave pay out to Queensland Health	73	340
Other provisions	18,825	19,542
Total non-current provisions	**43,733**	**46,126**
Total provisions	**197,102**	**189,412**

A reconciliation of the movement in provisions at the beginning and end of the financial year is set out below:

	Annual leave $000	Long service leave $000	Other employee entitlements $000	Provision for leave payout to QH $000	Other provisions $000	Total $000
Opening balance at 1 July 2021	67,448	80,695	17,081	647	23,541	189,412
Additional provisions	64,377	11,905	9,650	-	6,445	92,377
Amounts used	(58,964)	(11,973)	(8,333)	(214)	(3,342)	(82,826)
Provisions written back	(370)	(878)	(613)	-	-	(1,861)
Balance at 30 June 2022	**72,491**	**79,749**	**17,785**	**433**	**26,644**	**197,102**

Other

Defined contributions (superannuation) expense during the year was $69.194M (2021: $63.671M).

Employee termination benefit expense during the year was $1.411M (2021: $1.516M).

Provisions and employee entitlements accounting policies

(a) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimated.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Notes to the consolidated financial statements (continued)

D7 Provisions (continued)

(b) Employee entitlements

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within twelve (12) months of the reporting period are recognised in the provision for employee entitlements in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Employee entitlements – long service leave

Liabilities for long service leave are recognised in the provision for employee entitlements and measured at the present value of the expected future payments to be made in respect of services provided by the employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using high quality corporate bond rate with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Provisions and employee entitlements critical accounting estimates and judgements

(a) Employee entitlements

The provision for employee entitlements is based on a combination of historic data including employee balances carried forward and management estimates performed on an annual basis. This provision includes annual recreational leave (ARL), long service leave (LSL), accrued days off (ADO), time in lieu (TIL), purchased leave (PL) and professional development leave (PDL) outstanding at 30 June 2022. The determination of the provision required is dependent on a number of assumptions, including expected wage increases. The length of employee service is considered together with the high-quality corporate bond rates in the calculation of LSL. Employee entitlements that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled and any entitlements payable later than one year have been measured at the net present value of estimated future cash outflows.

(b) Other provisions

Other provisions includes provision for medico legal claims. The provision for medico legal claims is based on an actuarial methodology carried out using quantitative techniques to estimate the likely future payments for losses retained by the Group under existing insurance arrangements. The estimate for the provision is calculated based upon known claims, discounted to reflect net present value, and includes a risk margin.

Notes to the consolidated financial statements (continued)

E Equity

E1 Reserves
E2 Capital contributions
E3 Members guarantee

E1 Reserves

Building reserve

The building reserve records buildings and existing assets contributed at Incorporation by the Corporation of the Trustees of the Order of the Sisters of Mercy in Queensland.

Financial assets revaluation reserve

The financial asset revaluation reserve records revaluation movements of investments classified as fair value through other comprehensive income (FVOCI).

Asset revaluation reserve

The asset revaluation reserve records revaluation movements of land and buildings.

E2 Capital Contributions

Capital contributions records land contributed by the Corporation of the Trustees of the Order of the Sisters of Mercy in Queensland, as a component of the agreement between the Corporation of the Trustees of the Order of the Sisters of Mercy in Queensland, and Queensland Health and MML with respect to the development of the Queensland Children's Hospital.

E3 Members guarantee

The Company is limited by guarantee. If the Company were wound up, the Constitution states that each member is required to contribute a maximum of $10.00 each towards meeting any outstanding obligations of the Company. At 30 June 2022 the collective liability of members was $10.00 (2021: $10.00). At 30 June 2022 the number of members of the Company was one (1) (2021: 1).

Notes to the consolidated financial statements (continued)

F Cash flow information

F1 Notes to the consolidated statement of cashflows

(a) Reconciliation of cash

	2022 $000	2021 $000
Cash and cash equivalents	**90,035**	**72,834**

(b) Reconciliation of net surplus to net cash flows from operations

	2022 $000	2021 $000
Net surplus/ (deficit) for the financial year	**(64,486)**	**421,270**
Adjustments for:		
Net loss on disposal of property, plant and equipment	311	836
Share of (profit)/loss in investment using the equity method	2,878	(354)
Net investment income	(2,283)	(642)
Depreciation and amortisation	144,648	89,839
Impairment of assets/(reversal)	827	(13,549)
Net gain on business combination	-	(385,742)
Debt forgiveness	-	13,136
Lease accounting adjustments	-	587
Write off of assets	-	972
Net cash from/(used in) operating activities before changes in assets and liabilities	**81,895**	**126,353**
(Increase)/decrease in trade and other receivables	(26,650)	(16,808)
(Increase)/decrease in inventories	(9,748)	(3,572)
(Increase)/decrease in other assets	(7,070)	(1,714)
Increase/(decrease) in trade and other payables	7,893	(612)
Increase/(decrease) in contract liabilities	24,942	(25,398)
Increase/(decrease) in provisions	6,309	5,131
Net cash from/(used in) operating activities	**77,571**	**83,380**

(c) Cash acquired as a result of merge

This section sets out an analysis of the cash acquired during financial year ended 30 June 2021 as a result of the merge of MHSNQL and MHACCQL and the deconsolidation of HCS.

	2022 $000	2021 $000
Cash acquired through merge with MHSNQL and MHACCQL	-	21,139
HCS cash balances deconsolidated	-	(2,748)
Total cash acquired	**-**	**18,391**

Notes to the consolidated financial statements (continued)

G. Group structure

This section provides information about the Group's structure, its equity investments, merge of related parties and disposal of a subsidiary.

G1 Subsidiaries
G2 Investment using the equity method
G3 Merge of related entities (prior year)
G4 Disposal of a subsidiary (prior year)

G1 Subsidiaries

The Group's subsidiaries at 30 June 2022 are set out below. MML is the sole member of these subsidiaries. The proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business. Mater Research Limited and Mater Education Limited are companies limited by guarantee while Mater Foundation Limited as Trustee for Mater Foundation is an entity limited as trustee.

Subsidiary	Country of incorporation	Equity interest 2022 %	Equity interest 2021 %
Mater Research Limited	Australia	100	100
Mater Foundation Limited as Trustee for Mater Foundation	Australia	100	100
Mater Education Limited	Australia	100	100

Consolidation accounting policies

A controlled entity is any entity over which MML has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered. All subsidiaries as noted above are deemed controlled entities.

All assets and liabilities of MML and the subsidiaries of the Mater consolidated Group have been incorporated into the consolidated financial statements as well as their results for the period then ended. Where controlled entities have entered/left the consolidated Group entity during the year, their operating results have been included/excluded from the date control was obtained/ceased.

All inter-group balances and transactions between entities in the consolidated Group entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Notes to the consolidated financial statements (continued)

G2 Investment using the equity method

(a) Investment in associates

Mater Research Ltd has a 25% interest in the Translational Research Institute Trust (TRI), incorporated in Australia, whose principal activities include the provision of clinical and translational research to advance progress from laboratory discovery to application in the community. The voting power of Mater Research Ltd is 25%.

	2022	2021
	$000	$000
Carrying amount at 1 July 2021	73,071	72,686
Share of profit/(loss) from TRI during the year	(2,939)	385
Carrying amount at 30 June 2022	**70,132**	**73,071**

Group's share of TRI:

	Ownership interest %	Assets $000	Liabilities $000	Revenue $000	Expenses $000	Profit/ (loss) $000
2021	25	80,568	7,496	9,584	9,197	385
2022	25	77,299	7,167	6,609	9,548	(2,939)

Investment in associates accounting policy

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition, whereby the Group's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profit and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligation or made payments on behalf of the associate. Upon the associate subsequently making profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Notes to the consolidated financial statements (continued)

G2 Investment using the equity method (continued)

(b) Investment in joint venture

MML has a 50% interest in Long Drive Queensland (LDQ), a joint venture with MyLife Medical Group Pty Ltd (MyLife), whose principal activity is the management of the joint lease in Brookwater Medical Centre.

Carrying amount at 1 July 2021	71	7
Additional capital paid during the year	59	95
Share of profit/(loss) from LDQ during the year	61	(31)
Carrying amount at 30 June 2022	**191**	**71**

Group's share of LDQ:

	Ownership interest %	Assets $000	Liabilities $000	Revenue $000	Expenses $000	Profit/ (loss) $000
2021	50	445	392	65	96	(31)
2022	50	365	204	84	23	61

Investment in joint venture accounting policy

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Investments in joint ventures in the consolidated financial statements are accounted for by applying the equity method of accounting, whereby the interest in the joint venture is initially recorded at cost and adjusted thereafter for the post acquisition change in the venturer's share of net assets of the jointly controlled entity. The profit or loss of the venture includes the venturer's share of the profit or loss of the jointly controlled entity.

G3 Merge of related entities (prior year)

On 1 July 2020, the Queensland Mater Ministries of Mercy Partners completed a merger process combining the three health businesses; MHSNQL, MHACCQL and MML. The merge was completed by transferring the assets and liabilities of MHSNQL and MHACCQL to MML for no consideration. (Note: the aged care business and assets held for sale that relates to MHACCQL was retained in the original legal entity).

Notes to the consolidated financial statements (continued)

G3 Merge of related entities (prior year) (continued)

Summary of merge

Fair value of assets and liabilities acquired	MHACCQL	MHSNQL	Combined
	$000	$000	$000
Cash	4,849	16,290	21,139
Trade and other receivables	8,948	10,103	19,051
Investments	54	-	54
Inventories	3,488	3,267	6,755
Other assets	1,111	867	1,978
Land and buildings (fair value)	182,659	180,124	362,783
Plant and equipment	12,943	56,177	69,120
Right of use assets	1,834	11,890	13,724
Intangible assets	1,302	-	1,302
Trade and other payables	(3,422)	(3,177)	(6,599)
Loans and borrowings	(31,813)	(13,811)	(45,624)
Contract liabilities	(12,293)	(15,006)	(27,299)
Provisions	(14,534)	(11,604)	(26,138)
Net assets acquired	**155,126**	**235,120**	**390,246**

As there was no consideration paid by MML for the acquisition of these assets and liabilities, the net asset value $390.246M was reflected in prior year's profit or loss as a gain on merge. Further to this, as no cash was paid, the merge resulted in a net cash inflow, being the cash balances of $21.139M which was transferred in from the two companies.

G4 Disposal of subsidiary (prior year)

On 1 March 2021, MML transferred the membership of HCS to Mercy Partners for no consideration. Mercy Partners is the ultimate parent entity of MML and the transfer occurred to further align the ministries of Mercy Partners.

Notes to the consolidated financial statements (continued)

G4 Disposal of subsidiary (prior year) (continued)

Summary of disposal

Assets and liabilities disposed	**Total**
	$000
Cash	2,748
Trade and other receivables	2,051
Inventories	64
Other assets	(218)
Land and buildings	23,529
Plant and equipment	7,909
Trade and other payables	(1,220)
Loans and borrowings	(28,684)
Provisions	(1,675)
Net assets disposed of	**4,504**

The deconsolidation/disposal of HCS impacted the Group results for the financial year ended 30 June 2021. Net assets of $4.504M were disposed of for no consideration and reflected in the prior year's profit or loss as a loss on disposal. Further to this, as no cash was received, the disposal resulted in a net cash outflow, as reflected in the consolidated statement of cashflows. The cash which left the Group of $2.748M is reflected in the consolidated statement of cashflows offsetting the cash received from the merge of MHSNQL and MHACCQL. The overall result on the prior year's consolidation was a net cash inflow of $18.391M representing the $21.139M which was transferred in offset by the $2.748M which left the Group.

Notes to the consolidated financial statements (continued)

H. Unrecognised items

This section of the notes provides information about items that are not recognised in the consolidated financial statements as they currently do not satisfy recognition criteria.

H1 Capital commitments
H2 Contingent liabilities
H3 Economic dependency
H4 Events after the balance sheet date

H1 Capital commitments

The Group committed to contracts with third parties to complete capital projects on various developments across Queensland.

Significant capital commitments total $53.976M at 30 June 2022 (2021: $62.265M). Major projects include:

- Mater Hospital Springfield - Stage 2 development to expand the hospital
- New development of a Mother Baby Family Unit
- Mater Foundation Prize Homes
- Steam and heat generation project for the South Brisbane campus
- Development of a new car park - Pimlico
- Covid Mechanical Works Project - South Brisbane
- Mater Private Hospital Mackay Perioperative Services Capacity Expansion
- Digital Network Upgrade
- Digital Workplace Program - Stage 4

Notes to the consolidated financial statements (continued)

H. Unrecognised items (continued)

H2 Contingent liabilities

The Group has bank guarantees of $2.835M (2021: $2.738M) specific to property leases and a joint venture arrangement. This represents the estimated maximum amounts of the potential contingent liabilities that may become payable. The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future economic outflow will be required or the amount is not capable of reliable measurement.

H3 Economic dependency

A significant part of the Group involves the operation of licensed private hospitals some of which have contractual obligations to provide public health services. The continuing operation of these hospitals is underpinned by the Mater Public Services Act 2008 and dependent upon the ongoing financial support of the Queensland Government Health Department. The relationship between the Company and Queensland Health is governed by an over-arching Agreement between the entities. The agreement covers the operation and funding of the public services provided by the Company. Entitled the "Mater Hospital Funding Agreement" the agreement has an initial term of 20 years commencing on 1 July 2002 and has been extended to the 31 December 2022. The Company and Queensland Health are currently in negotiations to create a new contemporary agreement commencing 1 January 2023.

In conjunction with the "Mater Hospital Funding Agreement" there will continue to be yearly annual Health Service Agreements with Queensland Health which details the funding required to be provided to the Company by Queensland Health for the provision of public the services in accordance with the agreed Clinical Services Plan. These agreements cover the broad objectives of the parties, as well as high level issues such as the privacy status of medical records, property issues, liability and indemnification, quality and performance criteria, and other similar issues.

The Company also enter into other individual agreements with various Hospital and Health Service entities in Queensland to provide additional public health services.

H4 Events after the balance sheet date

The Member of Mater Misericordiae Ltd changed on 1st September 2022. The Member Mercy Partners ABN 85 961 861 162 (incorporated under the *Roman Catholic Church Incorporation of Church Entities Act 1994*) has been dissolved under that Act, and Mercy Partners Ltd ACN 656 883 957 (incorporated under the *Corporation Act*) is the successor entity and assumed membership of Mater Misericordiae Ltd on 1st September 2022.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Notes to the consolidated financial statements (continued)

I. Other information

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the consolidated financial statements.

I1 Related party transactions
I2 Key management personnel remuneration
I3 Remuneration of auditors
I4 New or amended Accounting Standards and Interpretations adopted
I5 Changes in accounting policy
I6 Taxation
I7 Impact of the Coronavirus (COVID-19) pandemic
I8 Parent entity information

I1 Related party transactions

Related party transactions between the Group and related parties are as below.

	2022 $000	2021 $000
Transactions with owners		
Stewardship payment under the Stewardship Agreement to Mercy Partners	(1,524)	(1,492)
Transactions with other related parties		
During the year funds were recovered towards various expenditure incurred on behalf of MHACCQL	2,654	3,580
During the year laundry and cleaning services provided to the Group by HCS	(17,952)	-
During the year funds were recovered towards various expenditure incurred on behalf of HCS	293	-
Transactions with associates and joint ventures		
Other transactions with LDQ the joint venture between MML and MyLife	(77)	(112)
Other transactions with Translational Research Institute Trust (TRI)	(9,043)	(7,365)

Notes to the consolidated financial statements (continued)

I1 Related party transactions (continued)

	2022 $000	2021 $000
Receivables from related parties		
Holy Cross Services Ltd	69	-
Mercy Health and Aged Care Central Queensland Ltd	28	204
Total receivables from related parties	**97**	**204**
Payables to related parties		
Holy Cross Services Ltd	861	1,072
Translational Research Institute Trust (TRI)	298	156
Total payables to related parties	**1,159**	**1,228**

Related party loan between MML and HCS

During financial year ended 30 June 2021, all related party loans with HCS were extinguished. As part of leaving the Group, HCS repaid $15.000M in loans it had with MML with remaining debt of $13.136M forgiven by the MML Board.

I2 Key management personnel remuneration

Key management personnel are the Directors and determined senior management executives of the Group. With respect to the subsidiary entities of the Group, there is no remuneration paid to the Directors of those Boards. During the financial year the following remuneration was paid to key management personnel.

	2022 $000	2021 $000
Total remuneration	**4,438**	**6,148**

I3 Remuneration of Auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton, the auditor of the Group.

	2022 $000	2021 $000
Audit of the financial statements	327	346
Tax advice	25	18
Other services	20	17
Total remuneration	**372**	**381**

Notes to the consolidated financial statements (continued)

I4 New or amended Accounting Standards and Interpretations adopted

The Group has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

(a) Conceptual framework for Financial Reporting (Conceptual Framework)

The Group has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Group's consolidated financial statements.

(b) AASB 1060 General Purpose Financial Statements- Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Group has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures. This has not had a material impact on the Group's consolidated financial statements.

I5 Changes in accounting policy

The Group has increased the asset capitalisation threshold for the property, plant and equipment and intangible assets classes from $2,000 to $10,000. Management has determined there to be no material impact on the consolidated financial statements. This change has been adopted prospectively from 1 July 2021 with previously capitalised assets under the $10,000 threshold continuing to be reflected in the consolidated statement of financial position unless otherwise disposed of during the financial year.

I6 Taxation

(a) Goods and Services Tax (GST)

All activities of the entities in the Mater consolidated Group entity are exempt from Commonwealth taxation except for fringe benefits tax (FBT) and goods and services tax (GST).

Income, expenses, assets, and liabilities are recognised net of the amount of associated GST, unless the GST is not recoverable from or remittable to the ATO. In this case, the GST is recognised as part of the cost of acquisition of the asset or in the amount of the expense. Receivables and payables are stated with the amount of GST included, where applicable. The net amount of GST recoverable from, or payable to the ATO is included as part of receivables or payables, respectively, in the consolidated statement of financial position. Cash flows are included in the consolidated statement of cash flows net of the amount of GST. The GST component of cash flows arising from investing activities which is recoverable from or payable to the ATO is classified as part of operating cash flows.

Notes to the consolidated financial statements (continued)

I7 Impact of the Coronvirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not appear to be either any significant impact upon the consolidated financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

I8 Parent entity information

Set out below is supplementary information about the parent entity, Mater Misericordiae Ltd.

(a) Statement of profit and loss and other comprehensive income

	2022 $000	2021 $000
Gross income		
Donations and bequests	8,463	7,217
Revenue from providing goods or services	701,089	703,050
Revenue from government including grants	600,485	566,332
Revenue from investments	164	716
Other revenue	75,975	64,392
Total revenue	**1,386,176**	**1,341,707**
Other income	-	377,079
Total gross income	**1,386,176**	**1,718,786**
Expenses		
Employee expenses	855,179	798,388
Interest expenses	3,834	2,894
Grants and donations made for use in Australia	-	134
Other expenses	613,779	504,979
Total expenses	**1,472,792**	**1,306,395**
Net income		
Net surplus/(deficit)	(86,616)	412,391
Other comprehensive income	121,035	654,906
Total comprehensive income	**34,419**	**1,067,297**

Notes to the consolidated financial statements (continued)

I8 Parent entity information (continued)

(b) Statement of financial position

	2022 $000	2021 $000
Assets		
Total current assets	214,959	169,701
Total non-current assets	2,156,233	2,091,033
Total assets	**2,371,192**	**2,260,734**
Liabilities		
Total current liabilities	327,675	281,747
Non-current loans payable	82,601	43,936
Other non-current liabilities	168,379	176,899
Total non-current liabilities	250,980	220,835
Total liabilities	**578,655**	**502,582**
Net assets/liabilities	**1,792,537**	**1,758,152**

(c) Commitments for the acquisition of property, plant or equipment

Details of capital commitments are the same as those listed in note H1 with the exception of Mater Foundation commitments of $47.150M (2021:$54M).

(d) Contingent liabilities

Details of contingent liabilities are the same as the Group per note H2.

(e) Key management personnel remuneration

Key management personnel are the Directors and determined senior management executives of the Company. During the financial year the following remuneration was paid to key management personnel.

	2022 $000	2021 $000
Total remuneration	**3,588**	**5,066**

Directors' declaration

In accordance with a resolution of the Directors of Mater Misericordiae Ltd and its subsidiaries, we state that:

In the Directors' opinion:

(a) the financial statements and notes of the Group are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

  (i) giving a true and fair view of its financial position as at 30 June 2022 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards - Simplified Disclosure Requirements (including the Australian Accounting Interpretations and the *Australian Charities and Not-for-profits Commission Act 2012*), and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Mr Francis Sullivan AO
Chair
Date: 28 October 2022



Ms Jennifer Parker
Chair Finance and Audit Committee
Date: 28 October 2022

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Independent Auditor's Report

To the Members of Mater Misericordiae Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Mater Misericordiae Ltd (the "Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Directors' declaration.

In our opinion, the financial report of Mater Misericordiae Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

b complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Other information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group'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 the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial report

Our objectives 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 our 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

M C Bragg
Partner – Audit & Assurance

Brisbane, 28 October 2022

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MATER MISERICORDIAE LIMITED

"KB-14"

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Annual Information Statement 2023

Legal name:
Mater Misericordiae Limited

ABN:
83096708922

About the charity

Website:
mater.org.au/health/hospitals

Charity size:
Large

Is the charity an incorporated association?:
No

Does the Charity intend to fundraise in the next reporting period?:
No

Charity programs

Mater Hospitals - Public & Private

Program classification:
Hospital care

Program locations:
Queensland, Australia

Program beneficiaries:
Early childhood - aged under 6
Children - aged 6 to under 15
Youth - 15 to under 25
Adults - aged 25 to under 65
Adults - aged 65 and over
People with chronic illness (including terminal illness)

Program website:
mater.org.au/health/hospitals

Mater Mothers' - Public & Private Hospitals

Program classification:
Specialty hospital care

Program locations:
Queensland, Australia

Program beneficiaries:
Early childhood - aged under 6
Families
Females

Program website:
mater.org.au/health/hospitals

Catherine s House for Mothers, Babies and Families

Program classification:
Specialty hospital care

Program locations:
Brisbane QLD, Australia

Program beneficiaries:
Early childhood - aged under 6
Families
Females
Males

Program website:
mater.org.au/health/services/catherine-s-house-for-mothers-babies-and-families

Mater Children's Private Hospital

Program classification:
Children's hospital care

Program locations:
Brisbane QLD, Australia

Program beneficiaries:
Early childhood - aged under 6
Children - aged 6 to under 15
Youth - 15 to under 25
Families

Program website:
mater.org.au/health/hospitals/mater-children-s-private-brisbane

Mater Pathology

Program classification:
Pathology

Program locations:
Queensland, Australia

Program beneficiaries:
People with chronic illness (including terminal illness)
General community in Australia

Program website:
mater.org.au/pathology

Mater Pharmacy

Program classification:
Pharmacies

Program locations:
Queensland, Australia

Program beneficiaries:
People with chronic illness (including terminal illness)
General community in Australia

Program website:
mater.org.au/health/services/mater-pharmacy

Mater at Home

Program classification:
Home healthcare

Program locations:
Queensland, Australia

Program beneficiaries:
People with chronic illness (including terminal illness)
People with disabilities
General community in Australia

Program website:
mater.org.au/health/services/mater-at-home

Allied Health

Program classification:
Medical support services

Program locations:
Queensland, Australia

Program beneficiaries:
People with chronic illness (including terminal illness)
People with disabilities
General community in Australia

Program website:
mater.org.au/health/services/allied-health

Description of the charity's activities and outcomes:
For more than a century, Mater has existed to respond to community needs by providing compassionate care to those who need it most and improve the health and wellbeing of individuals and families. Our internationally acclaimed hospital network supports thousands of people each year and comprises of hospitals in South East, Central and North Queensland, pathology, pharmacy, home health care and allied health businesses. Beyond our hospitals, we aim to support individuals in making better choices about their health everyday. We offer a wide range of clinical and non-clinical health services that support the individual both physically and emotionally during their healthcare journey. In delivering the healing ministry of Jesus, in the Catholic and Mercy traditions, we not only respond to, but actively seek to support people disadvantaged by health or social circumstances. We are able to meet these needs by reinvesting any revenue from the business back into the provision of health care services.

Human resources

Human resources:
Full time employees: 3159
Part time employees: 4948
Casual employees: 1958
Full-time equivalent staff (FTE): 6470.04
Estimated number of volunteers: 580

Annual report

Note: If you want to see the financial report or annual report that this charity has submitted, go back to Financials & Documents

Financial Reporting

Charity's 2023 reporting period:
1 July 2022 to 30 June 2023

Type of financial statement:
General purpose financial statements

Financial report consolidated with more than one entity?:

Yes

Reportable related party transactions in the 2023 reporting period?:
Yes

Types of reportable related party transactions:
Fees paid to a related party for providing goods or services to the charity

Additional details about reportable related party transactions:
Refer Note I1 - Related party transactions. (page 47)

More than one remunerated key management personnel member:
Yes

Number of remunerated key management personnel:
15

Total amount paid to key management personnel:
$4,782,000

Income and Expenses

Comprehensive Income Statement summary

Gross income

Revenue from government including grants	$670,100,000
Donations and bequests	$2,844,000
Revenue from providing goods or services	$697,191,000
Revenue from investments	$761,000
All other revenue	$63,744,000
Total revenue	$1,434,640,000
Other income (for example, gains)	$0
Total gross income	$1,434,640,000

Expenses

Employee expenses	$921,133,000
Interest expenses	$6,083,000
Grants and donations made for use in Australia	$0
Grants and donations made for use outside Australia	$0
All other expenses	$639,942,000
Total expenses	$1,567,158,000

Net income

Net surplus/(deficit)	-$132,518,000
Other comprehensive income	$118,635,000
Total comprehensive income	-$13,883,000

Balance Sheet extract

Assets

Total current assets	$207,155,000
Non-current loans receivable	$0
Other non-current assets	$2,240,283,000
Total non-current assets	$2,240,283,000
Total assets	$2,447,438,000

Liabilities

Total current liabilities	$335,866,000
Non-current loans payable	$229,760,000
Other non-current liabilities	$103,154,000
Total non-current liabilities	$332,914,000
Total liabilities	$668,780,000

Net assets/liabilities

Net assets/liabilities	$1,778,658,000

"KB-15"

Annual Financial Report 2023

Mater Misericordiae Ltd
and its subsidiaries

ABN 83 096 708 922

mater.org.au

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Corporate information

ABN: 83 096 708 922

Directors
The Directors at the date of this report are:
Mr Francis John Sullivan AO (Chair)
Ms Virginia Ryan (Deputy Chair)
Mr Patrick Brady
Mr Gerard Houlihan
Sr Sandra Lupi
Dr John Rivers
Mr Chris Townend (appointed 1 April 2023)

Company secretary
Mr Gerard Houlihan (appointed 19 April 2023)

Registered office and principal place of business
Level 10, 14 Stratton Street, Newstead
Brisbane, Queensland, Australia

Solicitors
Rogencamp and Co. Lawyers
Brisbane, Queensland, Australia

Bankers and Lenders
National Australia Bank Ltd
Brisbane, Queensland, Australia

Australia and New Zealand Bank Ltd
Brisbane, Queensland, Australia

Archdiocesan Development Fund
Brisbane, Queensland, Australia

Northern Australia Infrastructure Facility
Cairns, Queensland, Australia

Auditor
Grant Thornton Audit Pty Ltd
Brisbane, Queensland, Australia

Directors' report

Introductory statement

The Directors of Mater Misericordiae Ltd (Company) (Mater/MML) present their report together with the annual financial report of the MML Group (Group) for the year ended 30 June 2023. MML is a not-for-profit organisation limited by guarantee, incorporated and domiciled in Australia. The annual report was authorised for issue by the Directors on 3 November 2023.

About Mater

Mater Misericordiae Ltd (MML) is a company limited by guarantee and exists to continue the health care mission of the Sisters of Mercy through our Canonical Sponsor Mercy Partners Ltd. The Company is registered as a charity under the *Australian Charities and Not-for-Profits Commission (ACNC) Act 2012*.

The Company has a single member, being Mercy Partners Ltd ACN 656 883 957(incorporated under the *Corporations Act 2001*). Mercy Partners Ltd assumed membership of Mater Misericordiae Ltd on 1 September 2022 from Mercy Partners ABN 85 961 861 162.

The Sisters of Mercy established the Mater Hospital in 1906 to care for the sick and needy in the spirit of Christ the Healer. The fundamental mission is the overriding organisational driver. As a Catholic company the organisation must be cognisant of, and adhere to, Canon Law. Where conflict between Canon Law and the civil law exists, civil law will prevail.

Our Mission	We serve together to bring God's mercy to our communities through compassionate, transforming, healing ministries.
Our Vision	Empowering people to live better lives through improved health and wellbeing.
Our Values	• We honour and promote the dignity of human life and all creation • We act with compassion and integrity • We strive for excellence.

Objectives and principal activities

The principal activities of MML are the operation of Hospital and Health Services, and through our subsidiaries Mater also undertakes education, research and fundraising to support the mission.

- Our health operations include private hospital and health services as well as operating public hospital and health services on behalf of Queensland Health.
- Mater Education Ltd provides clinical training and staff education and learning support.
- Mater Research Ltd supports clinical researchers and undertakes translational research and is a joint venture partner with the Translational Research Institute.
- Mater Foundation Ltd undertakes fundraising to support the mission and objectives of MML.

MML monitors its performance through the Board, Board Committees, executive reporting and management against financial and non-financial annual performance targets. The significant public health contract is managed through regular reporting to Queensland Health.

Strategy

Our strategy compels us to enhance our strength in interventional healthcare through the expansion of our health services in the home and community or development of new business health models addressing the emerging health and wellbeing needs of the community. We are committed to a thriving Mission and will achieve sustainable, relevant, size and scope through growth in profitable business areas to facilitate further investment in strategic innovations, partnerships and service development.

Our strategic vision is directly linked to our Mission focus to support areas of need with commitment to health equity for priority communities including regional and remote, First Nations peoples, refugees, homeless people, the poor, marginalised and vulnerable.

Significant changes in the state of affairs

The Member, Mercy Partners ABN 85 961 861 162 (incorporated under the Roman Catholic Church Incorporation of Church Entities Act 1994) has been dissolved under that Act, and Mercy Partners Ltd ACN 656 883 957 (incorporated under the Corporations Act) is the successor entity and assumed membership of Mater Misericordiae Ltd on 1 September 2022.

Other than the change in member noted above, there were no significant changes in the state of affairs during the financial year.

Operational and financial review

The net result of the consolidated Group for the year ended 30 June 2023 was a deficit of $106.40M (2022: deficit of $64.49M). The operating result before interest, depreciation and amortisation was a surplus of $53.78M (2022: surplus of $84.00M).

The consolidated Group recorded revenue from operations for the year ended 30 June 2023 of 1.59Bn (2022: $1.51Bn).

Net assets for the consolidated Group at 30 June 2023 was $1.88Bn (2022: $1.86Bn).

Directors' report (continued)

Indemnity and Insurance of officers

The company has indemnified former and current officers and directors of the Company against any liability and related legal expenses incurred by that person as an officer of the Company and any of its subsidiaries (if so appointed), for which they may be held personally liable, except where there is a lack of good faith.

The Company has paid insurance premiums for directors' and officers' liability for current and former directors and officers of the Company and its subsidiaries.

Board and Board Committees

The Board's primary role is to ensure the Company continues to provide health services to the community, faithful to the original mission of the Sisters of Mercy now carried on through Mercy Partners, through the protection and enhancement of the assets of a not for profit organisation.

To assist the Board of Directors in discharging their duties the Board has established a number of board committees including Finance and Audit Committee, Clinical and Business Systems Committee, Strategic Development and Sustainable Infrastructure Committee and Mission, People and Culture Committee.

Finance and Audit Committee

The primary objectives for the Committee to assist the Board of Directors in discharging their duties with regard to: financial management, reporting and financial and accounting policies; financial budgeting and forecasting activity; financial risk management (including fraud risk), oversight of external and internal audit, and internal controls assurance over financial risks; integrated risk management; accounting, reporting and corporate governance issues pertaining to the Mater and its subsidiaries; and ensuring Mater meets its legal, compliance and moral obligations.

Clinical and Business Systems Committee

The primary objective for the Committee is to assist the Board of Directors in discharging their duties with regard to: clinical risk and safety for Mater; clinical governance framework and its effectiveness; the interface between the core strategic objectives of the Mater (in health, education and research); and the business and financial systems which support achieving those objectives.

Strategic Development and Sustainable Infrastructure Committee

The primary objective is for the Committee to assist the Board of Directors in discharging their duties with regard to: Strategic decisions and business development opportunities; ensuring that the Mater operates consistently with Laudato si'; master planning for all Mater sites; oversight of all major projects; stewardship of all property assets of the ministry; and ensuring that an appropriate governance framework is in place for the management of Mater infrastructure.

Mission, People and Culture Committee

The primary objective of the Committee is to:

- Ensure the cultural health of the Mater is aligned to the mission, purpose and values of the Mater;
- Ensure that Mater is seen and experienced as an organisation offering added value because of its Mission, and wider role of being a not-for profit Catholic Health organisation, in addition to its public health role;
- Provide strategic oversight, support and advice on the development of strategies, plans, policies and monitoring of outcomes in relation to workforce and Industrial Relations matters;
- Promote the provision of health services in the spirit of the Sisters of Mercy;
- Promote the provision of compassionate services with a preference for the poor, marginalised and vulnerable;
- Discern reflectively so that the corporate affairs of the Company reflect the moral and social teachings of the Catholic Church;
- Undertake policy development from a clinical, corporate and community perspective with special reference to Canon Law and the Catholic Health Australia Code of Ethical Standards.

Directors' report (continued)

Board of Directors

The names of Directors of the Company in office at the date of this report is set out in the table below.

Ms Virginia Bourke resigned as a Director on 25 November 2022 and held office from February 2020 to November 2022. Ms Jane Yacopetti resigned as a Director on 27 June 2023 and held office from February 2019 to June 2023. Ms Jennifer Parker resigned as a Director on 10 October 2023 and held office from September 2019 to October 2023.

Director name	Director details
Mr Francis John Sullivan AO *BA (Politics), M Theol* Appointed July 2019	Mr Francis Sullivan AO is the Chair of the Mater Misericordiae Limited Board. Before commencing at Mater Mr Sullivan was Chief Executive Officer at the Truth, Justice and Healing Council and Secretary General of the Australian Medical Association (AMA). Mr Sullivan holds the positions of Chair for Catholic Social Services Australia Ltd and Director of Mercy Health Australia Ltd. Mr Sullivan is committed to equity and justice and has been highly successful in bringing a social conscience to the political debate on health and aged care issues. Mr Sullivan spent 14 years as the Chief Executive Officer of Catholic Health Australia (CHA), speaking for 73 private and public hospitals and more than 500 aged care services across Australia. Prior to that, Mr Sullivan was senior adviser to the Minister for Health in Western Australia. Mr Sullivan has a master's degree in theology from Loyola University in Chicago and a bachelor's degree in politics from Curtin University in Western Australia. Early in 2008, the Australian Catholic University awarded Mr Sullivan an honorary Doctorate for his work in public health advocacy.
Ms Virginia Ryan *BA, LLB* Appointed September 2019	Ms Ryan was appointed to the Mater Board in September 2019 and to the position of Deputy Chair in August 2020. Ms Ryan was appointed Board Chair of Mater Foundation in August 2020. Ms Ryan has been a member of a Catholic school board, a Commissioner on the Legal Aid Commission of Queensland, and a Board member of an Australian Health Practitioner Agency board. In 2017 Ms Ryan was appointed Deputy President of the Queensland Mental Health Review Tribunal. In this role, Ms Ryan interacts daily with those who face significant illness challenges, their supports in the community and clinicians and others who provide treatment and care. Ms Ryan has degrees in Arts and Law from Sydney University and more than thirty years' experience as a Brisbane lawyer. She has worked at Caxton Legal Centre, was the state convenor of the state peak body for community legal centres, and a volunteer lawyer. Ms Ryan has been a Registrar in a federal court and a member of a number of tribunals, including the Social Security Appeals tribunal, the Queensland Civil and Administrative Tribunal, and for more than ten years, the Queensland Mental Health Review Tribunal. Ms Ryan has been an accredited mediator, and is committed to fair processes, collaborative decision making and transparency and accountability in governance.

Directors' report (continued)

Director name	Director details
Mr Patrick Brady *BE (Civil) Hons* *GAICD, RPEQ* *FIPWEAQ,FIE Aust, FUDIA* Appointed September 2019	Mr Brady was appointed to the Mater Misericordiae Limited Board in September 2019 and is a member of the Finance and Audit and Chair of the Sustainable Development and Strategic Infrastructure committees. Mr Brady was previously Chair of Mater Health Services North Queensland Limited where he also served as a member of the Capital Projects Committee and the Finance Committee. Mr Brady has over 40 years' experience in the civil engineering industry in metro and regional Queensland, across urban development, public infrastructure, agriculture and mining engineering. Mr Brady is a Founder and Chair of Premise, one of Queensland's leading engineering firms providing engineering, environmental, surveying and planning consulting services from fifteen locations across Australia, Port Moresby and Vietnam. Mr Brady's previous Board positions include past Chairman of the Port of Townsville Limited, Townsville Branch president of the Urban Development Industry Australia (UDIA). He has also performed board duties with the Townsville CBD Taskforce, Townsville Water Security Taskforce, Townsville Industrial Development Board, DSDMIP, JCU Engineering Advisory Board and the Townsville Crocodiles Basketball Club. Mr Brady currently serves as Chair, Premise Holdings Pty Ltd.
Mr Gerard Houlihan Appointed September 2019	Mr Gerard Houlihan was appointed to the Mater Misericordiae Ltd Board in September 2019. Mr Houlihan is a Solicitor of the Supreme Court of Queensland. His association with the health and aged care ministries of the Sisters of Mercy commenced with his appointment to the General Administrative Committee of the Mater in Rockhampton in 1991. He was later appointed to the then Health Services Board of the Rockhampton Congregation of the Sisters of Mercy in 1994 and he served as Chairman of that Board for five years from 1995 to 2000. When Mercy Health and Aged Care Central Queensland Limited (MH&ACCQL) was incorporated as a separate entity in 2001, He continued as a Director on the MH&ACCQL Board until 2019. Mr Houlihan is a member of the Strategic Development and Sustainable Infrastructure Committee and of the Finance and Audit Committee of Mater Misericordiae Limited. Mr Houlihan has been with Rees R & Sydney Jones Solicitors, Rockhampton all his working life and until January 2020 had been a partner of that firm for more than 36 years. He is highly respected in both the legal and wider community and currently consults to Rees R & Sydney Jones Solicitors. Mr Houlihan was appointed as Company Secretary of Mater Misericordiae Limited on 24 April 2023.

Directors' report (continued)

Director name	Director details
Sr Sandra Lupi *M Soc Admin, BA, Dip T, GAICD* Appointed December 2018	Sr Sandra Lupi was appointed to the Board of Mater Misericordia Ltd in November 2018 and is a member of the Clinical Governance and People Culture and Mission committees. Sr Sandra is a member of the Brisbane Sisters of Mercy. Sr Sandra has 15 years' experience in leadership in the Sisters of Mercy and extensive experience in governance in the not for profit sector. Sr Sandra is a graduate of the Australian Institute of Company Directors since 2013 and completed the AICD Director Nexus Program in June 2018. Since 2014 Sr Sandra has been a Director of Mangrove Housing Ltd and serves as Deputy Chair. Sr Sandra is a member of the Risk Committee of the Board and Chair of the Board's Business Development Committee. In June 2022, Sr Sandra became a Director on the Board of Karuna Hospice Service Ltd.
Dr John Rivers *BSc(Med), MBBS, FRACP, FCSANZ,,Grad Dip AFI, GAICD* Appointed September 2019	Dr John Rivers was appointed to the Mater Misericordiae Ltd Board in September 2019 and is Chair of the Clinical and Business Systems Committee. Dr Rivers is a Cardiologist and an experienced non-executive Director working in the hospital and health care industry. Prior to the amalgamation of the Queensland Mater hospitals, Dr Rivers was a director of the Mater North Queensland board and Chair of the Risk and Quality Committee. Dr Rivers previously completed a Graduate Diploma in Applied Finance & Investment. Dr Rivers has led long term projects for clinical outcomes improvement and medical quality systems with extensive publication on these topics. Dr Rivers is an active angel investor with Brisbane Angels and is a former Executive Chair of health system regulator (HQCC). Dr Rivers is a non-executive director of Wesley Research Institute and Cardihab, an e-health enterprise developed by CSIRO. Dr Rivers is a former Executive Chair of the Queensland Cardiovascular Group.
Mr Chris Townend *BA(Hons), MBA (dist), FCA, FAICD, FGIA, ACCA* Appointed 1 April 2023	Mr Chris Townend is an accomplished international non-executive director experienced in a broad range of business and government structures throughout Australia, New Zealand and the UK. As a former Chief Financial Officer, Mr Townend brings a blend of strong financial expertise, broad commercial operational experience and a strong governance skillset developed across multiple jurisdictions and industry sectors. Mr Townend is an experienced chair of finance, audit and risk committees and has led the development of enterprise risk frameworks in a number of settings. Mr Townend also serves as a board member at Thomson Adsett.

Directors' report (continued)

Company Secretary

The name of the Company Secretary in office at the date of this report is set out in the table below.

Mr Laurence Rogencamp resigned as Company Secretary on 31 January 2023. Mr Rogencamp held office from July 2022 to January 2023. Ms Sally Frazer resigned as Company Secretary on 18 April 2023. Ms Frazer held office from February 2023 to April 2023.

Officer Name	Officer Details
Mr Gerard Houlihan Appointed 19 April 2023	Mr Gerard Houlihan was appointed as Company Secretary of the Mater Misericordiae Ltd Board on 19 April 2023. Mr Houlihan's details are set out above under the Director's section of this report.

Meetings of the Board and Committees

The following table outlines the meetings held and attendance at each committee.

Directors Name	Board	Finance and Audit	Clinical and Business Systems	Strategic Development and Sustainable Infra-structure	Mission, People and Culture	Joint Finance & Audit and Clinical & Business Systems
Mr Francis Sullivan AO	9/9	5/7				0/1
Mrs Virginia Ryan	9/9					
Mr Patrick Brady	9/9	7/7		5/5		1/1
Mr Gerard Houlihan	9/9	6/7		5/5		
Sr Sandra Lupi	9/9		4/4		4/5	1/1
Ms Jennifer Parker (ceased 10 October 2023)	8/9	7/7				1/1
Dr John Rivers	9/9		4/4			1/1
Mr Chris Townend	2/2					
Ms Virginia Bourke (ceased 25 November 2022)	6/6		1/2			1/1
Ms Jane Yacopetti (ceased 27 June 2023)	8/9	5/7		4/5	5/5	1/1

Members guarantee

The Company is limited by guarantee. If the Company were wound up, the Constitution states that each member is required to contribute a maximum of $10.00 each towards meeting any outstanding obligations of the Company. At 30 June 2023 the collective liability of members was $10.00 (2022: $10.00). At 30 June 2023 the number of members of the Company was one (1) (2022: 1).

Directors' report (continued)

Subsequent events

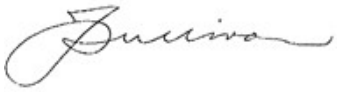
On 8 September 2023, MML entered into additional loan facilities with the ADF totalling $493M for the construction of Stage 2 of the Mater Hospital Springfield. This follows an agreement with the Queensland State Government to expand healthcare services for people living in Springfield and other parts of Brisbane's Western Corridor. The expanded Mater Hospital will run under an integrated operating model, delivering healthcare services to both public and private patients within the single facility, increasing the total number of beds to 234 with 174 public patient beds and the remainder for private patients. The facility covering the public component of the debt has a 30 year term from commissioning and the facility covering the private component of the debt has a 25 year term from commissioning. The interest rate per the agreement is based on the 90 day BBSY plus a margin. The borrowings are secured over some of MML's South Brisbane assets and subject to a loan to value ratio covenant of no more than 75%. A separate agreement with the Qld State Government includes the provision of future funding by the Qld State Government for repayment of the public component of the debt (capped at $393m plus capitalised interest) over the 30 year term. An up-front capital payment of $43.2m has also been received post balance date and the cap on the public component of the debt and the facility agreement for the public component will both be reduced accordingly.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

Auditor

The Company has appointed Grant Thornton Audit Pty Ltd as external auditor. A copy of the auditor's independence declaration as required under Section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012* is set out on page 12.

Signed in accordance with the resolution of the Directors.



Mr Francis Sullivan AO
Chair

Date: 3 November 2023



Mr Chris Townend
Director
Chair Finance and Audit Committee

Date: 3 November 2023

Grant Thornton Audit Pty Ltd
King George Central
Level 18
145 Ann Street
Brisbane QLD 4000
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Brisbane QLD 4001

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Auditor's Independence Declaration

To the Directors of Mater Misericordiae Ltd

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Mater Misericordiae Ltd for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M C Bragg
Partner - Audit & Assurance

Brisbane, 3 November 2023

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Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Notes	2023 $000	2022 $000
Revenue			
Rendering of services	**B1**	1,313,110	1,251,085
Sale of goods	**B1**	87,423	74,352
Other revenue	**B1**	189,448	179,823
Total revenue		**1,589,981**	**1,505,260**
Expenses			
Employee expenses		(950,402)	(881,479)
Pharmaceutical and medical expenses		(321,463)	(297,732)
Property and maintenance expenses		(66,017)	(69,398)
Catering and domestic expenses		(35,861)	(32,328)
Lottery expenses		(52,349)	(41,031)
Digital expenses		(39,993)	(33,070)
Administration expenses		(69,254)	(62,210)
Depreciation and amortisation expense		(154,248)	(144,648)
Impairment of assets		-	(827)
Finance expenses		(5,935)	(3,834)
Net loss on disposal of property, plant and equipment		(96)	(311)
Total expenses		**1,695,618**	**1,566,868**
Operating (deficit)/surplus		**(105,637)**	**(61,608)**
Share of profit/(loss) in associates and joint ventures	**G2**	(573)	(2,939)
Net surplus/(deficit) from continuing operations		**(106,210)**	**(64,547)**
Profit/(loss) from discontinued operation	**G2(b)**	(191)	61
Net surplus/(deficit) for the period		**(106,401)**	**(64,486)**
Net change in fair value of investments		2,315	(4,449)
Revaluation of land and buildings	**D4**	118,628	121,019
Total other comprehensive income		**120,943**	**116,570**
Total comprehensive income attributable to the owners		**14,542**	**52,084**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2023

	Notes	2023 $000	2022 $000
Assets			
Current assets			
Cash and cash equivalents	**C2**	61,567	90,035
Trade and other receivables	**C3**	102,460	89,150
Contract assets	**C4**	40,120	40,476
Inventories	**D1**	31,915	36,149
Investments	**C5**	31,425	27,675
Other assets	**D3**	37,442	22,591
		304,929	306,076
Non-current assets classified as held for sale	**D2**	14,239	-
Total current assets		**319,168**	**306,076**
Non-current assets			
Property, plant and equipment	**D4**	1,978,335	1,920,169
Intangible assets	**D6**	71,718	74,796
Investments using the equity method	**G2**	77,546	70,323
Right of use assets	**D5**	88,509	68,200
Other assets	**D3**	14,181	6,009
Total non-current assets		**2,230,289**	**2,139,497**
Total assets		**2,549,457**	**2,445,573**
Liabilities			
Current liabilities			
Trade and other payables	**C6**	139,343	119,746
Loans and borrowings	**C7**	8,707	8,830
Contract liabilities	**D7**	34,894	51,200
Employee benefits	**D8**	150,711	145,190
Provisions	**D9**	7,122	8,179
Total current liabilities		**340,777**	**333,145**
Non-current liabilities			
Loans and borrowings	**C7**	229,414	147,633
Contract liabilities	**D7**	56,432	60,395
Employee benefits	**D8**	25,809	24,835
Provisions	**D9**	21,816	18,898
Total non-current liabilities		**333,471**	**251,761**
Total liabilities		**674,248**	**584,906**
Net assets		**1,875,209**	**1,860,667**
Equity			
Building reserve	**E1**	240,478	240,478
Financial asset revaluation reserve	**E1**	1,440	(875)
Asset revaluation reserve	**E1**	894,532	775,904
Capital contributions	**E2**	27,643	27,643
Accumulated surplus		711,116	817,517
Total equity		**1,875,209**	**1,860,667**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

As at 30 June 2023

	Building reserve $000	Financial asset revaluation reserve $000	Asset revaluation reserve $000	Capital contributions $000	Accumulated surplus $000	Total equity $000
Balance at 1 July 2021	**240,478**	**4,185**	**654,885**	**27,643**	**881,392**	**1,808,583**
Net surplus/(deficit) for the financial year	-	-	-	-	(64,486)	(64,486)
Other comprehensive income for the year	-	(4,449)	121,019	-	-	116,570
Total comprehensive income for the year	-	(4,449)	121,019	-	(64,486)	52,084
Transfer of realised gains and losses	-	(611)	-	-	611	-
Total transactions with owners, recorded directly in equity	-	(611)	-	-	611	-
Balance at 30 June 2022	**240,478**	**(875)**	**775,904**	**27,643**	**817,517**	**1,860,667**
Balance at 1 July 2022	**240,478**	**(875)**	**775,904**	**27,643**	**817,517**	**1,860,667**
Net surplus/(deficit) for the financial year	-	-	-	-	(106,401)	(106,401)
Other comprehensive income for the year	-	2,315	118,628	-	-	120,943
Total comprehensive income for the year	-	2,315	118,628	-	(106,401)	14,542
Transfer of realised gains and losses	-	-	-	-	-	-
Balance at 30 June 2023	**240,478**	**1,440**	**894,532**	**27,643**	**711,116**	**1,875,209**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2023

	Notes	2023 $000	2022 $000
Cash flows from operating activities			
Receipts in the course of operations		1,650,705	1,583,775
Payments in the course of operations		(1,626,638)	(1,502,701)
Interest received		2,435	331
Interest paid		(5,935)	(3,834)
Net cash flows from operating activities	**F1**	**20,567**	**77,571**
Cash flows from investing activities			
Payments for property, plant and equipment and intangibles		(95,315)	(92,381)
Imputation credits received		-	101
Payment towards investment in joint venture	**G2**	(5,099)	(59)
Proceeds from disposal of property, plant and equipment		-	190
Net cash flows used in investing activities		**(100,414)**	**(92,149)**
Cash flows from financing activities			
Proceeds from borrowings		217,577	67,833
Repayment of borrowings		(158,846)	(28,327)
Payment of lease liabilities		(7,352)	(7,727)
Net cash flows from financing activities		**51,379**	**31,779**
Net increase/(decrease) in cash and cash equivalents		**(28,468)**	**17,201**
Cash and cash equivalents at the beginning of the year		90,035	72,834
Cash and cash equivalents at the end of the year	**C2**	**61,567**	**90,035**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

For the year ended 30 June 2023

Section A – Basis for financial statement preparation

Introduction

These consolidated financial statements comprise Mater Misericordiae Limited (MML) (the Company) and its controlled entities (the Group). MML is a not-for-profit company limited by guarantee incorporated and domiciled in Australia. The ultimate parent entity of MML is Mercy Partners Ltd.

The consolidated financial statements for the year ended 30 June 2023 were authorised for issue on 3 November 2023 in accordance with a resolution of the Board of Directors.

Compliance with prescribed requirements

This financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosure Requirements issued by the Australian Accounting Standard Board (AASB), other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-for profits Commission Act 2012*.

The significant accounting policies adopted in the preparation of these consolidated financial statements have been included in the relevant notes. These policies have been consistently applied for all years presented unless otherwise stated.

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs unless the application of fair value, present value, or net realisable value is required by the relevant accounting standard or as nominated in the notes to the consolidated financial statements.

Assets and liabilities are classified as either 'current' or 'non-current' in the consolidated statement of financial position and the associated notes. Assets are classified as current where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or there is not an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 or, where the amount is less than $500, to zero, unless disclosure of the full amount is specifically required and are presented in Australian dollars.

Comparative figures

This financial report is for the period 1 July 2022 to 30 June 2023. The comparatives are for the period from 1 July 2021 to 30 June 2022. Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Accounting Standards or as a result of changes to consistently aligns presentation for all Group entities.

Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided within the relevant note.

Going concern

The financial statements have been prepared on the going concern basis. As at 30 June 2023, the Group's current liabilities exceed current assets by $21.61M (2022: 27.07M). Included within current liabilities, and contributing to the deficiency in net currents assets, is the following:

- Employee benefits amounting to $150.71M (2022: $145.19M) for which $59.29M (2022: $58.74M) relates to long service leave vested, but not expected to be paid in full within the next 12 months from signing these financial statements; and
- Contract liabilities amounting to $34.89M (2022: $51.20M) which represents payments received in advance for performance obligations to be completed in future periods, rather than cash expected to be paid out.

The Group has considerable financial resources together with ongoing contracts with a number of Government and non-Government entities. The group has $1.98BN (2022: $1.92BN) in property plant and equipment and generated net operating cash flows of $20.57M (2022: $77.57M). The Group has the ability to manage investing cashflows to moderate cash available.

Management have assessed the future estimated cashflows for going concern and as a consequence, the Directors believe that the Group is well placed to manage its financial sustainability risks. After making enquiries the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial report. Refer to Note H3 for further information relating to economic dependency.

Section B – Financial performance

This section provides additional information about the financial performance of the Group.

B1 – Revenue

The Group derives the following types of revenue:

	2023 $000	2022 $000
Rendering of services	1,313,110	1,251,085
Sale of goods	87,423	74,352
Revenue from providing goods and services	**1,400,533**	**1,325,437**
Investment income	1,709	2,469
Interest income	2,435	331
Rental income	17,732	15,877
Lottery income	89,777	68,667
Fundraising and donation income	31,099	32,313
Other revenue	46,696	60,166
Total other revenue	189,448	179,823
Total revenue	**1,589,981**	**1,505,260**

Revenue accounting policies

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

When there is no identified performance obligation identified within a contract, income is recognised at the time when the Group gains controls over the assets.

The disaggregation of revenue from contracts with customers is as follows:

	2023 $000	2022 $000
Timing of revenue recognition:		
Goods transferred at a point in time	87,423	74,352
Services transferred over time	1,313,110	1,251,085
Total revenue from providing goods and services	**1,400,533**	**1,325,437**

B1 – Revenue (continued)

Revenue is recognised for the major business activities as follows:

(a) Rendering of services

Revenue from a contract with a customer to provide services is recognised over the period in which the services are rendered.

(b) Sale of goods

Revenue from the sale of goods is recognised at the point in time the performance obligation is satisfied which is generally when control of the goods passes to the customer.

(c) Investment income

Investment income is comprised of dividend income including imputation credits, distributions from managed unit trusts and realised gain/losses on investments. Dividends and distributions are recognised when received.

(d) Interest income

Interest income is recognised on a proportional basis taking into account applicable interest rates.

(e) Lottery income

Lottery income includes revenue from various lottery draws. This revenue is recognised when the lottery is drawn as the Group's performance obligation has been fulfilled.

(f) Fundraising and donation income

Fundraising income includes revenue from fundraising events and projects. This revenue is recognised when the fundraising project is completed, or the event has taken place.

Donations are recognised as income when received.

(g) Other Revenue

(i) Government subsidies and grants

Government subsidies and grants are recognised in profit or loss when performance obligations stated within the funding agreements are satisfied. If conditions are attached to the grant which must be satisfied before the Group is eligible to retain the contribution, the grant will be recognised in the consolidated statement of financial position as a contract liability until those conditions are satisfied. Where there is no identified contractual performance obligation income is recognised at the time when funds are received.

(ii) Capital contributions

Revenue is recognised on the receipt of contributions where no contractual obligations have been established, or where contractual obligations have been established, over the life of their fulfilment, on a straight-line basis.

Section C – Financial assets and financial liabilities

This note provides information about the Group's financial assets and liabilities, including specific information about the following types of financial assets and financial liabilities.

C1 Categories of financial instruments

C2 Cash and cash equivalents

C3 Trade and other receivables

C4 Contract assets

C5 Investments

C6 Trade and other payables

C7 Loans and borrowings

C1 – Categories of financial instruments

	Note	2023 Current $000	2023 Non-current $000	2023 Total $000	2022 Current $000	2022 Non-current $000	2022 Total $000
Financial assets							
Financial assets at amortised cost:							
Cash and cash equivalents	C2	61,567	-	61,567	90,035	-	90,035
Trade and other receivables	C3	102,460	-	102,460	89,150	-	89,150
Contract Assets	C4	40,120	-	40,120	40,476	-	40,476
Investments	C5	82	-	82	82	-	82
Financial assets at FVOCI:							
Investments	C5	31,278	-	31,278	27,534	-	27,534
Financial assets at FVPL:							
Investments	C5	65	-	65	59	-	59
Total financial assets		**235,572**	**-**	**235,572**	**247,336**	**-**	**247,336**
Financial liabilities							
Financial liabilities at amortised cost:							
Trade and other payables	C6	139,343	-	139,343	119,746	-	119,746
Loans and borrowings	C7	8,707	229,414	238,121	8,830	147,633	156,463
Total financial liabilities		**148,050**	**229,414**	**377,464**	**128,576**	**147,633**	**276,209**

C1 – Categories of financial instruments (continued)

Financial instrument accounting policies

(a) Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognisedy when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liabilities are derecognised when they are extinguished, discharged, cancelled or expired.

(b) Classification and measurement of financial assets

(i) Initial measurement

Financial assets are measured initially at fair value adjusted by transaction costs (where applicable) and for the purpose of subsequent measurement are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL), or
- fair value through other comprehensive income (FVOCI).

Classifications are determined by both:

- the Group's business model for managing the financial asset
- the contractual cash flow characteristics of the financial assets.

(ii) Subsequent measurement Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Group's cash and cash equivalents, trade and other receivables and investments on term deposits with maturity greater than 3 months fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVPL)

Financial assets held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVPL. Further, irrespective of the business model used, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL.

Assets in this category are measured at fair value with gains or losses recognised in the profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions.

The Group has an equity investment falling into this category.

C1 – Categories of financial instruments (continued)

Financial assets at fair value through other comprehensive income (FVOCI)

Investment in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Realised gains and losses and dividends from these investments continue to be recorded as investment income within the profit or loss unless the dividend clearly represents return of capital. Mater Foundation, a subsidiary of MML, has made this election to account for its investments at FVOCI.

(c) Classification and measurement of financial liabilities

(i) Initial measurement

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

(ii) Subsequent measurement

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

The Group's financial liabilities include trade and other payables and loans and borrowings. All interest-related charges that are reported in profit or loss are included within finance expenses.

(d) Impairment

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

With respect to trade receivables and contract assets, the Group makes use of a simplified approach and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

C1 – Categories of financial instruments (continued)

(e) Financial risk management

(i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group has moderate exposure to market risk with respect to its investments comprising listed and unlisted securities. Market risk is minimised by regular review of investment strategy as well as set investment allocation ranges to provide for portfolio diversification.

(ii) Credit risk

Credit risk predominantly arises when there is the possibility of the Group's debtors defaulting on their contractual obligations, resulting in a financial loss for the Group. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group maintains a prudent approach to managing liquidity risk by ensuring, as far as possible, that it will have sufficient liquid assets on a daily basis to meet its payment obligations when due, under both normal and stressed conditions.

To ensure the Group has sufficient funds to meet daily obligations, minimum levels of cash are held within the trading bank accounts. These accounts are reviewed daily, in conjunction with obligations to ensure sufficient funds are maintained.

The Group manages liquidity risk by continuously forecasting cash flow, monitoring future cash flows and the maturity profiles of financial assets and liabilities. During the current and prior years, there were no defaults or breaches on any payables or loans and borrowings.

(iv) Interest rate risk

The group is exposed to interest rate risk through its borrowings and cash deposited in interest bearing accounts and managed investments. Sensitivity to changes in interest rates is normally only relevant to financial assets or financial liabilities bearing floating interest rates. However, sensitivity will also be relevant to fixed rate financial assets and financial liabilities which are remeasured to fair value.

C2 – Cash and cash equivalents

	2023 $000	2022 $000
Cash on hand	93	134
Cash at bank	60,589	89,016
Short term deposits	885	885
Total cash and cash equivalents	**61,567**	**90,035**

Cash and cash equivalents are measured at amortised cost and include cash on hand, cash at bank and other short-term highly liquid financial assets with original maturities of three months or less that are readily convertible to known amounts of cash. These are used by the Group in the management of its short-term commitments.

C3 – Trade and other receivables

	Notes	2023 $000	2022 $000
Trade receivables		106,907	93,394
Related party receivables	I1	335	97
Other receivables		190	235
Less: expected credit losses		(4,972)	(4,576)
Total trade and other receivables		**102,460**	**89,150**

Trade and other receivables accounting policies

Trade and other receivables are measured at amortised cost less expected credit losses. Trade receivables are reviewed on an ongoing basis and debts known to be uncollectible are written off when there is no reasonable expectation of recovery. Expected credit losses are measured in accordance with accounting policy outlined in Note C1.

C4 – Contract assets

	2023 $000	2022 $000
Contract Assets	**40,120**	**40,476**

Contract assets accounting policies

Contract assets are recognised when the Group has transferred goods or services to the customer but is yet to establish an unconditional right to the consideration. Contract assets are specifically the revenue fees related to private inpatient stay for which an invoice has not yet been raised. Expected credit losses are measured in accordance with accounting policy outlined in Note C1.

C5 – Investments

	2023 $000	2022 $000
Current		
Financial assets at fair value through other comprehensive income (FVOCI)	31,278	27,534
Listed equity at fair value through profit and loss (FVPL)	65	59
Term deposits at amortised cost	82	82
Total investments	**31,425**	**27,675**

Financial assets at FVOCI represent managed unit trusts. The appointed asset managers have funds invested in the following asset classes: direct cash, Australian equities, international equities, fixed interest and property.

Term deposits held under investments have maturity terms greater than 3 months.

C6 – Trade and other payables

	Notes	2023 $000	2022 $000
Current			
Trade payables		84,438	74,101
Other payables and accruals		51,568	44,480
Related party payables	I1	3,337	1,165
Total trade and other payables		**139,343**	**119,746**

Trade and other payables accounting policies

Trade and other payables are measured at amortised cost and are recognised for unpaid goods or services for which the Group has a present obligation to make payment.

Trade payables are unsecured and are usually paid within 30 days of recognition.

C7 – Loans and borrowings

	2023 $000	2022 $000
Current		
Borrowings	753	-
Lease liabilities	7,954	8,830
Total current loans and borrowings	**8,707**	**8,830**
Non-current		
Borrowings	142,766	82,601
Lease liabilities	86,648	65,032
Total non-current loans and borrowings	**229,414**	**147,633**
Total loans and borrowings	**238,121**	**156,463**

Loans and borrowings accounting policies

(a) Interest bearing loans and borrowings

All loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve (12) months after the balance date.

(b) Borrowing costs

Borrowing costs are expensed as incurred. Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

C7 – Loans and borrowings (continued)

(c) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to the profit or loss if the carrying amount of the right-of-use asset is fully written down.

(d) Debt facilities in use and available for use

At balance date, MML has a total loan facility with the ADF of $130M with $125.18M drawn down. The facility has a 10 year term, expiring in July 2029 and the interest rate per the agreement is based on the 90 day BBSY rate plus a margin. The borrowing is secured over various land and buildings held by the Group and subject to a loan to value ratio covenant. At 30 June 2023, MML has determined that it is not in breach of the covenant. In addition, and subsequent to balance date, MML entered into additional loan facilities on 8 September 2023 with the ADF totaling $493M for the construction of Stage 2 of the Mater Hospital Springfield. Refer Note H4 for further information.

MML also has a debt facility with the Northern Australia Infrastructure Facility (NAIF). At balance date, MML has a total loan facility of $19.75M with $17.52M drawn down. The facility has a 20 year term, expiring in October 2040 and the interest rate per the agreement is a fixed rate equal to the government bond rate for the weighted average tenor applicable at the date of the facility agreement plus a margin. The borrowing is secured over a single land and building held by the Group. This loan is subject to certain financial covenants. The loan agreement states that these covenants will be assessed at the end of each 6 months and reported within the following 30 days. If the covenants are breached, the loan will be repayable immediately. At 30 June 2023, MML has determined that it is not in breach of the covenant.

MML also has an instalment payment agreement with Cisco Systems Capital (Australia) Pty Limited. The balance owing at 30 June 2023 was $819k.

	2023 $000	2022 $000
Total facilities available:		
Borrowings	149,750	149,750
Guarantee facilities	3,966	3,966
	153,716	**153,716**
Facilities utilised at balance date:		
Borrowings	143,519	82,601
Guarantee facilities	2,964	2,835
	146,483	**85,436**
Facilities not used at balance date:		
Borrowings	6,231	67,149
Guarantee facilities	1,002	1,131
	7,233	**68,280**

C7 – Loans and borrowings (continued)

(e) Lease liabilities maturity analysis

The following table represents the Group's contractual maturities of lease liabilities. Contractual cash flows are at undiscounted values. Accordingly, these values may not agree to the carrying amount.

	2023 $000	2022 $000
Less than 1 year	9,560	10,910
1 to 5 years	42,695	35,838
More than 5 years	63,291	40,126
Total undiscounted lease liabilities	**115,546**	**86,874**

Section D – Non-financial assets and liabilities

This note provides information about the Group's non-financial assets and liabilities, including specific information about the following types of non-financial asset and non-financial liabilities:

D1 Inventories

D2 Non-current assets classified as held for sale

D3 Other assets

D4 Property, plant and equipment

D5 Right of use assets

D6 Intangible assets

D7 Contract liabilities

D8 Employee benefits

D9 Provisions

D1 – Inventories

	2023 $000	2022 $000
Current		
Pharmaceutical and medical supplies at cost	31,437	35,737
Engineering spares at cost	478	412
Total inventories	**31,915**	**36,149**

Inventory accounting policies

Inventories are stated at the lower of cost or net realisable value. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

The cost of inventories is assigned as follows:

- Pharmaceutical and medical supplies - weighted average cost
- Engineering spares - weighted average cost

Net realisable value is the estimated selling price of the item used in the ordinary course of business.

D2 – Non-current assets classified as held for sale

	2023 $000	2022 $000
Land and buildings – at carrying value	14,239	-
	14,239	**-**

The Mater Board approved the disposal of two groups of properties during the year. One group at carrying value of $1.258M was subject to an unconditional sale contract due to settle on 31 October 2023. The second disposal group had a contract of sale executed on 21 December 2022 which is subject to various statutory approvals and a development application.

Non-Current Assets held for sale accounting policies

Non-Current assets are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell if their carrying value will be recovered principally through a sale transaction rather than through continuing use.

Non-Current assets classified as held for sale are presented separately from other assets in the balance sheet and are not depreciated or amortised while they are classified as held for sale.

D3 – Other assets

	2023 $000	2022 $000
Current		
Lottery prize homes in progress	16,171	9,086
Prepayments – lottery and fundraising	5,574	2,627
Prepayments – other	15,697	10,878
Total current other assets	**37,442**	**22,591**
Non-current		
Prepaid land rental	467	390
Lottery prize homes in progress	13,714	5,619
Total non-current other assets	**14,181**	**6,009**
Total other assets	**51,623**	**28,600**

Lottery prize homes in progress

Lottery prize homes in progress relates to the cost of houses and land under construction plus completed house packages which are yet to be allocated to a specific lottery. These properties are expensed as prize costs when the relevant prize home lottery is drawn.

D4 – Property, plant and equipment

	2023 $000	2022 $000
Land and buildings		
At valuation	1,739,096	1,702,335
	1,739,096	**1,702,335**
Leasehold improvements		
At cost	9,346	7,684
Accumulated depreciation	(4,878)	(4,466)
	4,468	**3,218**
Plant and equipment		
At cost	399,350	406,291
Accumulated depreciation	(275,434)	(260,711)
	123,916	**145,580**
Capital work in progress		
At cost	110,855	69,036
Total property, plant and equipment written down value	**1,978,335**	**1,920,169**

Capitalised interest of $120k (2022: $127k) was taken up in property, plant and equipment during the financial year.

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of the financial year is set out below:

	Land and buildings $000	Leasehold improvements $000	Plant and equipment $000	Capital work in progress (CWIP) $000	Total $000
Carrying amount at 1 July 2022	1,702,335	3,218	145,580	69,036	1,920,169
Additions	-	-	234	94,486	94,720
Transfers from CWIP to property, plant and equipment	42,355	1,663	8,649	(52,667)	-
Transfer to non-current assets classified as held for sale	(14,239)	-	-	-	(14,239)
Depreciation charge	(109,777)	(413)	(30,461)	-	(140,651)
Disposals	(206)	-	(86)	-	(292)
Increase in asset revaluation reserve	118,628	-	-	-	118,628
Carrying amount at 30 June 2023	**1,739,096**	**4,468**	**123,916**	**110,855**	**1,978,335**

D4 – Property, plant and equipment (continued)

Property, plant and equipment accounting policies

(a) Recognition and measurement

Property, plant and equipment are initially recorded at their cost of acquisition, being the fair value of the consideration provided plus costs incidental to the acquisition and all other costs incurred to bring the asset to a state where it is ready for use. The cost of property, plant and equipment constructed by the Group includes the cost of materials, direct labour and borrowing costs. An asset recognition threshold of $10,000 exists.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

Costs incurred subsequent to initial acquisition are added to an asset's carrying amount if they increase the service potential or useful life of that asset. Subsequent costs that do not meet these criteria are expensed as incurred.

Property

Land and buildings are initially recognised at cost and subsequently carried at their revalued amount or fair value.

Other plant and equipment

All other plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment.

(b) Valuations

The fair value of land and buildings are assessed on an annual basis by an independent professional valuer. Comprehensive valuations are undertaken at least every five years, however if a particular asset class experiences significant and volatile changes to their fair value, that class is subject to specific appraisal in the reporting period, regardless of when the last specific appraisal occurred. Where assets have not been specifically appraised in the reporting period, previous valuations are kept materially up to date through either desktop valuations or the application of relevant indices, provided by the valuer. Such indices are either publicly available or derived from market information available to the valuer. The valuer provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Management assesses and confirms the relevance and suitability of indices provided by the valuer. Revaluation increments are credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. In that case it is recognised as income. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price), regardless of whether the price is directly derived from observable inputs or estimated using another valuation technique. The two approaches used by the Group to determine fair value is either the market value approach or cost approach (current replacement cost), depending on the nature and use of the land and buildings. Market value relies on the availability of sales evidence and using the direct comparison method. Assets valued under this method include land and buildings for which there is market evidence available and includes land and buildings in a commercially or residentially zoned area. The cost approach reflects the amount that would be required to currently replace the service capacity of an asset and where the market approach is not suitable. Assets for which the current replacement cost approach is used by the Group include specialised assets such as Hospitals and hospital sites and associated facilities.

D4 – Property, plant and equipment (continued)

All land and buildings for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- Level 1: represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- Level 2: represents fair value measurements that are substantially derived from inputs (other than quoted prices included in level 1) that are observable, either directly or indirectly; and
- Level 3: represents fair value measurements that are substantially derived from unobservable inputs.

None of the Group's land and buildings fall within level one. Land and buildings for which there is comparable sales data or commercial use in nature fall within level 2, with specialised hospital and medical facilities and the land on which they sit falling within level 3.

(c) Valuations

During the 2023 financial year, Marsh Pty Ltd (Marsh) was engaged to provide an assessment of movement in land and building values as at 30 June 2023 through both comprehensive and desktop valuation approaches.

The valuation of land and buildings at 30 June 2023 resulted in a revaluation increment of $118.628M (2022: $121.019M).

(d) Depreciation

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the cost of each asset, less its estimated residual value (as applicable), over the estimated useful life of the assets as follows:

- Buildings (structure) – 40 to 50 years
- Buildings (systems) – 20 to 35 years
- Buildings (fit-out and others) – 15 years
- Leasehold improvements – 5 to 15 years
- Plant and equipment – 5 to 10 years

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

Leasehold improvements are depreciated over the lesser of the term of the lease or estimated useful lives of the improvements.

Asset residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate on an annual basis. When changes are made, adjustments are reflected prospectively in the current and future period only.

D4 – Property, plant and equipment (continued)

(e) Impairment

All non-current assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the asset's recoverable amount is determined. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised as an expense in the profit or loss.

(f) Derecognition

Property, plant and equipment assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Derecognition includes writing back accumulated depreciation and any accumulated impairment losses against the cost of acquisition or gross carrying amount of the asset. Any resulting gain or loss is represented by the difference between the proceeds, if any, and the carrying amount of the asset and is recognised in the profit or loss.

Property, plant and equipment critical accounting estimates and judgements

(a) Carrying value of non-current assets assessed for indicators impairment

The Group makes a formal estimate of recoverable amount when an indicator of impairment exists.

(b) Depreciation

The Group estimates the useful life and residual values where applicable of property, plant and equipment based on the expected period of time over which economic benefits from the use of the asset will be derived. The Group reviews useful life assumptions on an annual basis having given consideration to variables including historical and forecast usage rates, technological advancements and changes in legal and economic conditions.

(c) Valuation

The Group seeks independent advice annually from a professional valuation expert. Judgements and estimates are used in determining the fair value of land and buildings including condition assessments (for comprehensive valuations), useful life and remaining useful lives, unit rates for buildings based on various cost databases and valuer's professional judgement. The Group reviews the estimates and judgements used by the valuer giving regard to internal experts and business knowledge.

D5 – Right of use assets

	2023 $000	2022 $000
Right of use assets		
Equipment	554	734
IT	-	34
Motor Vehicles	821	413
Property	87,134	67,019
Carrying amount at 30 June 2023	**88,509**	**68,200**

A reconciliation of the carrying amount of right of use assets at the beginning and end of the financial year is set out below:

	Equipment $000	IT $000	Motor Vehicles $000	Property $000	Total $000
Right of use assets					
Carrying amount at 1 July 2022	734	34	413	67,019	68,200
Additions	-	-	896	29,672	30,568
Depreciation	(180)	(34)	(488)	(9,557)	(10,259)
Carrying amount at 30 June 2023	**554**	**-**	**821**	**87,134**	**88,509**

Right of use assets accounting policies

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Expenses related to short-term leases and leases of low value assets during the year is $1.860M (2022: $1.298M).

D6 – Intangible assets

	2023 $000	2022 $000
Contractual rights		
At cost	70,179	70,179
Accumulated amortisation	(3,899)	(3,444)
	66,280	**66,735**
Licenses		
At cost	572	572
	572	**572**
Software		
At cost	55,774	61,479
Accumulated amortisation	(51,337)	(54,266)
	4,437	**7,213**
Other intangible assets		
At cost	1,108	2,361
Accumulated amortisation	(679)	(2,085)
	429	**276**
Total intangibles	**71,718**	**74,796**

A reconciliation of the carrying amount for intangibles at the beginning and end of the financial year is set out below:

	Contractual rights $000	Licenses $000	Software $000	Other intangible assets $000	Total intangibles $000
Carrying amount at 1 July 2022	66,735	572	7,213	276	74,796
Additions	-	-	-	260	260
Amortisation expense	(455)	-	(2,776)	(107)	(3,338)
Carrying amount at 30 June 2023	**66,280**	**572**	**4,437**	**429**	**71,718**

Intangible asset accounting policies

(a) Recognition and measurement

Intangible assets are recognised at their cost of acquisition, being the fair value of the consideration provided plus costs incidental to the acquisition and all other costs incurred to bring the asset to a state where it is ready for use. An asset recognition threshold of $10,000 exists.

Costs incurred subsequent to initial acquisition are added to an asset's carrying amount if they increase the service potential or useful life of that asset. Subsequent costs that do not meet these criteria are expensed as incurred.

D6 – Intangible assets (continued)

Contractual rights

Contractual rights are recognised at deemed cost less any accumulated amortisation and any accumulated impairment. The contractual rights consist of the Queensland Children's Hospital (QCH) car park management rights and the QCH footprint rights. MML holds the rights to purchase the QCH footprint in 60 years for a nominal amount of $1. The QCH footprint is not subject to amortisation due to the nature of this contractual right. The QCH car park management rights have been determined to have a life of 60 years and are subject to amortisation on a straight-line basis over its useful life. The QCH car park management rights are subject to impairment testing on an annual basis or whenever there is an indication of impairment. The gross value of the QCH car park management rights and the QCH footprint are $27.236M (2022: $27.236M) and $42.943M (2022: $42.943M) respectively. The QCH car park management rights have been amortised from November 2014 when MML began operating the car park. The remaining value for the QCH car park management rights at 30 June 2023 is $23.337M (2022: $23.762M) with a remaining expected life of 52 years and 5 months.

Licenses

Licenses are carried at cost less any accumulated impairment losses. The licenses have been granted by the relevant issuing government agency and have been determined to have indefinite useful lives.

Software

Software costs are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred in developing products or systems and costs incurred in acquiring software that will contribute to future period financial benefits through revenue generation are capitalised to software. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project.

(b) Amortisation

Amortisation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

- Contractual rights – 50 to 60 years
- Licenses – indefinite
- Software – 3 to 6 years

Useful lives and amortisation methods are reviewed and adjusted if appropriate on an annual basis. When changes are made, adjustments are reflected prospectively in the current and future period only.

(c) Impairment

Assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the asset's recoverable amount is determined. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised as an expense in the profit or loss.

(d) Derecognition

Intangible assets are derecognised when no future economic benefits are expected from their use. Derecognition includes writing back accumulated amortisation and any accumulated impairment losses against the cost of acquisition. Any resulting gain or loss is represented by the difference between the proceeds, if any, and the carrying amount of the asset and is recognised in the profit or loss.

D6 – Intangible assets (continued)

Intangible assets critical accounting estimates and judgements

Amortisation

The Group estimates the useful lives where applicable of all intangible assets based on the expected period of time over which economic benefits from the use of the asset will be derived. The Group reviews useful life assumptions on an annual basis having given consideration to variables including historical and forecast usage rates, technological advancements and changes in legal and economic conditions.

D7 – Contract liabilities

	2023 $000	2022 $000
Current		
Unearned income	34,894	51,200
Total current	**34,894**	**51,200**
Non-current		
Unearned income	56,432	60,395
Total non-current	**56,432**	**60,395**
Total contract liabilities	**91,326**	**111,595**

Contract liabilities accounting policies

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

D8 – Employees benefits

	2023 $000	2022 $000
Current		
Annual Leave	76,735	72,651
Long Service Leave	59,290	58,735
Other	14,686	13,804
Total current employee benefits	**150,711**	**145,190**
Non-current		
Long Service Leave	21,827	21,015
Other	3,982	3,820
Total non-current employee benefits	**25,809**	**24,835**
Total employee benefits	**176,520**	**170,025**

Other

Defined contributions (superannuation) expense during the year was $78.286M (2022: $71.451M).

Employee termination benefit expense during the year was $1.523M (2022: $1.448M).

Employee benefits accounting policies

Liabilities for wages and salaries, including annual leave and long service leave that are expected to be settled wholly within 12 months after the end of the period are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Consolidated Statement of Financial Position.

The group has liabilities for long service leave that are not expected to be settled wholly within 12 months after the end of the period. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using corporate bond rate which match, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the Consolidated Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

D9 – Provisions

	2023 $000	2022 $000
Current		
Insurance Provision	4,229	4,526
Other provisions	2,893	3,653
Total current provisions	**7,122**	**8,179**
Non-current		
Insurance Provision	21,807	18,825
Other provisions	9	73
Total non-current provisions	**21,816**	**18,898**
Total provisions	**28,938**	**27,077**

Provisions accounting policies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimated.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Insurance provision critical accounting estimates and judgements

Insurance policies are intended to cover various insurable risks. These policies have a range of deductible/(excess) structures. This provision is made to cover deductibles for medical malpractice claims. The provision is calculated based on an actuarial methodology carried out using quantitative techniques to estimate the likely future payments for losses retained by the Group under existing insurance arrangements. The estimate for the provision is calculated based upon known claims, discounted to reflect net present value, and includes a risk margin.

Section E – Equity

This note provides information about the Group's Equity, including specific information about the following types of equity and reserves:

E1 Reserves

E2 Capital contributions

E3 Members guarantee

E1 – Reserves

Building reserve

The building reserve records buildings and existing assets contributed at Incorporation by the Corporation of the Trustees of the Order of the Sisters of Mercy in Queensland.

Financial assets revaluation reserve

The financial asset revaluation reserve records revaluation movements of investments classified as fair value through other comprehensive income (FVOCI).

Asset revaluation reserve

The asset revaluation reserve records revaluation movements of land and buildings.

E2 – Capital Contributions

Capital contributions records land contributed by the Corporation of the Trustees of the Order of the Sisters of Mercy in Queensland, as a component of the agreement between the Corporation of the Trustees of the Order of the Sisters of Mercy in Queensland, and Queensland Health and MML with respect to the development of the Queensland Children's Hospital.

E3 – Members guarantee

The Company is limited by guarantee. If the Company were wound up, the Constitution states that each member is required to contribute a maximum of $10.00 each towards meeting any outstanding obligations of the Company. At 30 June 2023 the collective liability of members was $10.00 (2022: $10.00). At 30 June 2023 the number of members of the Company was one (1) (2022: 1).

Section F – Cash flow information

F1 – Notes to the consolidated statement of cashflows

(a) Reconciliation of cash

	2023 $000	2022 $000
Cash and cash equivalents	**61,567**	**90,035**

(b) Reconciliation of net surplus to net cash flows from operations

	2023 $000	2022 $000
Net surplus/ (deficit) for the financial year	**(106,401)**	**(64,486)**
Adjustments for:		
Net loss on disposal of property, plant and equipment	96	311
Share of (profit)/loss in investment using the equity method	573	2,939
Share of (profit)/loss in investment in discontinued operation	191	(61)
Net investment income	(1,435)	(2,283)
Depreciation and amortisation	154,248	144,648
Impairment of assets/(reversal)	-	827
Net gain on investment in joint venture	(2,888)	-
Net cash from/(used in) operating activities before changes in assets and liabilities	**44,384**	**81,895**
(Increase)/decrease in trade and other receivables	(13,310)	(23,288)
(Increase)/decrease in contract assets	356	(3,362)
(Increase)/decrease in inventories	4,234	(9,748)
(Increase)/decrease in other assets	(22,781)	(7,070)
Increase/(decrease) in trade and other payables	19,597	7,893
Increase/(decrease) in contract liabilities	(20,269)	24,942
Increase/(decrease) in employee benefits	6,495	4,801
Increase/(decrease) in provisions	1,861	1,508
Net cash from/(used in) operating activities	**20,567**	**77,571**

Section G – Group Structure

This section provides information about the Group's structure and its equity investments.

G1 Subsidiaries

G2 Investment using the equity method

G1 – Subsidiaries

The Group's subsidiaries at 30 June 2023 are set out below. MML is the sole member of these subsidiaries. The proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business. Mater Research Limited and Mater Education Limited are companies limited by guarantee while Mater Foundation is a not-for-profit organisation operating as a charitable trust through a corporate trustee.

Subsidiary	Country of incorporation	Equity interest	
		2023 %	2022 %
Mater Research Limited (MRL)	Australia	100	100
Mater Foundation Limited as Trustee for Mater Foundation (MFL)	Australia	100	100
Mater Education Limited (MEL)	Australia	100	100

Consolidation accounting policies

A controlled entity is any entity over which MML has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered. All subsidiaries as noted above are deemed controlled entities.

All assets and liabilities of MML and the subsidiaries of the Mater consolidated Group have been incorporated into the consolidated financial statements as well as their results for the period then ended. Where controlled entities have entered/left the consolidated Group entity during the year, their operating results have been included/excluded from the date control was obtained/ceased.

All inter-group balances and transactions between entities in the consolidated Group entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

G2 – Investment using the equity method

(a) Investment in associates

Mater Research Ltd has a 25% interest in the Translational Research Institute Trust (TRI), incorporated in Australia, whose principal activities include the provision of clinical and translational research to advance progress from laboratory discovery to application in the community. The voting power of Mater Research Ltd is 25%.

	2023 $000	2022 $000
Carrying amount at 1 July 2022	70,132	73,071
Share of profit/(loss) from TRI during the year	(708)	(2,939)
Carrying amount at 30 June 2023	**69,424**	**70,132**

Group's share of TRI:

	Ownership interest %	Assets $000	Liabilities $000	Revenue $000	Expenses $000	Profit/ (loss) $000
2022	25	77,299	7,167	6,609	9,548	(2,939)
2023	25	77,009	7,585	9,737	10,445	(708)

Investment in associates accounting policy

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition, whereby the Group's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profit and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligation or made payments on behalf of the associate. Upon the associate subsequently making profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(b) Investment in joint venture

(i) Long Drive Queensland

MML had a 50% interest in Long Drive Queensland (LDQ), a joint venture with MyLife Medical Group Pty Ltd (MyLife), whose principal activity is the management of the joint lease in Brookwater Medical Centre.

The joint venture dissolved on 18 February 2023. Financial information relating to the discontinued operation for the for the period to the date of disposal is set out below.

	2023 $000	2022 $000
Carrying amount at 1 July 2022	191	71
Additional capital paid during the period	-	59
Profit/(loss) from discontinued operation	(191)	61
Carrying amount at 30 June 2023	**-**	**191**

G2 – Investment using the equity method (continued)

Group's share of LDQ:

	Ownership interest %	Assets $000	Liabilities $000	Revenue $000	Expenses $000	Profit/ (loss) $000
2022	50	365	204	84	23	61

(ii) Springfield Health Hub

On the 31 October 2022 MML acquired a 20% interest in a commercial real estate site as tenants in common with Home Consortium Property Pty Ltd as Trustee of the Home Consortium Property Trust "HealthCo".

	2023 $000
Carrying amount at 1 July 2022	-
Acquisition of investment	5,099
Gain on Investment	2,888
Share of profit/(loss) from Springfield Health Hub during the year	135
Carrying amount at 30 June 2023	**8,122**

Group's share of Springfield Health Hub:

	Ownership interest %	Assets $000	Liabilities $000	Revenue $000	Expenses $000	Profit/ (loss) $000
2023	20	7	134	263	128	135

Investment in joint venture accounting policy

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Investments in joint ventures in the consolidated financial statements are accounted for by applying the equity method of accounting, whereby the interest in the joint venture is initially recorded at cost and adjusted thereafter for the post acquisition change in the venturer's share of net assets of the jointly controlled entity. The profit or loss of the venture includes the venturer's share of the profit or loss of the jointly controlled entity.

Section H – Unrecognised items

This section of the notes provides information about items that are not recognised in the consolidated financial statements as they currently do not satisfy recognition criteria.

H1 Commitments for expenditure

H2 Contingent liabilities

H3 Economic dependency

H4 Events after the balance sheet date

H1 – Commitments for expenditure

	2023 $000	2022 $000
(a) Capital expenditure contracted but not provided for and payable:		
Due within 1 year	63,055	46,168
Due after 1 year	53,302	7,782
	116,357	**53,950**
(b) Commitments for prize home purchases contracted but not provided for and payable		
Due within 1 year	**14,684**	**47,124**

H2 – Contingent liabilities

The Group has bank guarantees of $2.964M (2022: $2.835M) specific to property leases and a joint venture arrangement. This represents the estimated maximum amounts of the potential contingent liabilities that may become payable. The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future economic outflow will be required or the amount is not capable of reliable measurement.

H3 – Economic dependency

A significant part of the Group involves the operation of licensed private hospitals some of which have contractual obligations to provide public health services. The continuing operation of these hospitals is underpinned by the *Mater Public Services Act 2008* and dependent upon the ongoing financial support of the Queensland Government Health Department. The relationship between the Company and Queensland Health is governed by an over-arching Agreement between the entities. The agreement covers the operation and funding of the public services provided by the Company. Entitled the "Mater Hospital Funding Agreement" the agreement has an initial term of 20 years commencing on 1 July 2002 and has been extended to 31 December 2023. The Company and Queensland Health are currently in negotiations to create a new contemporary agreement commencing 1 January 2024.

In conjunction with the "Mater Hospital Funding Agreement" there will continue to be yearly annual Health Service Agreements with Queensland Health which details the funding required to be provided to the Company by Queensland Health for the provision of public the services in accordance with the agreed Clinical Services Plan. These agreements cover the broad objectives of the parties, as well as high level issues such as the privacy status of medical records, property issues, liability and indemnification, quality and performance criteria, and other similar issues.

The Company also enters into other individual agreements with various Hospital and Health Service entities in Queensland to provide additional public health services.

H4 – Events after the balance sheet date

On 8 September 2023, MML entered into additional loan facilities with the ADF totalling $493M for the construction of Stage 2 of the Mater Hospital Springfield. This follows an agreement with the Queensland State Government to expand healthcare services for people living in Springfield and other parts of Brisbane's Western Corridor. The expanded Mater Hospital will run under an integrated operating model, delivering healthcare services to both public and private patients within the single facility, increasing the total number of beds to 234 with 174 public patient beds and the remainder for private patients. The facility covering the public component of the debt has a 30 year term from commissioning and the facility covering the private component of the debt has a 25 year term from commissioning. The interest rate per the agreement is based on the 90 day BBSY plus a margin. The borrowings are secured over some of MML's South Brisbane assets and subject to a loan to value ratio covenant of no more than 75%. A separate agreement with the Queensland State Government includes the provision of future funding by the Qld State Government for access to the public component of the health services to be delivered as part of Mater Hospital Springfield Stage 2. An up-front capital payment of $43.2m has also been received post balance date and the cap on the public component of the debt and the facility agreement for the public component will both be reduced accordingly.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Section I – Other information

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the consolidated financial statements.

I1 Related party transactions

I2 Key management personnel remuneration

I3 Remuneration of auditors

I4 New or amended Accounting Standards and Interpretations adopted

I5 Taxation

I6 Parent entity information

I1 – Related party transactions

Related party transactions between the Group and related parties are as below.

	Transacting entity	2023 $000	2022 $000
Transactions with owners			
Stewardship payment under the Stewardship Agreement to Mercy Partners	MML	(1,549)	(1,524)
Transactions with other related parties			
Revenue from related party transactions			
During the year funds were recovered towards various expenditure incurred on behalf of the following related parties:			
Mercy Health and Aged Care Central Queensland Ltd	MML	1,959	2,654
Holy Cross Services Ltd	MML	79	-
Total revenue from related parties		**2,038**	**2,654**
Expenses from related party transactions			
During the year laundry and cleaning services were provided to the Group by the following related parties:			
Holy Cross Services Ltd	MML	(19,004)	(16,811)
Holy Cross Services Ltd	MRL	(74)	(35)
Holy Cross Services Ltd	MEL	(56)	(47)
Holy Cross Services Ltd	MFL	(2)	(30)
Total payments to related parties		**19,136**	**16,922**
Transactions with associates and joint ventures			
Other transactions with Long Drive Queensland the joint venture between MML and MyLife	MML	-	(77)
Other transactions with Translational Research Institute Trust	MRL	(7,248)	(9,043)
Total Transactions with associated and joint ventures		**(7,248)**	**(9,120)**

The aggregate amounts receivable from/(payable to) wholly controlled entities and associates by the Company at balance date are:

	Transacting entity	2023 $000	2022 $000
Receivables from related parties			
Holy Cross Services Ltd	MML	1	69
Mercy Health and Aged Care Central Queensland Ltd	MML	334	28
Total receivables from related parties		**335**	**97**
Payables to related parties			
Holy Cross Services Ltd	MML	1,673	861
Holy Cross Services Ltd	MRL	6	6
Holy Cross Services Ltd	MEL	4	-
Translational Research Institute Trust	MRL	1,654	298
Total payables to related parties		**3,337**	**1,165**

I2 – Key management personnel remuneration

Key management personnel are the Directors and determined senior management executives of the Group. With respect to the subsidiary entities of the Group, there is no remuneration paid to the Directors of those Boards. During the financial year the following remuneration was paid to key management personnel.

	2023 $000	2022 $000
Total remuneration	**4,782**	**4,438**

I3 – Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton, the auditor of the Group.

	2023 $000	2022 $000
Audit of the financial statements	367	327
Tax advice	-	25
Other services	22	20
Total remuneration	**389**	**372**

Other services relate to audit and attendance of lottery draws.

I4 – New or amended Accounting Standards and interpretations adopted

There were no new or amended Accounting Standards or Interpretations issued by the Australian Accounting Standards Board (AASB) that impacted the Group during the year.

I5 – Taxation

Goods and Services Tax (GST)

All activities of the entities in the Mater consolidated Group entity are exempt from Commonwealth taxation except for fringe benefits tax (FBT) and goods and services tax (GST).

Income, expenses, assets, and liabilities are recognised net of the amount of associated GST, unless the GST is not recoverable from or remittable to the ATO. In this case, the GST is recognised as part of the cost of acquisition of the asset or in the amount of the expense. Receivables and payables are stated with the amount of GST included, where applicable. The net amount of GST recoverable from, or payable to the ATO is included as part of receivables or payables, respectively, in the consolidated statement of financial position. Cash flows are included in the consolidated statement of cash flows net of the amount of GST. The GST component of cash flows arising from investing activities which is recoverable from or payable to the ATO is classified as part of operating cash flows.

I6 – Parent entity information

Set out below is supplementary information about the parent entity, Mater Misericordiae Ltd.

(a) Statement of profit and loss and other comprehensive income

	2023 $000	2022 $000
Gross income		
Donations and bequests	2,844	8,463
Revenue from providing goods or services	697,191	701,089
Revenue from government including grants	670,100	600,485
Revenue from investments	761	164
Other revenue	63,799	75,914
Total revenue	**1,434,695**	**1,386,115**
Other income	(55)	61
Total gross income	**1,434,640**	**1,386,176**
Expenses		
Employee expenses	(921,133)	(855,179)
Interest expenses	(6,083)	(3,834)
Depreciation and amortisation expense	(153,105)	(143,517)
Other expenses	(486,837)	(470,257)
Total expenses	**1,567,158**	**1,472,787**
Net income		
Net surplus/(deficit)	(132,518)	(86,611)
Other comprehensive income	118,635	121,001
Total comprehensive income	**(13,883)**	**34,390**

(b) Statement of financial position

	2023 $000	2022 $000
Assets		
Total current assets	207,155	214,959
Total non-current assets	2,240,283	2,156,233
Total assets	**2,447,438**	**2,371,192**
Liabilities		
Total current liabilities	335,866	327,675
Non-current loans payable	229,760	82,601
Other non-current liabilities	103,154	168,379
Total non-current liabilities	**332,914**	**250,980**
Total liabilities	**668,780**	**578,655**
Net assets/liabilities	**1,778,658**	**1,792,537**

(c) Commitments for the acquisition of property, plant or equipment

Details of capital commitments are the same as those listed in note H1 except for Mater Foundation commitments of $14.68M (2022: $47.12M).

I6 – Parent entity information (continued)

(d) Contingent liabilities

Details of contingent liabilities are the same as the Group per note H2.

(e) Key management personnel remuneration

Key management personnel are the Directors and determined senior management executives of the Company. During the financial year the following remuneration was paid to key management personnel.

	2023 $000	2022 $000
Total remuneration	**3,878**	**3,588**

(f) Related Parties

Details of related party transactions for the parent entity are set out in note I1.

Directors' declaration

The Directors of Mater Misericordiae Ltd declare that:

(a) the financial statements and notes of the Group as set out in pages 13 to 50 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012,* including:
   (i) complying with Australian Accounting Standards – Simplified Disclosure Requirements (including the Australian Accounting Interpretations and the *Australian Charities and Not-for-profits Commission Act 2012*); and
   (ii) giving a true and fair view of its financial position as at 30 June 2023 and of its performance for the year ended on that date; and

(b) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulations 2022* and a resolution of the Board of Directors of Mater Misericordiae Ltd and its subsidiaries.

On behalf of the Board

Mr Francis Sullivan AO
Chair

Date: 3 November 2023

Mr Chris Townend
Director
Chair Finance and Audit Committee

Date: 3 November 2023

Grant Thornton Audit Pty Ltd
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Brisbane QLD 4000
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Independent Auditor's Report

To the Members of Mater Misericordiae Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Mater Misericordiae Ltd (the "Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, and the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Directors' declaration.

In our opinion, the financial report of Mater Misericordiae Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

b complying with Australian Accounting Standards to the extent described in Section A and Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2022.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Other information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors or the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group'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 the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial report

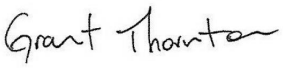
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



M C Bragg
Partner – Audit & Assurance

Brisbane, 3 November 2023

MATER MISERICORDIAE LIMITED

"KB-16"

← Back to Financials & Documents

Annual Information Statement 2024

Legal name:
Mater Misericordiae Limited

ABN:
83096708922

About the charity

Website:
mater.org.au

Charity size:
Large

Is the charity an incorporated association?:
No

Does the Charity intend to fundraise in the next reporting period?:
No

Charity programs

Mater Hospitals - Public & Private

Program classification:
Hospital care

Program locations:
Queensland, Australia

Program beneficiaries:
Early childhood - aged under 6
Children - aged 6 to under 15
Youth - 15 to under 25
Adults - aged 25 to under 65
Adults - aged 65 and over
People with chronic illness (including terminal illness)

Program website:
mater.org.au/health/hospitals

Mater Mothers' - Public & Private Hospitals

Program classification:
Specialty hospital care

Program locations:
Queensland, Australia

Program beneficiaries:
Early childhood - aged under 6
Families
Females

Program website:
mater.org.au/health/hospitals

Catherine's House for Mothers, Babies and Families

Program classification:
Specialty hospital care

Program locations:
Brisbane QLD, Australia

Program beneficiaries:
Early childhood - aged under 6
Families
Females
Males

Program website:
mater.org.au/health/services/catherine-s-house-for-mothers-babies-and-families

Mater Children's Private Hospital

Program classification:
Children's hospital care

Program locations:
Brisbane QLD, Australia

Program beneficiaries:
Early childhood - aged under 6
Children - aged 6 to under 15
Youth - 15 to under 25
Families

Program website:
mater.org.au/health/hospitals/mater-children-s-private-brisbane

Mater Pathology

Program classification:
Pathology

Program locations:
Queensland, Australia

Program beneficiaries:
People with chronic illness (including terminal illness)
General community in Australia

Program website:
mater.org.au/pathology

Mater Pharmacy

Program classification:
Pharmacies

Program locations:
Queensland, Australia

Program beneficiaries:
People with chronic illness (including terminal illness)
General community in Australia

Program website:
mater.org.au/health/services/mater-pharmacy

Mater at Home

Program classification:
Home healthcare

Program locations:
Queensland, Australia

Program beneficiaries:
People with chronic illness (including terminal illness)
People with disabilities
General community in Australia

Program website:
mater.org.au/health/services/mater-at-home

Allied Health

Program classification:
Medical support services

Program locations:
Queensland, Australia

Program beneficiaries:
People with chronic illness (including terminal illness)
People with disabilities
General community in Australia

Program website:
mater.org.au/health/services/allied-health

Description of the charity's activities and outcomes:
For more than a century, Mater has existed to respond to community needs by providing compassionate care to those who need it most and improve the health and wellbeing of individuals and families. Our internationally acclaimed hospital network supports thousands of people each year and comprises of hospitals in South East, Central and North Queensland, pathology, pharmacy, home health care and allied health businesses. Beyond our hospitals, we aim to support individuals in making better choices about their health everyday. We offer a wide range of clinical and non-clinical health services that support the individual both physically and emotionally during their healthcare journey. In delivering the healing ministry of Jesus, in the Catholic and Mercy traditions, we not only respond to, but actively seek to support people disadvantaged by health or social circumstances. We are able to meet these needs by reinvesting any revenue from the business back into the provision of health care services.

Human resources

Human resources:
Full time employees: 3098
Part time employees: 5154
Casual employees: 1900
Full-time equivalent staff (FTE): 6480.46
Estimated number of volunteers: 625

Annual report

Note: If you want to see the financial report or annual report that this charity has submitted, go back to Financials & Documents

Financial Reporting

Charity's 2024 reporting period:
1 July 2023 to 30 June 2024

Type of financial statement:
General purpose financial statements simplified disclosure

Financial report consolidated with more than one entity?:

Yes

Reportable related party transactions in the 2024 reporting period?:
Yes

Types of reportable related party transactions:
Fees paid to a related party for providing goods or services to the charity

Additional details about reportable related party transactions:
Refer Note J1 - Related party transactions. (page 43)

More than one remunerated key management personnel member:
Yes

Number of remunerated key management personnel:
15

Total amount paid to key management personnel:
$3,858,000

Income and Expenses

Comprehensive Income Statement summary

Gross income

Revenue from government including grants	$776,838,000
Donations and bequests	$23,058,000
Revenue from providing goods or services	$727,803,000
Revenue from investments	$675,000
All other revenue	$26,931,000
Total revenue	$1,555,305,000
Other income (for example, gains)	$529,000
Total gross income	$1,555,834,000

Expenses

Employee expenses	$943,357,000
Interest expenses	$9,863,000
Grants and donations made for use in Australia	$0
Grants and donations made for use outside Australia	$0
All other expenses	$727,468,000
Total expenses	$1,680,688,000

Net income

Net surplus/(deficit)	-$124,854,000
Other comprehensive income	$207,897,000
Total comprehensive income	$83,043,000

Balance Sheet extract

Assets

Total current assets	$214,211,000
Non-current loans receivable	$0
Other non-current assets	$2,439,063,000
Total non-current assets	$2,439,063,000
Total assets	$2,653,274,000

Liabilities

Total current liabilities	$345,150,000
Non-current loans payable	$291,297,000
Other non-current liabilities	$94,024,000
Total non-current liabilities	$385,321,000
Total liabilities	$730,471,000

Net assets/liabilities

Net assets/liabilities	$1,922,803,000

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Annual Financial Report 2024

Mater Misericordiae Ltd
and its subsidiaries

ABN 83 096 708 922

mater.org.au

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Corporate information

ABN: 83 096 708 922

Directors

The Directors at the date of this report are:
Mr Patrick Brady (appointed as Chair 1 February 2024, Director since 2019)
Ms Virginia Ryan (Deputy Chair)
Mr Gerard Houlihan
Sr Sandra Lupi
Dr John Rivers
Mr Steven Rubic (appointed 6 November 2023)
Mr Christopher Townend

Company secretary

Ms Lucy Laakso (appointed 1 February 2024)

Registered office and principal place of business

Level 10, 14 Stratton Street, Newstead
Queensland 4006 Australia

Solicitors

Rogencamp and Co. Lawyers

Bankers and Lenders

National Australia Bank Ltd

Australia and New Zealand Bank Ltd

Archdiocesan Development Fund

Northern Australia Infrastructure Facility

Auditor

Grant Thornton Audit Pty Ltd

Directors' report

Introductory statement

The Directors of Mater Misericordiae Ltd (Company) (MML) present their report together with the annual financial report of the MML Group (Group) for the year ended 30 June 2024. MML is a not-for-profit organisation limited by guarantee, incorporated and domiciled in Australia. The annual report was authorised for issue by the Directors on 3 October 2024.

About Mater

MML is a company limited by guarantee and exists to continue the health care mission of the Sisters of Mercy through our Canonical Sponsor Mercy Partners Limited. The Company is registered as a charity under the *Australian Charities and Not-for-Profits Commission Act 2012* (Cth) (or the ACNC Act).

The Company has a single member, being Mercy Partners Limited ACN 656 883 957 (incorporated under the *Corporations Act 2001* (Cth)). Mercy Partners Limited assumed membership of Mater Misericordiae Ltd on 1 September 2022 from Mercy Partners ABN 85 961 861 162.

The Sisters of Mercy established the Mater Hospital in 1906 to care for the sick and needy in the spirit of Christ the Healer. Thls fundamental mission is the overriding organisational driver. As a Catholic company the organisation must be cognisant of, and adhere to, Canon Law. Where conflict between Canon Law and the civil law exists, civil law will prevail.

Our Mission	We serve together to bring God's mercy to our communities through compassionate, transforming, healing ministries.
Our Vision	Empowering people to live better lives through improved health and wellbeing.
Our Values	• We honour and promote the dignity of human life and all creation. • We act with compassion and integrity. • We strive for excellence.

Objectives and principal activities

The principal activity of MML is the operation of Hospital and Health Services and, through our subsidiaries, MML also undertakes education, research and fundraising to support the Mission.

- Our health operations include private hospital and health services and operates public hospital and health services on behalf of Queensland Health.
- Mater Education Limited provides clinical training and staff education and learning support.
- Mater Research Ltd supports clinical researchers and undertakes translational research and is a joint venture partner with the Translational Research Institute.
- Mater Foundation Limited as Trustee for Mater Foundation undertakes fundraising to support our Mission and objectives for MML.

MML monitors its performance through the Board, Board Committees, executive reporting and management against financial and non-financial annual performance targets. The significant public health contract is managed through regular reporting to Queensland Health.

Directors' report (continued)

Strategy

Our strategy compels us to enhance our strength in interventional healthcare through the expansion of our health services in the home and community or development of new business health models addressing the emerging health and wellbeing needs of the community. We are committed to a thriving Mission and will achieve sustainable, relevant, size and scope through growth in profitable business areas to facilitate further investment in strategic innovations, partnerships and service development.

Our strategic vision is directly linked to our Mission focus to support areas of need with commitment to health equity for priority communities including regional and remote, Aboriginal and Torres Strait Islanders, refugees, homeless people, the poor, marginalised and vulnerable.

Significant changes in the state of affairs

There were no significant changes in the state of affairs during the financial year.

Operational and financial review

The net result of the consolidated Group for the year ended 30 June 2024 was a deficit of $102.19m (2023 re-stated: deficit of $110.36m). The operating result before interest, depreciation and amortisation was a surplus of $68.42m (2023 re-stated: surplus of $50.58m).

The consolidated Group recorded revenue from operations for the year ended 30 June 2024 of $1.73bn (2023 re-stated: $1.59bn).

Net assets for the consolidated Group at 30 June 2024 was $2.04bn (2023 re-stated: $1.94bn).

Board and Board Committees

The Board's primary role is to ensure the Company continues to provide health services to the community, faithful to the original mission of the Sisters of Mercy now carried on through Mercy Partners, through the protection and enhancement of the assets of a not for profit organisation.

To assist the Directors in discharging their duties, the Board has a number of long-established board committees including the Clinical and Business Systems Committee, Finance, Risk, Audit and Compliance Committee, Mission Integration, People and Culture Committee and Strategic Development and Sustainable Infrastructure Committee.

Clinical and Business Systems Committee (or CABS)

The primary objective for the Committee is to assist the Board in fulfilling its responsibilities with regard to: clinical risk and safety for Mater; clinical governance framework and its effectiveness; the interface between the core strategic objectives of Mater (in health, education and research); and the business and financial systems which support achieving those objectives.

Finance, Risk, Audit and Compliance Committee (or FRAC)

The primary function of the Committee is to assist the Board in fulfilling its responsibilities with regard to: financial management, reporting and underlying financial and accounting policies; external audit processes; financial budgeting and forecasting activity; risk management (including fraud risk), internal audit activities, internal controls assurance (including over financial risks) and compliance management; ongoing sustainability of MML and its subsidiaries and all Mater services; accounting, reporting and corporate governance matters pertaining to Mater; and Mater meeting its legal, compliance and governance obligations.

Directors' report (continued)

Mission Integration, People and Culture Committee (or MIPC)

The primary function of the Committee is to assist the Board in fulfilling its responsibilities with regard to: reviewing and monitoring how Mater integrates the lived expression of its Mission, Vision and Values; providing oversight of the Human Resources management practices to achieve the Mission and organisational goals; and ensuring that the organisational culture supports the achievement of Mater's strategic objectives.

Strategic Development and Sustainable Infrastructure Committee (or SDSIC)

The primary objective for the Committee is to assist the Board in fulfilling its responsibilities with regard to: strategic decisions and business development opportunities; ensuring that Mater operates consistently with Laudato si'; master planning for all Mater sites; oversight of all major projects; stewardship of all property assets of the ministry; and ensuring that an appropriate governance framework is in place for the management of Mater infrastructure.

Board of Directors

The names of Directors of the Company in office at the date of this report are set out in the table below. Other than Mr Steven Rubic (appointed 6 November 2023), all held office as a Director throughout the year ended 30 June 2024.

Mr Francis Sullivan AO resigned as Board Chair and as a Director on 31 January 2024 and held office from 17 July 2019 to 31 January 2024. Ms Jennifer Parker resigned as a Director on 10 October 2023 and held office from 06 September 2019 to 10 October 2023.

Director name	Director details
Mr Patrick Brady, Chair *BE (Civil) Hons, GAICD, RPEQ, FIPWEAQ, FIE Aust, FUDIA* Appointed 6 September 2019	Mr Brady was appointed to the Mater Misericordiae Limited Board in September 2019 and to the position of Board Chair on 1 February 2024. Mr Brady has over 40 years of experience in the construction industry in metropolitan and regional Queensland, across urban development, public infrastructure, agriculture and mining engineering. Mr Brady is a Founder and Chair of Premise, one of Queensland's leading engineering firms providing engineering, environmental, surveying and planning consulting services from fifteen locations across Australia, Port Moresby and Vietnam. Mr Brady is a Director of Catholic Health Australia Limited. Prior to the 2019 merger of the Queensland Mater hospitals, Mr Brady was Chair of Mater Health Services North Queensland Limited where he also served as a member of the Capital Projects Committee and the Finance Committee. In addition, Mr Brady served as Chairman of the Port of Townsville Limited and the Townsville Branch President of the Urban Development Industry Australia (UDIA). He has also performed board duties with the Townsville CBD Taskforce, Townsville Water Security Taskforce, Townsville Industrial Development Board, DSDMIP, JCU Engineering Advisory Board and the Townsville Crocodiles Basketball Club. Mr Brady holds a Bachelor of Engineering (Civil) (Hons) from Monash University. He is a registered Professional Engineer, a Graduate of the Australian Institute of Company Directors, Fellow of the Institute of Public Works Engineering, Fellow of the Institute of Engineers, and a Fellow of the Urban Development Institute of Australia

Directors' report (continued)

Director name	Director details
Ms Virginia Ryan, Deputy Chair *BA, LLB, DipLegPrac* Appointed 6 September 2019	Ms Ryan was appointed to the Mater Misericordiae Ltd Board in September 2019 and to the position of Deputy Chair in August 2020. Ms Ryan was appointed Board Chair of Mater Foundation Limited in August 2020. Ms Ryan has more than thirty years of experience as a lawyer. Ms Ryan is a Senior Member of the federal Administrative Review Tribunal. Ms Ryan is a Legal Member of the Mental Health Review Tribunal Queensland and an inaugural member of the Tribunal's Reconciliation Working Group. Visiting Queensland Health and private hospital mental health sites throughout Queensland, she interacts with people with mental illness, their families and carers and clinicians. Ms Ryan is a Council Member of Centacare, a Member of Centacare's Practice Governance and Risk Committee and a Director of Loreto Coorparoo Limited. Previously, Ms Ryan has been a Commissioner on the Legal Aid Commission of Queensland, a Board member of an Australian Health Practitioner Regulation Agency National Board, and a member of a Catholic school board, Ms Ryan is the immediate past Deputy President of the Mental Health Review Tribunal Queensland. She has extensive experience in administrative law, having been a member of the Social Security Appeals Tribunal, and the Queensland Civil and Administrative Tribunal. She has been a Registrar in a federal court. Ms Ryan has worked and volunteered in Community Legal Centres including Caxton Legal Centre and Women's Legal Service Queensland and was the Queensland Convenor of the peak body for community legal centres. She has been an accredited mediator, and is committed to fair processes, collaborative decision making and robust and accountable governance. Ms Ryan has degrees in Arts and Law from Sydney University, a Diploma in Legal Practice and was admitted to practice in Queensland in 1989.
Mr Gerard Houlihan Appointed 6 September 2019	Mr Gerard Houlihan was appointed to the Mater Misericordiae Ltd Board in September 2019 and is Chair of the Strategic Development and Sustainable Infrastructure Committee and a member of the Finance, Risk, Audit and Compliance Committee. Mr Houlihan is a lawyer. Mr Houlihan was a Partner of Rees R & Sydney Jones Solicitors, Rockhampton for more than 36 years and continues to serve in a consulting role. Mr Houlihan is highly respected in both the legal and wider community. Mr Houlihan serves as President of the Queensland Rural & Remote Area Fund Incorporated and also on the Directors' Nomination Committee for The Capricornian Ltd (Credit Union). Mr Houlihan's association with the health and aged care ministries of the Sisters of Mercy commenced with his appointment to the General Administrative Committee of the Mater in Rockhampton in 1991. He was later appointed to the then Health Services Board of the Rockhampton Congregation of the Sisters of Mercy in 1994 and he served as Chairman of that Board for five years from 1995 to 2000. When Mercy Health and Aged Care Central Queensland Limited (MH&ACCQL) was incorporated as a separate entity in 2001, He continued as a Director on the MH&ACCQL Board until 2019. Mr Houlihan is a Solicitor of the Supreme Court of Queensland, having been admitted in 1981.

Directors' report (continued)

Director name	Director details
Sr Sandra Lupi RSM *M Soc Admin, BA, Dip T, GAICD* Appointed 2 December 2018	Sr Sandra Lupi RSM was appointed to the Mater Misericordiae Ltd Board in December 2018 and is a member of the Clinical and Business Systems Committee and the Mission Integration, People and Culture Committee. Sr Sandra is a member of the Brisbane Sisters of Mercy and has 15 years of leadership experience in the Congregation. Sr Sandra has extensive experience in leadership and governance in the not-for-profit sector where she led significant governance changes leading to the establishment and formation of incorporated boards in health, education and welfare. Sr Sandra is Chair of Mangrove Housing Ltd and is a member of the Property and Business Development Committee. Sr Sandra was a member of Mercy Partners Council from 2012 to 2017. Sr Sandra received a James Harris Fellow from the Capalaba Lions in 2016 for services to the community. Sr Sandra has a Bachelor of Arts and Master of Social Administration from the University of Queensland, a Diploma of Teaching from McAuley College and is a Graduate of the Australian Institute of Company Directors. Sr Sandra has completed the AICD Director Nexus Program.
Dr John Rivers *BSc(Med), MBBS, FRACP, FCSANZ, Grad Dip AFI, GAICD* Appointed 6 September 2019	Dr John Rivers was appointed to the Mater Misericordiae Ltd Board in September 2019 and is Chair of the Clinical and Business Systems Committee. Dr Rivers is a Cardiologist and an experienced Non-executive Director working in the hospital and health care industry. Dr Rivers has led long term projects for clinical outcomes improvement and medical quality systems with extensive publication on these topics. He is skilled in business planning, business development, risk management, strategic planning, business process improvement, and stakeholder management. Dr Rivers is a Non-executive Director of Wesley Research Institute Limited and Chair of the Research Committee. Dr Rivers is the Non-executive Chair and Chief Medical Advisor of Cardihab Pty Ltd, an e-health enterprise developed by CSIRO. Dr Rivers is an active angel investor with Brisbane Angels and an Associate Editor of the Journal of Medical Internet Research. Prior to the 2019 merger of the Queensland Mater hospitals, Dr Rivers was a Non-executive Director of Mater Health Services North Queensland Limited and served as Chair of the Risk and Quality Committee. Dr Rivers is a former Executive Chair of the former health system regulator, Health Quality & Complaints Commission (now the Office of the Health Ombudsman) and is a former Executive Chair of the Queensland Cardiovascular Group. In addition to his medical qualifications, Dr Rivers holds a Graduate Diploma in Applied Finance & Investment from the Securities Institute of Australia (now the Financial Services Institute of Australasia) and is a Graduate of the Australian Institute of Company Directors.

Directors' report (continued)

Director name	Director details
Mr Steven Rubic Appointed 6 November 2023 *B Health Administration, MBA, FAICD, FACHSM*	Mr Steven Rubic was appointed to the Mater Misercordiae Ltd Board in November 2023 and is Chair of the Mission Integration, People and Culture Committee. Mr Rubic is an experienced Non-Executive Director and an accomplished health care executive, having over 30 years of executive leadership including CEO roles at Healthscope hospital group, I-MED Radiology Network and the St Vincent's & Mater Health Group in Sydney. Mr Rubic is currently a Non-Executive Director of ASX-listed Pacific Smiles Dental Group, TPG private equity owned InvoCare and Catholic Healthcare Limited governing its retirement living and residential aged care business. He also serves as a Mercy Partners Trustee. Mr Rubic has held positions on a number of boards, including the Chris O'Brien Lifehouse, Macquarie University, the Garvan Institute of Medical Research, and Health Industry Superannuation. He also chaired Monte Sant'Angelo Mercy College and the NSW Private Hospitals' Industry Association. Mr Rubic holds a Bachelor of Health Administration from the University of New South Wales and a Master of Business Administration from Macquarie Graduate School of Management. Mr Rubic is a Fellow of both the Australian Institute of Company Directors and the Australasian College of Health Service Management.
Mr Christopher Townend Appointed 1 April 2023 *BA(Hons), MBA(dist.), FCA, FAICD, FGIA, ACCA*	Mr Christopher Townend was appointed to the Mater Misericordiae Ltd Board in April 2023 and is Chair of the Finance, Risk, Audit and Compliance Committee and a member of the Strategic Development and Sustainable Infrastructure Committee. Mr Townend is an accomplished international Non-executive Director experienced in a broad range of business and government structures throughout Australia, New Zealand and the United Kingdom. As a former Chief Financial Officer, Mr Townend brings a blend of strong financial expertise, broad commercial operational experience and a strong governance skillset developed across multiple jurisdictions and industry sectors. Mr Townend is Chair of ThomsonAdsett and a member of the Queensland Regional Council for Chartered Accountants Australia & New Zealand. Mr Townend is a member of the Finance Committee for the Presentation Sisters QLD and serves as a member of the Audit and Risk Committee, and the Finance, Investment and Property Board, for the Uniting Church QLD Synod. Mr Townend is an experienced chair of finance, audit and risk committees and has led the development of enterprise risk frameworks in a number of settings. Previous boards include Uniting Care Queensland, Chartered Accountants Australia & New Zealand, GD Pipelines and Mercy Super. Mr Townend holds a BA(Honours) Business Studies from the Humberside College (UK) and an MBA (distinction) from Massey University (NZ). Mr Townend is a Fellow Chartered Accountant, Fellow of the Australian Institute of Company Directors, Fellow of the Governance Institute of Australia and a member of the Association of Chartered Certified Accountants.

Directors' report (continued)

Company Secretary

The name of the Company Secretary in office at the date of this report is set out in the table below.

Mr Gerard Houlihan resigned as Company Secretary on 1 February 2024. Mr Houlihan held office from 19 April 2023 to 1 February 2024.

Officer Name	Officer Details
Ms Lucy Laakso *Juris Doctor (First Class Honours), GDLP, MBA (specialising in Corporate Governance), BBus, GAICD, FGIA* Appointed 1 February 2024	Ms Lucy Laakso was appointed as Mater Misericordiae Ltd Company Secretary on 1 February 2024. Ms Laakso has extensive experience as a company secretary and corporate lawyer. Ms Laakso has experience in company secretariat, corporate governance, compliance, and risk management across diverse organisations. Her portfolio includes ASX-listed companies, not-for-profits, private entities and government.

Meetings of the Board and Board Committees

The following table outlines – for each Director – the number of meetings attended followed by the number of meetings the Director was eligible to attend.

Directors Name	Board	CABS	FRAC	MIPC	SDSIC
Mr Patrick Brady	11 / 11		5 / 6		2 / 2
Ms Virginia Ryan	11 / 11				
Mr Gerard Houlihan	11 / 11		9 / 12		5 / 5
Sr Sandra Lupi	10 / 11	4 / 5		1 / 1	
Dr John Rivers	11 / 11	5 / 5			
Mr Steven Rubic	6 / 6			1 / 1	
Mr Christopher Townend	11 / 11		12 / 12		2 / 3
Ms Jennifer Parker (resigned 10 October 2023)	3 / 4		4 / 4		
Mr Francis Sullivan AO (resigned 31 January 2024)	6 / 6				

Members guarantee

The Company is limited by guarantee. If the Company were wound up, the Constitution states that each member is required to contribute a maximum of $10.00 each towards meeting any outstanding obligations of the Company. At 30 June 2024 the collective liability of members was $10.00 (2023: $10.00). At 30 June 2024 there is one member being Mercy Partners Ltd (2023: one member).

Directors' report (continued)

Subsequent events

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

Auditor

The Company has appointed Grant Thornton Audit Pty Ltd as external auditor. A copy of the auditor's independence declaration as required under Section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012* (Cth) is set out on page 12.

Signed in accordance with the resolution of the Directors.



Mr Patrick Brady
Chair

Date: 3 October 2024



Mr Christopher Townend
Director
Chair of Finance, Risk, Audit and Compliance Committee

Date: 3 October 2024

Grant Thornton Audit Pty Ltd
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Brisbane QLD 4000
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Brisbane QLD 4001

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Auditor's Independence Declaration

To the Directors of Mater Misericordiae Ltd

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012,* as lead auditor for the audit of Mater Misericordiae Ltd for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M C Bragg

Partner - Audit & Assurance

Brisbane, 3 October 2024

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Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

	Notes	2024 $000	2023 (Restated) $000
Revenue			
Rendering of health services	C1	1,455,018	1,309,147
Sale of goods	C1	95,313	87,423
Other revenue	C1	178,481	189,448
Total revenue		**1,728,812**	**1,586,018**
Expenses			
Employee expenses		(977,278)	(900,345)
Pharmaceutical and medical expenses		(391,824)	(371,520)
Property and maintenance expenses		(79,714)	(66,017)
Catering and domestic expenses		(38,939)	(35,861)
Lottery and Fundraising expenses		(69,837)	(52,349)
Digital expenses		(35,679)	(39,993)
Administration expenses		(66,494)	(69,254)
Net loss on disposal of property, plant and equipment		(627)	(96)
Total operating expenses		**(1,660,392)**	**(1,535,435)**
Operating surplus before interest, depreciation and amortisation		**68,420**	**50,583**
Depreciation and amortisation expense		(165,338)	(154,248)
Finance expenses		(9,862)	(5,935)
Net operating (deficit) for the year		**(106,780)**	**(109,600)**
Share of profit/(loss) in associates and joint ventures	H2	4,557	(573)
Net (deficit) from continuing operations		**(102,223)**	**(110,173)**
Profit/(loss) from discontinued operation	H2	35	(191)
Net (deficit) for the year		**(102,188)**	**(110,364)**
Net change in fair value of investments		1,659	2,315
Revaluation of land and buildings	E4	207,897	118,628
Total other comprehensive income		**209,556**	**120,943**
Total comprehensive income attributable to the owners		**107,368**	**10,579**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes. Refer to Section B for information on restatement of comparatives.

Consolidated statement of financial position

As at 30 June 2024	Notes	2024 $000	2023 (Restated) $000
Assets			
Current assets			
Cash and cash equivalents	**D2**	90,886	61,567
Trade and other receivables	**D3**	93,338	102,460
Contract assets	**D4**	40,608	40,120
Inventories	**E1**	47,727	48,086
Investments	**D5**	39,496	31,425
Other assets	**E3**	22,491	21,271
		334,546	304,929
Non-current assets classified as held for sale	**E2**	13,095	14,239
Total current assets		**347,641**	**319,168**
Non-current assets			
Property, plant and equipment	**E4**	2,200,590	1,978,335
Inventories	**E1**	18,893	13,714
Intangible assets	**E6**	68,824	71,718
Investments using the equity method	**H2**	81,962	77,546
Right of use assets	**E5**	69,676	88,509
Other assets	**E3**	1,044	467
Total non-current assets		**2,440,989**	**2,230,289**
Total assets		**2,788,630**	**2,549,457**
Liabilities			
Current liabilities			
Trade and other payables	**D6**	155,014	139,343
Loans and borrowings	**D7**	10,328	8,707
Contract liabilities	**E7**	32,476	30,212
Employee benefits	**E8**	150,690	150,711
Provisions	**E9**	10,110	7,122
Total current liabilities		**358,618**	**336,095**
Non-current liabilities			
Loans and borrowings	**D7**	291,296	229,414
Contract liabilities	**E7**	43,200	-
Employee benefits	**E8**	28,325	25,809
Provisions	**E9**	23,500	21,816
Total non-current liabilities		**386,321**	**277,039**
Total liabilities		**744,939**	**613,134**
Net assets		**2,043,691**	**1,936,323**
Equity			
Building reserve	**F1**	240,478	240,478
Financial asset revaluation reserve	**F1**	3,099	1,440
Asset revaluation reserve	**F1**	906,369	761,117
Capital contributions	**F2**	27,643	27,643
Accumulated surplus		866,102	905,645
Total equity		**2,043,691**	**1,936,323**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes. Refer to Section B for information on restatement of comparatives.

Consolidated statement of changes in equity

As at 30 June 2024

	Building reserve $000	Financial asset revaluation reserve $000	Asset revaluation reserve $000	Capital contributions $000	Accumulated surplus $000	Total equity $000
Balance at 1 July 2022	**240,478**	**(875)**	**775,904**	**27,643**	**817,517**	**1,860,667**
Change in accounting policy - Transfers **(Refer Section B)**	**-**	**-**	(75,657)	**-**	75,657	**-**
Prior year adjustment **(Refer Section B)**	**-**	**-**	**-**	**-**	65,077	65,077
Restated balance as at 1 July 2022	**240,478**	**(875)**	**700,247**	**27,643**	**958,251**	**1,925,744**
Balance at 1 July 2022	240,478	(875)	700,247	27,643	958,251	1,925,744
Net (deficit) for the year (restated)	-	-	-	-	(110,364)	(110,364)
Change in accounting policy - Transfers **(Refer Section B)**	-	-	(57,758)	-	57,758	-
Other comprehensive income for the year	-	2,315	118,628	-	-	120,943
Total comprehensive income for the year	**-**	**2,315**	**60,870**	**-**	**(52,606)**	**10,579**
Restated balance at 30 June 2023	**240,478**	**1,440**	**761,117**	**27,643**	**905,645**	**1,936,323**
Balance at 1 July 2023	**240,478**	**1,440**	**761,117**	**27,643**	**905,645**	**1,936,323**
Net (deficit) for the year	-	-	-	-	(102,188)	(102,188)
Transfers **(Refer F1)**	**-**	-	(62,645)	**-**	62,645	**-**
Other comprehensive income for the year	-	1,659	207,897	-	-	209,556
Total comprehensive income for the year	**-**	**1,659**	**145,252**	**-**	**(39,543)**	**107,368**
Balance at 30 June 2024	**240,478**	**3,099**	**906,369**	**27,643**	**866,102**	**2,043,691**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes. Refer to Section B for detailed information on restatement of comparatives.

Consolidated statement of cash flows

For the year ended 30 June 2024

	Notes	2024 $000	2023 $000
Cash flows from operating activities			
Receipts in the course of operations		1,751,250	1,650,705
Payments in the course of operations		(1,645,029)	(1,626,638)
Interest received		1,908	2,435
Interest paid		(9,862)	(5,935)
Net cash flows from operating activities	**G1**	**98,267**	**20,567**
Cash flows from investing activities			
Payments for property, plant and equipment		(172,185)	(95,055)
Payments for intangibles		-	(260)
Payments for investments		(5,106)	(5,099)
Proceeds from investments		774	-
Capital contribution received		43,200	-
Proceeds from disposal of property, plant and equipment		10,055	-
Net cash flows used in investing activities		**(123,262)**	**(100,414)**
Cash flows from financing activities			
Proceeds from borrowings		550,457	217,577
Repayment of borrowings		(487,848)	(158,846)
Payment of lease liabilities		(8,295)	(7,352)
Net cash flows from financing activities		**54,314**	**51,379**
Net increase/(decrease) in cash and cash equivalents		**29,319**	**(28,468)**
Cash and cash equivalents at the beginning of the year		61,567	90,035
Cash and cash equivalents at the end of the year	**D2**	**90,886**	**61,567**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

For the year ended 30 June 2024

Section A – Basis for financial statement preparation

Introduction

These consolidated financial statements comprise Mater Misericordiae Ltd (MML) (the Company) and its controlled entities (the Group). MML is a not-for-profit company limited by guarantee incorporated and domiciled in Australia. The ultimate parent entity of MML is Mercy Partners Limited.

The consolidated financial statements for the year ended 30 June 2024 were authorised for issue on 3 October 2024 in accordance with a resolution of the Board of Directors.

Compliance with prescribed requirements

This financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosure Requirements issued by the Australian Accounting Standard Board (AASB), other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-Profits Commission Act 2012* (Cth).

The material accounting policies adopted in the preparation of these consolidated financial statements have been included in the relevant notes. These policies have been consistently applied for all years presented unless otherwise stated.

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs unless the application of fair value, present value, or net realisable value is required by the relevant accounting standard or as nominated in the notes to the consolidated financial statements.

Assets and liabilities are classified as either 'current' or 'non-current' in the consolidated statement of financial position and the associated notes. Assets are classified as current where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or there is not an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 or, where the amount is less than $500, to zero, unless disclosure of the full amount is specifically required and are presented in Australian dollars.

Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Accounting Standards or as a result of changes to consistently align presentation for all Group entities.

Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Information about material judgements, estimates and assumptions that have the most material effect on recognition and measurement of assets, liabilities, income and expenses is provided within the relevant note.

Going concern

The financial statements have been prepared on the going concern basis. As at 30 June 2024, the Group's current liabilities exceed current assets by $11.0m (2023 Restated: $17.0m). Included within current liabilities, and contributing to the deficiency in net currents assets, is the following:

- Employee benefits amounting to $150.7m (2023: $150.7m) for which $56.7m (2023: $59.3m) relates to long service leave vested, of which $41.8m is not expected to be paid within 12 months from balance date; and
- Contract liabilities amounting to $32.5m (2023 Restated: $30.2m) which represents payments received in advance for performance obligations to be completed in future periods, rather than cash expected to be paid out.

The Group has considerable financial resources together with ongoing contracts with a number of Government and non-Government entities. The group has $2.2bn (2023: $2.0bn) in property plant and equipment and generated net operating cash flows from operating activities of $98.2m (2023: $20.6m). The Group has the ability to manage investing cashflows to moderate cash available.

Management have assessed the future estimated cashflows for going concern and as a consequence, the Directors believe that the Group is well placed to manage its financial sustainability risks. After making enquiries the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for a minimum of 12 months from the date of signing this report. Accordingly, they continue to adopt the going concern basis in preparing the financial report. Refer to note I3 for further information relating to economic dependency.

Section B – Restatement of comparatives

Prior period adjustment – review of contract liabilities

The review of contract liabilities relating to the construction of non-financial assets, resulted in judgements relating to performance obligations and revenue recognition applied in prior years being re-assessed. The performance obligations under the arrangements should have been the construction of the related assets rather than the ongoing performance obligations related to the performance of the hospitals. As the construction is complete, an adjustment of $65.1m has been made through prior year accumulated surplus (at the beginning of the earliest comparative period being 1 July 2022) to fully release the contract liabilities in relation to the capital funding received. The restatement has also been reflected to amend the balances as at the end of the comparative period, being 30 June 2023.

Change in accounting policy – asset revaluation reserve movements relating to buildings held at fair value

The Group has previously transferred all of the asset revaluation reserve to accumulated surplus on ultimate disposal of the assets. From 1 July 2023, the Group has elected to change its accounting policy to transfer a relevant portion of the revaluation reserve relating to building assets to accumulated surplus as the asset is depreciated, with the balance being transferred on ultimate disposal.

The change in accounting policy has resulted in a restatement of comparative periods with a retrospective adjustment between the asset revaluation reserve and accumulated surplus (at the beginning of the earliest comparative period presented being 1 July 2022) amounting to $75.7m and a retrospective adjustment relating to the year ended 30 June 2023 amounting to $57.7m with a cumulative adjustment being $133.4m.

The tables below show the applicable adjustments that have been made to the prior year comparative.

Consolidated statement of profit or loss and other comprehensive income

Extract	2023 Reported $'000	Adjustment $'000	2023 (Restated) $'000
Rendering of Services	1,313,110	(3,963)	1,309,147
Sale of goods	87,423	-	87,423
Other revenue	189,448	-	189,448
Total revenue	**1,589,981**	(3,963)	**1,586,018**
Total operating Expenses	**1,535,435**	-	**1,535,435**
Operating surplus before interest, depreciation & amortisation	54,546	(3,963)	50,583
Net (operating deficit) for the year	**(105,637)**	**(3,963)**	**(109,600)**
Share of (loss) in associates and joint ventures	(573)	-	(573)
Net (deficit) from continuing operations	**(106,210)**	**(3,963)**	**(110,173)**
(Loss) from discontinued operation	(191)	-	(191)
Net (deficit) for the year	**(106,401)**	**(3,963)**	**(110,364)**
Total other comprehensive income	120,943	-	120,943
Total comprehensive income attributable to the owners	**14,542**	**(3,963)**	**10,579**

Consolidated Statement of financial position at the beginning of the earliest comparative period

Extract	1 July 2022 Reported $'000	Adjustment $'000	1 July 2022 (Restated) $'000
Total Assets	**2,445,573**	**-**	**2,445,573**
Contract Liability Current	51,200	(4,682)	46,518
Contract Liability Non-Current	60,395	(60,395)	-
Total Liabilities	**584,906**	**(65,077)**	**519,829**
Net Assets	**1,860,667**	**65,077**	**1,925,744**
Equity			
Asset revaluation reserve	775,904	(75,657)	700,247
Accumulated surplus	817,517	140,734	958,251
Total equity	**1,860,667**	**65,077**	**1,925,744**

Consolidated Statement of financial position at the end of the earliest comparative period

Extract	2023 Reported $'000	Adjustment $'000	2023 (Restated) $'000
Total Assets	**2,549,457**	**-**	**2,549,457**
Contract Liability Current	34,894	(4,682)	30,212
Contract Liability Non-Current	56,432	(56,432)	**-**
Total Liabilities	**674,248**	**(61,114)**	**613,134**
Net Assets	**1,875,209**	**61,114**	**1,936,323**
Equity			
Asset revaluation reserve	894,532	(133,415)	761,117
Accumulated surplus	711,116	194,529	905,645
Total equity	**1,875,209**	**61,114**	**1,936,323**

Section C – Financial performance

C1 – Revenue

The Group derives the following types of revenue:

	2024 $000	2023 (Restated) $000
Rendering of health services	1,455,018	1,309,147
Sale of goods	95,313	87,423
Revenue from providing goods and services	**1,550,331**	**1,396,570**
Lottery income	112,482	89,777
Fundraising and donation income	32,050	31,099
Rental income	17,716	17,732
Investment income	1,930	1,709
Interest income	3,187	2,435
Other revenue	11,116	46,696
Total other revenue	178,481	189,448
Total revenue	**1,728,812**	**1,586,018**

Revenue accounting policies

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. When there is no identified performance obligation identified within a contract, income is recognised at the time when the Group gains controls over the assets.

The disaggregation of revenue from contracts with customers is as follows:

	2024 $000	2023 (Restated) $000
Timing of revenue recognition:		
Goods transferred at a point in time	95,313	87,423
Services transferred over time	1,455,018	1,309,147
Revenue from providing goods and services	**1,550,331**	**1,396,570**

C1 – Revenue (continued)

Revenue is recognised for the major business activities as follows:

(a) Rendering of health services

Revenue from a contract with a customer to provide services is recognised over the period in which the services are rendered.

(b) Sale of goods

Revenue from the sale of goods is recognised at the point in time the performance obligation is satisfied which is generally when control of the goods passes to the customer.

(c) Lottery income

Lottery income includes revenue from various lottery draws. This revenue is recognised when the lottery is drawn as the Group's performance obligation has been fulfilled.

(d) Fundraising and donation income

Fundraising income includes revenue from fundraising events and projects. This revenue is recognised when the fundraising project is completed, or the event has taken place.

(e) Investment income

Investment income is comprised of dividend income including imputation credits, distributions from managed unit trusts and realised and unrealised gain/losses on investments. Dividends and distributions are recognised when received.

(f) Interest income

Interest income is recognised on a proportional basis considering applicable interest rates.

(g) Other Revenue

Government subsidies and grants

Government subsidies and grants are recognised in profit or loss when performance obligations stated within the funding agreements are satisfied. If conditions are attached to the grant which must be satisfied before the Group is eligible to retain the contribution, the grant will be recognised in the consolidated statement of financial position as a contract liability until those conditions are satisfied. Where there is no identified contractual performance obligation income is recognised at the time when funds are received.

Capital contributions

Revenue is recognised on the receipt of contributions where no contractual obligations have been established, or where contractual obligations have been established, over the life of their fulfilment, on a straight-line basis.

Section D – Financial assets and financial liabilities

D1 – Categories of financial instruments

	Note	2024 Current $000	2024 Non-current $000	2024 Total $000	2023 Current $000	2023 Non-current $000	2023 Total $000
Financial assets							
Financial assets at amortised cost:							
Cash and cash equivalents	D2	90,886	-	90,886	61,567	-	61,567
Trade and other receivables	D3	93,338	-	93,338	102,460	-	102,460
Investments	D5	86	-	86	82	-	82
Financial assets at FVOCI:							
Investments	D5	4,569	-	4,569	2,260	-	2,260
Financial assets at FVPL:							
Investments	D5	34,841	-	34,841	29,083	-	29,083
Total financial assets		**223,720**	**-**	**223,720**	**195,452**	**-**	**195,452**
Financial liabilities							
Financial liabilities at amortised cost:							
Trade and other payables	D6	155,014	-	155,014	139,343	-	139,343
Loans and Borrowings	D7	10,328	291,296	301,624	8,707	229,414	238,121
Total financial liabilities		**165,342**	**291,296**	**456,638**	**148,050**	**229,414**	**377,464**

Financial instrument accounting policies

(a) Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liabilities are derecognised when they are extinguished, discharged, cancelled or expired.

D1 – Categories of financial instruments (continued)

(b) Classification and measurement of financial assets

(i) Initial measurement

Financial assets are measured at fair value adjusted by transaction costs (where applicable) and for the purpose of subsequent measurement are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL), or
- fair value through other comprehensive income (FVOCI).

Classifications are determined by both:

- the Group's business model for managing the financial asset.
- the contractual cash flow characteristics of the financial assets.

(ii) Financial Assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Group's cash and cash equivalents, trade and other receivables and investments on term deposits with maturity greater than 3 months fall into this category of financial instruments.

(iii) Financial assets at fair value through profit or loss (FVPL)

Assets in this category are measured at fair value with gains or losses recognised in the profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions.

The Group has financial assets in the form of investments in managed investment unit trusts (that are not available for the irrevocable election through OCI) that are applicable to this category.

(iv) Financial assets at fair value through other comprehensive income (FVOCI)

Investment in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Realised gains and losses and dividends from these investments continue to be recorded as investment income within the profit or loss unless the dividend clearly represents return of capital. Mater Foundation, a subsidiary of MML, has made this election to account for its investments in equity instruments as financial assets at FVOCI.

(c) Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

The Group's financial liabilities include trade and other payables and loans and borrowings. All interest-related charges that are reported in profit or loss are included within finance expenses.

(d) Impairment

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

D1 – Categories of financial instruments (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12 month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured based on the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

With respect to trade receivables and contract assets, the Group makes use of a simplified approach and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Group uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

D2 – Cash and cash equivalents

	2024 $000	2023 $000
Cash on hand	92	93
Cash at bank	89,909	60,589
Short term deposits	885	885
Total cash and cash equivalents	**90,886**	**61,567**

Cash and cash equivalents are measured at amortised cost and include cash on hand, cash at bank and other short-term highly liquid financial assets with original maturities of three months or less that are readily convertible to known amounts of cash.

Included in the above cash at bank is $7.4m (2023: $8.5m) of restricted funds for a hospital capital works project.

D3 – Trade and other receivables

	Notes	2024 $000	2023 $000
Trade receivables		98,685	106,907
Related party receivables	J1	498	335
Other receivables		170	190
Less: expected credit losses		(6,015)	(4,972)
Total trade and other receivables		**93,338**	**102,460**

Trade and other receivables accounting policies

Trade and other receivables are measured at amortised cost less expected credit losses. Trade receivables are reviewed on an ongoing basis and debts known to be uncollectible are written off when there is no reasonable expectation of recovery. Expected credit losses are measured in accordance with accounting policy outlined in note D1.

D4 – Contract assets

	2024 $000	2023 $000
Current		
Patient billing in progress	40,608	40,120
Total contract assets	**40,608**	**40,120**

Contract assets accounting policies.

Contract assets are recognised when the Group has transferred goods or services to the customer but is yet to establish an unconditional right to the consideration. Contract assets relate to private inpatient stays for which an invoice has not yet been raised at balance date. Expected credit losses are measured in accordance with accounting policy outlined in note D1.

D5 – Investments

	2024 $000	2023 $000
Current		
Financial assets at fair value through other comprehensive income (FVOCI)	4,569	2,260
Financial assets at fair value through profit and loss (FVPL)	34,841	29,083
Term deposits at amortised cost	86	82
Total investments	**39,496**	**31,425**

Financial assets at FVOCI and financial assets at FVPL represent listed equity instruments and managed unit-trusts in accordance with the accounting policy in D1.

Term deposits held under investments have maturity terms greater than 3 months.

D6 – Trade and other payables

	Notes	2024 $000	2023 $000
Current			
Trade payables		84,669	84,438
Other payables and accruals		66,557	51,568
Related party payables	J1	3,788	3,337
Total trade and other payables		**155,014**	**139,343**

Trade and other payables accounting policies

Trade and other payables are measured at amortised cost and are recognised for unpaid goods or services for which the Group has a present obligation to make payment.

Trade payables are unsecured and are usually paid within 30 days of recognition.

D7 – Loans and borrowings

	2024 $000	2023 $000
Current		
Borrowings	188	753
Lease liabilities	10,140	7,954
Total current loans and borrowings	**10,328**	**8,707**
Non-current		
Borrowings	205,949	142,766
Lease liabilities	85,347	86,648
Total non-current loans and borrowings	**291,296**	**229,414**
Total loans and borrowings	**301,624**	**238,121**

Loans and borrowings accounting policies

(a) Interest bearing borrowings.

All borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve (12) months after the balance date.

(b) Borrowing costs

Borrowing costs are expensed as incurred. Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

(c) Lease liabilities.

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to the profit or loss if the carrying amount of the right-of-use asset is fully written down.

Lease liabilities critical accounting estimates and judgements

Where leases contain renewal options the lease liability value and term are adjusted where management believes the exercise of the option is reasonably certain to occur.

D7 – Loans and borrowings (continued)

Debt facilities in use and available for use

At balance date, the Group has the following loan facilities:

(i) A general facility with the ADF totaling $130.0m of which $86.9m is drawn down at balance date. The facility has a 10-year term, expiring in July 2029 and the interest rate per the agreement is based on the 90-day BBSY rate plus a margin. The borrowing is secured over various land and buildings and subject to a loan to value ratio covenant. At 30 June 2024, the Group has determined that it is not in breach of the covenant.

(ii) The Group entered into additional loan facilities on 8 September 2023 with the ADF totaling $493.0m for the construction of Stage 2 of the Mater Hospital Springfield development (refer note E4(f)). The facility covering the public component of the debt has a 30 year term from commissioning and totals $439.0m with $87.7m drawn down at balance date. The facility covering the private component of the debt has a 25-year term from commissioning and totals $54.0m with $13.8m drawn down at balance date. The interest rate per the agreements is based on the 90-day BBSY plus a margin. The borrowings are secured over various land and buildings and subject to a loan to value ratio covenant. At 30 June 2024, the Group has determined that it is not in breach of the covenant.

(iii) A facility with the Northern Australia Infrastructure Facility (NAIF) totaling $19.8m of which $17.5m is drawn down at balance date. The facility has a 20-year term, expiring in October 2040 and the interest rate per the agreement is a fixed rate equal to the government bond rate for the weighted average tenor applicable at the date of the facility agreement plus a margin. The borrowing is secured over a single land and building held by the Group. This loan is subject to various financial covenants assessed on a half yearly basis. At 30 June 2024, the Group has determined that it is not in breach of the covenants.

	2024 $000	2023 $000
Total facilities available:		
Borrowings	642,937	149,750
Guarantee facilities	3,966	3,966
	646,903	**153,716**
Facilities utilised at balance date:		
Borrowings	206,137	143,519
Guarantee facilities	2,816	2,964
	208,953	**146,483**
Facilities not used at balance date:		
Borrowings	436,800	6,231
Guarantee facilities	1,150	1,002
	437,950	**7,233**

D7 – Loans and borrowings (continued)

Lease liabilities maturity analysis

The following table represents the Group's contractual maturities of lease liabilities. Contractual cash flows are at undiscounted values. Accordingly, these values may not agree to the carrying amount.

	2024 $000	2023 $000
Less than 1 year	10,083	9,560
1 to 5 years	41,481	42,695
More than 5 years	42,513	63,291
Total undiscounted lease liabilities	**94,077**	**115,546**

Section E – Non-financial assets and liabilities

E1 – Inventories

	2024 $000	2023 $000
Current		
Medical supplies	24,160	23,329
Pharmaceutical supplies	5,578	5,394
Engineering spares	430	478
Lottery prize inventory	18,177	16,171
Other inventories	832	2,714
Less impairment provision	(1,450)	-
Total current inventories	**47,727**	**48,086**
Non-Current		
Lottery prize inventory	18,893	13,714
Total non-current inventories	**18,893**	**13,714**
Total inventory	**66,620**	**61,800**

Lottery prize inventory

Lottery prize inventory relates to the cost of houses and land under construction plus completed house packages for future lotteries. These properties are expensed as prize costs when the relevant lottery is drawn. Non-current inventory represents properties that are not expected to be realised within 12 months of the reporting period.

Inventory accounting policies.

Inventories are stated at the lower of cost or net realisable value. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

The cost of inventories is assigned as follows:

- Medical supplies, pharmaceutical supplies and engineering spares – weighted average cost
- Lottery prize – amortised cost

E2 – Non-current assets classified as held for sale

	2024 $000	2023 $000
Land and buildings – at carrying value	13,095	14,239
	13,095	**14,239**

A contract of sale for various land and buildings was executed on 21 December 2022 and is subject to various statutory approvals and a development application. The sale continues to be assessed by Management as highly probable and is expected to be completed within 12 months of balance date.

On 21 November 2023 the group completed the sale of one block of land and 2 buildings in Yeppoon with a fair value of $1.258m.

Non-current Assets held for sale accounting policies.

Non-current assets are classified as held for sale and measured at the lower of carrying amount and fair value less costs to sell, if the carrying value will be recovered principally through a sale transaction rather than through continuing use. They are presented separately from other assets in the balance sheet and are not depreciated or amortised while they are classified as held for sale.

E3 – Other assets

	2024 $000	2023 $000
Current		
Prepayments – lottery and fundraising	7,977	5,574
Prepayments – other	14,514	15,697
Total current other assets	**22,491**	**21,271**
Non-current		
Prepaid land rental	-	467
Prepayments – other	1,044	-
Total non-current other assets	**1,044**	**467**
Total other assets	**23,535**	**21,738**

E4 – Property, plant, and equipment

	2024 $000	2023 $000
Land and buildings		
At valuation	1,847,656	1,739,096
	1,847,656	**1,739,096**
Leasehold improvements		
At cost	25,006	9,346
Accumulated depreciation	(8,723)	(4,878)
	16,283	**4,468**
Plant and equipment		
At cost	447,115	399,350
Accumulated depreciation	(304,875)	(275,434)
	142,240	**123,916**
Capital work in progress		
At cost	194,411	110,855
Total property, plant and equipment written down value	**2,200,590**	**1,978,335**

Capitalised interest of $4.98M (2023: $861k) was taken up in property, plant and equipment during the financial year. Property pledged as security for borrowings is $947m (2023: $869m).

Movement in the carrying amount is set out below:

	Land and buildings $000	Leasehold improvements $000	Plant and equipment $000	Capital work in progress (CWIP) $000	Total $000
At 1 July 2023	1,739,096	4,468	123,916	110,855	1,978,335
Additions	6,162	-	-	173,247	179,409
Transfers from CWIP	22,106	15,660	51,925	(89,691)	-
Transfer Asset classification	1,454	-	(1,454)	-	-
Depreciation charge	(117,400)	(3,845)	(31,760)	-	(153,005)
Disposals	(11,659)	-	(387)	-	(12,046)
Increase in asset revaluation reserve	207,897	-	-	-	207,897
At 30 June 2024	**1,847,656**	**16,283**	**142,240**	**194,411**	**2,200,590**

E4 – Property, plant and equipment (continued)

Property, plant and equipment accounting policies

(a) Recognition and measurement

Property, plant and equipment are initially recorded at their cost of acquisition, being the fair value of the consideration provided plus costs incidental to the acquisition and all other costs incurred to bring the asset to a state where it is ready for use. An asset recognition threshold of $10,000 exists.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

Costs incurred subsequent to initial acquisition are added to an asset's carrying amount if they increase the service potential or useful life of that asset.

Property

Land and buildings are initially recognised at cost and subsequently carried at their revalued amount or fair value.

Other plant and equipment

All other plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment.

(b) Valuations

The fair value of land and buildings are assessed on an annual basis by an independent professional valuer. Comprehensive valuations are undertaken at least every four years, however if a particular asset class experiences significant and volatile changes to their fair value, that class is subject to specific appraisal in the reporting period, regardless of when the last specific appraisal occurred. Where assets have not been specifically appraised in the reporting period, previous valuations are kept materially up to date through either desktop valuations or the application of relevant indices, provided by the Valuer. Such indices are either publicly available or derived from market information available to the Valuer. Management assesses and confirms the relevance and suitability of indices provided by the Valuer. Revaluation increments are credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. In that case it is recognised as income. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to accumulated surplus.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price), regardless of whether the price is directly derived from observable inputs or estimated using another valuation technique. The two approaches used by the Group to determine fair value is either the market value approach or cost approach (current replacement cost), depending on the nature and use of the land and buildings. Market value relies on the availability of sales evidence and using the direct comparison method. Assets valued under this method include land and buildings for which there is market evidence available and includes land and buildings in a commercially or residentially zoned area. The cost approach reflects the amount that would be required to currently replace the service capacity of an asset and where the market approach is not suitable. Assets for which the current replacement cost approach is used by the Group include specialised assets such as Hospitals and hospital sites and associated facilities.

Land and buildings at fair value are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- Level 1: fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities.

E4 – Property, plant and equipment (continued)

- Level 2: fair value measurements that are substantially derived from inputs (other than quoted prices included in level 1) that are observable, either directly or indirectly; and
- Level 3: fair value measurements that are substantially derived from unobservable inputs.

None of the Group's land and buildings fall within level one. Land and buildings for which there is comparable sales data or commercial use in nature fall within level 2, with specialised hospital and medical facilities and the land on which they sit falling within level 3.

During the financial year, Marsh Pty Ltd (Marsh) was engaged to provide a valuation of land and buildings as at 30 June 2024. This was completed through comprehensive and indexed valuation approaches. The valuation resulted in a revaluation increment of $207.9m (2023: $118.6m).

(c) Depreciation

Property, plant and equipment is depreciated on a straight-line basis over their estimated useful lives as follows:

- Buildings (structure) – 35 to 50 years
- Buildings (systems) – 15 to 35 years
- Buildings (fit-out and others) – 15 years
- Leasehold improvements – 5 to 15 years
- Plant and equipment – 5 to 15 years.

Asset residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, on an annual basis. When changes are made, adjustments are reflected prospectively in the current and future period only.

(d) Impairment

All non-current assets are assessed for indicators of impairment on an annual basis. If the carrying value of the asset is greater than its estimated recoverable amount, then its carrying value is written down immediately to its recoverable amount.

(e) Derecognition

Property, plant and equipment assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any resulting gain or loss is represented by the difference between the proceeds, if any, and the carrying amount of the asset and is recognised in the profit or loss.

(f) Mater Springfield Hospital Stage 2 Development

Mater has partnered with Queensland Health (QH) to deliver the Stage 2 expansion of the Mater Springfield Hospital. This follows an agreement with the Queensland State Government to expand healthcare services for the community of Springfield and Brisbane's Western Corridor. The expanded Mater Hospital will run under an integrated operating model, delivering healthcare services to both public and private patients, increasing the total number of beds to 234 of which 174 are for public patients.

The Services Framework Agreement (SFA) outlines the terms of service between Mater and QH for the construction of the hospital and delivery of healthcare services. The agreement runs for a term of 30 years with two 10-year option periods exercisable at the discretion of QH.

In accordance with the SFA, the Mater is solely responsible for commissioning the construction project to deliver a hospital that is fit for purpose. Upon completion of the build, the Mater has operational and management control over the hospital area and is responsible for delivering the Services as specified in the SFA. The SFA also provides that Mater may elect to pursue commercial opportunities at or associated with the hospital.

E4 – Property, plant and equipment (continued)

The revenue streams under the arrangement include an upfront capital contribution from QH and monthly facility payments from commencement of services. The contract terms have been assessed as having one single performance obligation, being the completion of construction of the public portion of the hospital. The payment process under this contract was developed recognising Maters downstream debt payment arrangements used to fund the cost of delivering the hospital. (Refer note D7(d)(ii)).

Key estimates and judgements

Management has considered the arrangement and its applicability under *Interpretation 12 Service Concession Arrangements,* and determined the arrangement does not meet the service concession criteria. The Group controls the hospital building including any significant residual interest at the end of the term of the arrangement and that the useful life of the hospital building is anticipated to exceed the duration of the arrangement.

Revenue has been accounted for under *AASB 1058 Income of Not-for-Profit Entities*, relating to the construction of a recognisable non-financial asset to be controlled by the Group. In accordance with the Accounting Standards, the Group has applied the principles of *AASB 15 Revenue from Contracts with Customers*, and concluded that during the development phase, the Group does not meet the criteria to recognise revenue over-time and therefore revenue will be recognised in the profit or loss at the point in time when Mater have completed the development and delivered a hospital that is fit for purpose.

Total expenditure incurred to date including finance costs total $137.8m and is reflected as capital work in progress at 30 June 2024.

Property, plant and equipment other critical accounting estimates and judgements

(a) Carrying value of non-current assets assessed for indicators impairment

The Group makes a formal estimate of recoverable amount when an indicator of impairment exists.

(b) Depreciation

The Group reviews useful life assumptions on an annual basis having given consideration to variables including historical and forecast usage rates, technological advancements and changes in legal and economic conditions.

(c) Valuation

The Group seeks independent advice annually from a professional valuation expert. Assumptions are used in determining the fair value of land and buildings including condition assessments, useful lives, unit rates for buildings based on various cost databases and the Valuer's professional judgement. The Group reviews the estimates and judgements used by the Valuer giving regard to internal experts and business knowledge.

E5 – Right of use assets

	2024 $000	2023 $000
Right of use assets		
Property	65,974	87,134
Office Equipment	2,440	554
Motor Vehicles	1,262	821
Carrying amount at 30 June 2024	**69,676**	**88,509**

E5 – Right of use assets (continued)

Movement of the carrying amount is set out below:

	Property $000	Office Equipment $000	Motor Vehicles $000	Total $000
Right of use assets				
At 1 July 2023	87,134	554	821	88,509
Additions	4,527	2,173	1,062	7,762
Lease Incentives received	(16,752)	-	-	(16,752)
Depreciation	(8,935)	(287)	(621)	(9,843)
At 30 June 2024	**65,974**	**2,440**	**1,262**	**69,676**

Right of use assets accounting policies

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases and leases of low-value assets.

Expenses related to short-term leases and leases of low value assets during the year is $0.7m. (2023: $1.9m).

Right of Use critical accounting estimates and judgements

Where leases contain renewal options the right of use asset and corresponding lease liability value and term are adjusted where management believes the exercise of the option is reasonably certain to occur.

E6 – Intangible assets

	2024 $000	2023 $000
Contractual rights		
At cost	70,179	70,179
Accumulated amortisation	(4,353)	(3,899)
	65,826	**66,280**
Licenses		
At cost	-	572
	-	**572**
Software		
At cost	55,545	55,774
Accumulated amortisation	(52,945)	(51,337)
	2,600	**4,437**
Other intangible assets		
At cost	1,277	1,108
Accumulated amortisation	(879)	(679)
	398	**429**
Total intangibles	**68,824**	**71,718**

E6 – Intangible assets (continued)

Movement of the carrying amount is set out below:

	Contractual rights $000	Licenses $000	Software $000	Other intangible assets $000	Total intangibles $000
At 1 July 2023	66,280	572	4,437	429	71,718
Additions	-	-	-	169	169
Disposals	-	(572)	-	-	(572)
Amortisation expense	(454)	-	(1,837)	(200)	(2,491)
At 30 June 2024	**65,826**	**-**	**2,600**	**398**	**68,824**

Intangible asset accounting policies

(a) Recognition and measurement

Intangible assets are recognised at their cost of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. An asset recognition threshold of $10,000 exists.

Costs incurred subsequent to initial acquisition are added to an asset's carrying amount if they increase the service potential or useful life of that asset.

Contractual rights

Contractual rights are recognised at deemed cost less any accumulated amortisation and any accumulated impairment. The contractual rights consist of the Queensland Children's Hospital (QCH) car park management rights and the QCH footprint rights. MML holds the rights to purchase the QCH footprint in 60 years for a nominal amount of $1. The QCH footprint is not subject to amortisation due to the nature of this contractual right. The QCH car park management rights have been determined to have a life of 60 years and are subject to amortisation on a straight-line basis over its useful life.

Licenses

Licenses are carried at cost less any accumulated impairment losses.

Software

Costs incurred in developing products or systems and costs incurred in acquiring software that will contribute to future period financial benefits through revenue generation are capitalised to software. Software costs are carried at cost less accumulated amortisation and accumulated impairment losses.

(b) Amortisation

Amortisation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

- Contractual rights – 50 to 60 years
- Licences – indefinite
- Software – 3 to 6 years
- Other – 3 years

Useful lives and amortisation methods are reviewed and adjusted if appropriate on an annual basis. When changes are made, adjustments are reflected prospectively in the current and future period only.

E6 – Intangible assets (continued)

(c) Impairment

Assets are assessed for indicators of impairment on an annual basis. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

(d) Derecognition

Intangible assets are derecognised when no future economic benefits are expected from their use. Any resulting gain or loss is represented by the difference between the proceeds, if any, and the carrying amount of the asset and is recognised in the profit or loss.

Intangible assets critical accounting estimates and judgements

Amortisation

The Group estimates the useful lives where applicable of all intangible assets based on the expected period of time over which economic benefits from the use of the asset will be derived. The Group reviews useful life assumptions on an annual basis having given consideration to variables including historical and forecast usage rates, technological advancements and changes in legal and economic conditions.

E7 – Contract liabilities

	2024 $000	2023 (Restated) $000
Current		
Unearned income	32,476	30,212
Total current liabilities	**32,476**	**30,212**
Non-current		
Unearned income – Springfield hospital stage 2 development	43,200	-
Total non-current liabilities	**43,200**	-
Total contract liabilities	**75,676**	**30,212**

Mater Springfield Hospital Stage 2 Development

During the financial year a capital contribution of $43.2m was received under the contract for the construction of the Mater Springfield Hospital. This amount has been deferred until the performance obligations under the transfers in this contract are met. Refer note E4(f) with respect to the arrangement and key management estimates and judgements applied.

Contract liabilities accounting policies.

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

E8 – Employees benefits

	2024 $000	2023 $000
Current		
Annual leave	77,144	76,735
Long service leave	56,744	59,290
Other	16,802	14,686
Total current employee benefits	**150,690**	**150,711**
non-current		
Long service leave	24,148	21,827
Other	4,177	3,982
Total non-current employee benefits	**28,325**	**25,809**
Total employee benefits	**179,015**	**176,520**

Other

Defined contributions (superannuation) expense during the year was $89.31m (2023: $78.29m).

Employee termination benefit expense during the year was $3.43m (2023: $1.52m).

Employee benefits accounting policies

Current employee benefit obligations include annual leave and long service leave that are expected to be settled within 12 months.

Non-current employee benefit obligations for long service leave obligations that are not expected to be settled wholly within 12 months. These obligations are measured as the present value of expected future payments to be made in respect of services provided by employees. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using corporate bond rates which match, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the Consolidated Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

When the Group does not have an unconditional right to defer settlement of the obligation beyond 12 months, the entire amount of long service leave is presented as current.

Employee benefits provision critical accounting estimates and judgements

Long service leave is calculated using an actuarial methodology and requires assumptions relating to probability factors, leave taking rates, estimates of future wage inflation including associated on-costs and discount rates. The Group reviews the estimates and judgments applied by the Actuary.

Expected settlement of long service leave

Based on past experience the Group does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months. Settlement expectations for total long service leave are as follows:

	2024 $000
No more than 12 months from reporting date	14,961
More than 12 months from reporting date	65,931
Total long service leave	**80,892**

E9 – Provisions

	2024 $000	2023 $000
Current		
Insurance Provision	4,600	4,229
Other provisions	5,510	2,893
Total current provisions	**10,110**	**7,122**
Non-current		
Insurance Provision	23,500	21,807
Other provisions	-	9
Total non-current provisions	**23,500**	**21,816**
Total provisions	**33,610**	**28,938**

Movement of the carrying amount is set out below:

	Insurance $000	Other $000	Total $000
At 1 July 2023	26,036	2,902	28,938
Additions	8,216	4,250	12,466
Utilised	(6,152)	(1,642)	(7,794)
At 30 June 2024	**28,100**	**5,510**	**33,610**

Provisions accounting policies.

Provisions are recognised as a liability with uncertain timing and amount, but the expected settlement amount can be reliably estimated by the Group.

Insurance provision critical accounting estimates and judgements

Insurance policies are intended to cover various insurable risks. These policies have a range of deductible/(excess) structures. This provision is made to cover deductibles for medical malpractice claims. The provision is calculated based on an actuarial methodology carried out using quantitative techniques to estimate the likely future payments for losses retained by the Group under existing insurance arrangements. The estimate for the provision is calculated based upon known claims, discounted to reflect net present value, and includes a risk margin. The Group reviews the estimates and judgements applied by the Actuary.

Section F – Equity

F1 – Reserves

Building reserve

The building reserve records buildings and existing assets contributed at Incorporation by the Corporation of the Trustees of the Order of the Sisters of Mercy in Queensland.

Financial assets revaluation reserve

The financial asset revaluation reserve records revaluation movements of investments classified at fair value through other comprehensive income (FVOCI).

Asset revaluation reserve

The asset revaluation reserve records revaluation movements of land and buildings. For buildings, the relevant portion of the revaluation surplus is transferred directly to accumulated surplus as the asset is depreciated, with the balance being transferred on ultimate disposal. In the current year, the transfer from the asset revaluation reserve to accumulated surplus amounted to $62.6m (2023: $57.8m). Realisation of the surplus for land assets occurs on ultimate disposal.

F2 – Capital Contributions

Capital contributions records land contributed by the Corporation of the Trustees of the Order of the Sisters of Mercy in Queensland, as a component of the agreement between the Corporation of the Trustees of the Order of the Sisters of Mercy in Queensland, and Queensland Health and MML with respect to the development of the Queensland Children's Hospital.

F3 – Members guarantee

The Company is limited by guarantee. If the Company were wound up, the Constitution states that each member is required to contribute a maximum of $10.00 each towards meeting any outstanding obligations of the Company. At 30 June 2024 the collective liability of members was $10.00 (2023: $10.00). At 30 June 2024 there is one member being Mercy Partners Ltd (2023: one member).

Section G – Cash flow information

G1 – Notes to the consolidated statement of cashflows

(a) Reconciliation of cash

	2024 $000	2023 $000
Cash and cash equivalents	**90,886**	**61,567**

(b) Reconciliation of net deficit to net cash flows from operations

	2024 $000	2023 (Restated) $000
Net (deficit) for the financial year	**(102,188)**	**(110,364)**
Adjustments for:		
Net loss on disposal of property, plant and equipment	627	96
Share of (profit)/loss in investment using the equity method	(4,557)	573
Share of loss in investment in discontinued operation	(35)	191
Imputation credits received included in investing activities	(633)	-
Managed funds distributions re-invested	(1,566)	(1,435)
Adjustment to right of use assets	11,711	-
Depreciation and amortisation	165,338	154,248
Net gain on investment in joint venture	-	(2,888)
Capital contribution received included in investing activities	(43,200)	-
	25,497	**40,421**
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	9,122	(13,310)
(Increase)/decrease in contract assets	(488)	356
(Increase)/decrease in inventories	(4,820)	4,234
(Increase)/decrease in other assets	653	(22,781)
Increase in trade and other payables	15,672	19,597
Increase/(decrease) in contract liabilities	45,464	(16,506)
Increase in employee benefits	2,495	6,495
Increase in provisions	4,672	1,861
Net cash from operating activities	**98,267**	**20,567**

Section H – Group Structure

H1 – Subsidiaries

The Group's subsidiaries at 30 June 2024 are set out below. The proportion of ownership interests held equals the voting rights held by the Group. Mater Research Ltd and Mater Education Limited are companies limited by guarantee while Mater Foundation Limited as Trustee for Mater Foundation is an entity limited as trustee.

Subsidiary	Country of incorporation	Equity interest	
		2024 %	2023 %
Mater Research Ltd (MRL)	Australia	100	100
Mater Foundation Limited as Trustee for Mater Foundation (MFL)	Australia	100	100
Mater Education Limited (MEL)	Australia	100	100

Consolidation accounting policies

A controlled entity is any entity over which MML has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

All inter-group balances and transactions between entities in the consolidated Group entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

H2 – Investment using the equity method

	Translational Research Institute Trust $000	Long Drive Queensland $000	Home Consortium Property Trust "HealthCo" $000	Total $000
At 1 July 2022	70,132	191	-	70,323
Acquisition of investment	-	-	5,099	5,099
Gain on Investment	-	-	2,888	2,888
Share of profit/(loss) during the year	(708)	-	135	(573)
(Loss) from discontinued operation	-	(191)	-	(191)
At 30 June 2023	**69,424**	**-**	**8,122**	**77,546**
At 1 July 2023	69,424	-	8,122	77,546
Additional capital paid during the period	-	(35)	-	(35)
Less distributions	-	-	(141)	(141)
Share of profit/(loss) during the year	4,062	-	495	4,557
Profit from discontinued operation	-	35	-	35
At 30 June 2024	**73,486**	**-**	**8,476**	**81,962**

(a) Investment in associates – Translational Research Institute (TRI)

Mater Research Ltd has a 25% interest in TRI, incorporated in Australia, whose principal activities include the provision of clinical and translational research to advance progress from laboratory discovery to application in the community. The voting power of Mater Research Ltd is 25%.

H2 – Investment using the equity method (continued)

Group's share of TRI:

	Ownership interest %	Assets $000	Liabilities $000	Net assets $000	Revenue $000	Expenses $000	Profit/ (loss) $000
2023	25	77,009	7,585	69,424	9,737	10,445	(708)
2024	25	81,744	8,258	73,486	15,680	11,618	4,062

Investment in associates accounting policy

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition, is recognised in profit or loss in the period in which the investment is acquired.

Profit and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligation or made payments on behalf of the associate. Upon the associate subsequently making profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(b) Investment in joint venture

(i) Long Drive Queensland (LDQ)

MML had a 50% interest in LDQ, a joint venture with MyLife Medical Group Pty Ltd (MyLife), whose principal activity is the management of the joint lease in Brookwater Medical Centre. The joint venture dissolved on 18 February 2023.

(ii) Springfield Health Hub

On 31 October 2022 MML acquired a 20% interest in a commercial real estate site as tenants in common with Home Consortium Property Pty Ltd as Trustee of the Home Consortium Property Trust "HealthCo".

Investment in joint venture accounting policy

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Investments in joint ventures in the consolidated financial statements are accounted for by applying the equity method of accounting.

Section I – Unrecognised items

I1 – Commitments for expenditure

	2024 $000	2023 $000
(a) Capital expenditure (Excluding construction for Springfield hospital Stage 2 development) contracted but not provided for and payable:		
Due within one year	58,530	46,050
Due within two to five years	58,727	4,704
Total	**117,257**	**50,754**
(b) Commitments for prize home purchases contracted but not provided for and payable (Mater Foundation)		
Due within one year	7,304	14,684
Total	**7,304**	**14,684**
(c) Commitments for Springfield hospital stage 2 development contracted but not provided for and payable		
Due within one year	222,534	154,594
Due within two to five years	82,283	441,800
Total	**304,817**	**596,394**

I2 – Contingent liabilities

The Group has current bank guarantees of $2.8m (2023: $3.0m) specific to property leases and a joint venture arrangement.

Mater Misericordiae Ltd provided a corporate guarantee in March 2021 to Holy Cross Services Ltd with respect to a $15m loan. Holy Cross Services is a related party entity.

The Directors are of the opinion that provisions are not required as it is not probable that a future economic outflow will be required.

I3 – Economic dependency

A significant part of the Group involves the operation of licensed private hospitals some of which have contractual obligations to provide public health services. The continuing operation of these hospitals is underpinned by the *Mater Public Services Act 2008* and dependent upon the ongoing financial support of the Queensland Government Health Department. The relationship between the Company and Queensland Health is governed by an over-arching Agreement between the entities. The agreement covers the operation and funding of the public services provided by the Company. Entitled the "Mater Hospital Funding Agreement", the current agreement is for three years expiring 30 June 2025. A new agreement is currently being negotiated at balance date.

In conjunction with the "Mater Hospital Funding Agreement" there will continue to be yearly annual Health Service Agreements with Queensland Health which details the funding required to be provided to the Company by Queensland Health for the provision of public the services in accordance with the agreed Clinical Services Plan. These agreements cover the broad objectives of the parties, as well as high level issues such as the privacy status of medical records, property issues, liability and indemnification, quality and performance criteria, and other similar issues.

The Company also enters into other individual agreements with various Hospital and Health Service entities in Queensland to provide additional public health services.

I4 – Events after the balance sheet date

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Section J – Other information

J1 – Related party transactions

Transactions between the Group and related parties are set out below.

	Transacting entity	2024 $000	2023 $000
Transactions with owners			
Stewardship payment under the Stewardship Agreement to Mercy Partners	MML	(1,701)	(1,549)
Transactions with other related parties			
Revenue from related party transactions			
Funds were recovered for expenditure incurred on behalf of:			
Mercy Health and Aged Care Central Queensland Ltd	MML	2,912	1,959
Holy Cross Services Ltd	MML	61	79
Total revenue from related parties		**2,973**	**2,038**
Expenses from related party transactions			
Laundry and cleaning services were provided to Group entities:			
Holy Cross Services Ltd	MML	(21,362)	(19,004)
Holy Cross Services Ltd	MRL	(79)	(74)
Holy Cross Services Ltd	MEL	(64)	(56)
Holy Cross Services Ltd	MFL	-	(2)
Total payments to related parties		**(21,505)**	**(19,136)**
Transactions with associates and joint ventures			
Home Consortium Property Pty Ltd as Trustee of the Home Consortium Property Trust (Springfield Health Hub – Joint Venture).	MML	141	-
Translational Research Institute Trust	MRL	(7,761)	(7,248)
Total Transactions with associated and joint ventures		**(7,620)**	**(7,248)**

The aggregate amounts receivable from and payable to wholly controlled entities and associates by Group companies at balance date are:

Receivables from related parties			
Holy Cross Services Ltd	MML	29	1
Mercy Health and Aged Care Central Queensland Ltd	MML	469	334
Total receivables from related parties		**498**	**335**
Payables to related parties			
Holy Cross Services Ltd	MML	1,770	1,673
Holy Cross Services Ltd	MRL	7	6
Holy Cross Services Ltd	MEL	5	4
Translational Research Institute Trust	MRL	2,006	1,654
Total payables to related parties		**3,788**	**3,337**

J2 – Key management personnel remuneration

Key management personnel are the Directors and determined senior management executives of the Group. With respect to the subsidiary entities of the Group, there is no remuneration paid to the Directors of those Boards.

During the financial year the following remuneration was paid to key management personnel.

	2024 $000	2023 $000
Total remuneration	**4,919**	**4,782**

J3 – Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton, the auditor of the Group.

	2024 $000	2023 $000
Audit of the financial statements	386	367
Other services	14	22
Total remuneration	**400**	**389**

J4 – New or amended Accounting Standards and interpretations adopted

There were no new or amended Accounting Standards or Interpretations issued by the Australian Accounting Standards Board (AASB) that had a material impact on the Group during the year.

J5 – Taxation

All activities of the entities in the Mater consolidated Group entity are exempt from Commonwealth taxation except for fringe benefits tax (FBT) and goods and services tax (GST).

J6 – Parent entity information

Set out below is supplementary information about the parent entity, Mater Misericordiae Ltd required to meet ACNC requirements.

(a) Statement of profit and loss and other comprehensive income

	2024 $000	2023 (Restated) $000
Gross income		
Revenue from government including grants	776,838	666,137
Donations and bequests	23, 058	2,844
Revenue from providing goods or services	727,803	697,191
Revenue from investments	675	761
Other revenue	26,931	63,799
Total revenue	**1,555,305**	**1,430,732**
Other income	529	(55)
Total gross income	**1,555,834**	**1,430,677**
Expenses		
Employee expenses	(943,357)	(921,133)
Other expenses	(563,402)	(486,782)
Total operating expenses	**(1,506,759)**	**(1,407,915)**
Operating surplus before interest, depreciation, and amortisation	**49,075**	**22,707**
Depreciation and amortisation expense	(164,066)	(153,105)
Finance expenses	(9,863)	(6,083)
Net operating (deficit) for the year	**(124,854)**	**(136,481)**
Other comprehensive income	207,897	118,635
Total comprehensive income	**83,043**	**(17,846)**

Refer to Section B for information on restatement of comparatives which solely relate to the parent entity.

(b) Statement of financial position

	2024 $000	2023 (Restated) $000
Assets		
Total current assets	214,211	207,155
Total non-current assets	2,439,063	2,240,283
Total assets	**2,653,274**	**2,447,438**
Liabilities		
Total current liabilities	345,150	335,866
Non-current loans payable	291,297	229,760
Other non-current liabilities	94,024	103,154
Total non-current liabilities	**385,321**	**332,914**
Total liabilities	**730,471**	**668,780**
Net assets	**1,922,803**	**1,778,658**

Refer to Section B for information on restatement of comparatives which solely relate to the parent entity.

J7 – Parent entity information (continued)

(c) Commitments for the acquisition of property, plant or equipment

Details of capital commitments are the same as those listed in note I1 except for Mater Foundation commitments disclosed in I1(b) for prize home purchases.

(d) Contingent liabilities

Details of contingent liabilities are the same as the Group per note I2.

(e) Key management personnel remuneration

Key management personnel are the Directors and determined senior management executives of the Company. During the financial year the following remuneration was paid to key management personnel.

	2024 $000	2023 $000
Total remuneration	**3,858**	**3,878**

(f) Related Parties

Details of related party transactions for the parent entity are set out in note J1.

Directors' declaration

The Directors of Mater Misericordiae Ltd declare that:

(a) the financial statements and notes of the Group as set out in pages 13 to 46 are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* (Cth), including:

  (i) complying with Australian Accounting Standards – Simplified Disclosure Requirements (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-Profits Commission Act 2012* (Cth); and

  (ii) giving a true and fair view of its financial position as at 30 June 2024 and of its performance for the year ended on that date; and

(b) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulations 2022* (Cth) and a resolution of the Board of Directors of Mater Misericordiae Ltd and its subsidiaries.

On behalf of the Board

Mr Patrick Brady
Chair

Date: 3 October 2024

Mr Christopher Townend
Director
Chair of Finance, Risk, Audit and Compliance Committee

Date: 3 October 2024

Grant Thornton Audit Pty Ltd
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Independent Auditor's Report

To the Members of Mater Misericordiae Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Mater Misericordiae Ltd (the "Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and the Directors' declaration.

In our opinion, the financial report of Mater Misericordiae Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

b complying with Australian Accounting *Standards AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Other information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group'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 the Directors are either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial report

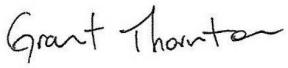
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

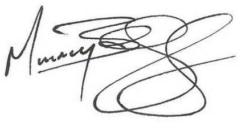
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



M C Bragg
Partner – Audit & Assurance

Brisbane, 3 October 2024

MATER MISERICORDIAE LIMITED

"KB-18"

← Back to Financials & Documents

Annual Information Statement 2025

Legal name:
Mater Misericordiae Limited

ABN:
83096708922

About the charity

Website:
mater.org.au

Charity size:
Large

Is the charity an incorporated association?:
No

Does the Charity intend to fundraise in the next reporting period?:
No

Charity programs

Mater Hospitals - Public & Private

Program classification:
Hospital care

Program locations:
Queensland, Australia

Program beneficiaries:
Adults - aged 65 and over
Adults - aged 25 to under 65
Youth - 15 to under 25
Children - aged 6 to under 15
Early childhood - aged under 6
People with chronic illness (including terminal illness)

Program website:
mater.org.au/health/hospitals

Mater Mothers' - Public & Private Hospitals

Program classification:
Specialty hospital care

Program locations:
Queensland, Australia

Program beneficiaries:
Early childhood - aged under 6
Families
Females

Program website:
mater.org.au/health/hospitals

Catherine's House for Mothers, Babies and Families

Program classification:
Specialty hospital care

Program locations:
Brisbane QLD, Australia

Program beneficiaries:
Early childhood - aged under 6
Families
Females
Males

Program website:
mater.org.au/health/services/catherine-s-house-for-mothers-babies-and-families

Mater Children's Private Hospital

Program classification:
Children's hospital care

Program locations:
Brisbane QLD, Australia

Program beneficiaries:
Early childhood - aged under 6
Children - aged 6 to under 15
Youth - 15 to under 25
Families

Program website:
mater.org.au/health/hospitals/mater-children-s-private-brisbane

Mater Pathology

Program classification:
Pathology

Program locations:
Queensland, Australia

Program beneficiaries:
People with chronic illness (including terminal illness)
General community in Australia

Program website:
mater.org.au/pathology

Mater Pharmacy

Program classification:
Pharmacies

Program locations:
Queensland, Australia

Program beneficiaries:
People with chronic illness (including terminal illness)
General community in Australia

Program website:
mater.org.au/health/services/mater-pharmacy

Mater at Home

Program classification:
Home healthcare

Program locations:
Queensland, Australia

Program beneficiaries:
People with chronic illness (including terminal illness)
People with disabilities
General community in Australia

Program website:
mater.org.au/health/services/mater-at-home

Allied Health

Program classification:
Medical support services

Program locations:
Queensland, Australia

Program beneficiaries:
People with chronic illness (including terminal illness)
People with disabilities
General community in Australia

Program website:
mater.org.au/health/services/allied-health

Description of the charity's activities and outcomes:
For more than a century, Mater has existed to respond to community needs by providing compassionate care to those who need it most and improve the health and wellbeing of individuals and families. Our internationally acclaimed hospital network supports thousands of people each year and comprises of hospitals in South East, Central and North Queensland, pathology, pharmacy, home health care and allied health businesses. Beyond our hospitals, we aim to support individuals in making better choices about their health everyday. We offer a wide range of clinical and non-clinical health services that support the individual both physically and emotionally during their healthcare journey. In delivering the healing ministry of Jesus, in the Catholic and Mercy traditions, we not only respond to, but actively seek to support people disadvantaged by health or social circumstances. We are able to meet these needs by reinvesting any revenue from the business back into the provision of health care services.

Human resources

Human resources:
Full time employees: 3142
Part time employees: 5205
Casual employees: 1858
Full-time equivalent staff (FTE): 6689.22
Estimated number of volunteers: 687

Annual report

Note: If you want to see the financial report or annual report that this charity has submitted, go back to Financials & Documents

Financial Reporting

Charity's 2025 reporting period:
1 July 2024 to 30 June 2025

Type of financial statement:
General purpose financial statements

Financial report consolidated with more than one entity?:

Yes

Reportable related party transactions in the 2025 reporting period?:
Yes

Types of reportable related party transactions:
Fees paid to a related party for providing goods or services to the charity

Additional details about reportable related party transactions:
Refer Note J1 - Related party transactions (page 43).

More than one remunerated key management personnel member:
Yes

Number of remunerated key management personnel:
20

Total amount paid to key management personnel:
$5,380,000

Income and Expenses

Comprehensive Income Statement summary

Gross income

Revenue from government including grants	$805,124,000
Donations and bequests	$26,698,000
Revenue from providing goods or services	$770,596,000
Revenue from investments	$943,000
All other revenue	$20,194,000
Total revenue	$1,623,555,000
Other income (for example, gains)	$384,000
Total gross income	$1,623,939,000

Expenses

Employee expenses	$992,965,000
Interest expenses	$9,208,000
Grants and donations made for use in Australia	$0
Grants and donations made for use outside Australia	$0
All other expenses	$746,730,000
Total expenses	$1,748,903,000

Net income

Net surplus/(deficit)	-$124,964,000
Other comprehensive income	$72,800,000
Total comprehensive income	-$52,164,000

Balance Sheet extract

Assets

Total current assets	$249,248,000
Non-current loans receivable	$0
Other non-current assets	$2,588,338,000
Total non-current assets	$2,588,338,000
Total assets	$2,837,586,000

Liabilities

Total current liabilities	$427,129,000
Non-current loans payable	$485,640,000
Other non-current liabilities	$54,178,000
Total non-current liabilities	$539,818,000
Total liabilities	$966,947,000

Net assets/liabilities

Net assets/liabilities	$1,870,639,000

ST VINCENT'S HEALTH AUSTRALIA LTD

"KB-19"

← Back to Financials & Documents

Annual Information Statement 2023

Legal name:
St Vincent's Health Australia Ltd

ABN:
75073503536

About the charity

Website:
svha.org.au

Charity size:
Large

Is the charity an incorporated association?:
No

Does the Charity intend to fundraise in the next reporting period?:
Yes

Charity programs

St Vincent's Private Hospitals

Program classification:
Health and medical research

Program locations:
NSW, Australia
Victoria, Australia
Queensland, Australia

Program beneficiaries:
Adults - aged 25 to under 65
Adults - aged 65 and over
People in rural/regional/remote communities
Financially disadvantaged people
People with chronic illness (including terminal illness)
People with disabilities
Females
Males
General community in Australia

St Vincent's Care Services

Program classification:
Shelter and residential care

Program locations:
Queensland, Australia
NSW, Australia
Victoria, Australia

Program beneficiaries:
Adults - aged 25 to under 65
Adults - aged 65 and over
People with disabilities
People with chronic illness (including terminal illness)
Financially disadvantaged people

St Vincent's Public Hospitals

Program classification:
Health and medical research

Program locations:
Victoria, Australia
NSW, Australia

Program beneficiaries:
Adults - aged 25 to under 65
Adults - aged 65 and over
Families
Aboriginal and Torres Strait Islander people
Financially disadvantaged people
People at risk of homelessness/ people experiencing homelessness
People with chronic illness (including terminal illness)
People with disabilities
Unemployed persons
Females
Males

St Vincent's Virtual & Home Healthcare

Program classification:
Health and medical research

Program locations:
Victoria, Australia
New South Wales, Australia
Queensland, Australia

Program beneficiaries:
Adults - aged 25 to under 65
Adults - aged 65 and over
Families
Aboriginal and Torres Strait Islander people
Financially disadvantaged people
People at risk of homelessness/ people experiencing homelessness
People with chronic illness (including terminal illness)
People with disabilities
Unemployed persons
Females
Males

Program website:
svha.org.au

Description of the charity's activities and outcomes:

The charity is the parent company providing management, administrative and support services for group enitities operating private and public hospitals, aged care facilities and health services in the community.

Human resources

Human resources:
Full time employees: 335
Part time employees: 49
Casual employees: 0
Full-time equivalent staff (FTE): 369.00
Estimated number of volunteers: 0

Annual report

Note: If you want to see the financial report or annual report that this charity has submitted, go back to Financials & Documents

Financial Reporting

Charity's 2023 reporting period:
1 July 2022 to 30 June 2023

Type of financial statement:
General purpose financial statements

Financial report consolidated with more than one entity?:
Yes

Reportable related party transactions in the 2023 reporting period?:
Yes

Types of reportable related party transactions:
Fees paid to a related party for providing goods or services to the charity
Loans from/to a related party

Additional details about reportable related party transactions:
Refer to St Vincent's Health Australia Limited Financial Report 2023 - page 45

More than one remunerated key management personnel member:
Yes

Number of remunerated key management personnel:
18

Total amount paid to key management personnel:
$4,958,402

Income and Expenses

Comprehensive Income Statement summary

Gross income

Revenue from government including grants	$1,649,830,701
Donations and bequests	$93,992,016
Revenue from providing goods or services	$1,011,000,534
Revenue from investments	$86,194,085
All other revenue	$289,248,526
Total revenue	$3,130,265,862
Other income (for example, gains)	$0
Total gross income	$3,130,265,862

Expenses

Employee expenses	$1,926,166,077
Interest expenses	$74,585,601
Grants and donations made for use in Australia	$0
Total expenses	$3,156,876,893

Grants and donations made for use outside Australia	$0
All other expenses	$1,156,125,215
Total expenses	$3,156,876,893

Net income

Net surplus/(deficit)	-$26,611,031
Other comprehensive income	-$2,507,002
Total comprehensive income	-$29,118,033

Balance Sheet extract

Assets

Total current assets	$1,017,796,939
Non-current loans receivable	$58,036,605
Other non-current assets	$2,547,938,735
Total non-current assets	$2,605,975,340
Total assets	$3,623,772,279

Liabilities

Total current liabilities	$1,825,959,240
Non-current loans payable	$402,778,000
Other non-current liabilities	$206,366,917
Total non-current liabilities	$609,144,917
Total liabilities	$2,435,104,157

Net assets/liabilities

Net assets/liabilities	$1,188,668,122

"KB-20"

St Vincent's Health Australia Limited

Financial Report 2023



ST VINCENT'S
HEALTH AUSTRALIA
UNDER THE STEWARDSHIP OF MARY AIKENHEAD MINISTRIES

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CORPORATE INFORMATION

Directors	Mr. P McClintock AO	Ms. A Cross AM
	Dr. M Coote	Ms. J Watts
	Prof. V Perkovic	Mr. P O'Sullivan
	Ms. S McPhee AM	Mr. D O'Brien
	Ms. A McDonald	Ms. S McGregor
	Ms. K Bailey-Lord (Appointed 17 April 2023)	
Company Secretary	Mr. P Garcia (Appointed 4 September 2023)	Mr. P Fennessy
Principal registered office	Level 22, 100 William Street, Woolloomooloo, NSW 2011	
Auditor	Ernst & Young, 200 George Street Sydney, NSW 2000	
Website address	www.svha.org.au	
ABN	75 073 503 536	

The Directors of St Vincent's Health Australia present their report together with the financial report of St Vincent's Health Australia Limited for the year ended 30 June 2023.

The financial report of St Vincent's Health Australia Limited includes financial statements for St Vincent's Health Australia Limited as a consolidated entity consisting of St Vincent's Health Australia Limited (the "Company") and its controlled entities (the "Group" or "SVHA").

SVHA is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

This financial report was authorised for issue by the Directors on 12 October 2023. SVHA has the power to amend and reissue the financial report.

ABOUT SVHA

St Vincent's Health Australia is the nation's largest Catholic not-for-profit health and aged care provider.

Our mission

We express God's love through the healing ministry of Jesus. We are especially committed to people who are poor or vulnerable.

Our vision

Outstanding care from outstanding people when and where you need it.

At St Vincent's, outstanding care means care that it is informed by leading research, patient-centric, and provided in accordance with our values.

Our values

Compassion

Justice

Integrity

Excellence

OBJECTIVES AND PRINCIPAL ACTIVITIES

The objectives as stated in SVHA's constitution are:

- to provide direct relief of sickness, suffering and distress through supporting the health service facilities operating hospitals, aged care facilities and other health care facilities and by itself conducting such facilities; and
- to provide relief without discrimination.

These objectives are pursued through the principal activities of the Group being the operation of public and private hospitals and aged care facilities.

There were no significant changes in the nature of the Group's activities during the year.

The Directors monitor the Group's progress against these objectives at regular Board and committee meetings including:

- reports on all aspects of the Group's operations;
- the development of a multi-year Strategic Plan and periodic review of this plan;
- feedback from clients who have accessed the Group's services through a range of client-focused mechanisms such as patient satisfaction surveys; and
- reports which detail the Mission related projects across the Group.

OPERATING AND FINANCIAL REVIEW

The Group is not-for-profit and so strives to make a surplus to keep the health service sustainable to further invest in the mission to promote the healing ministry of Jesus.

The Group generated an operating deficit of $48.76m for the year ended 30 June 2023 (2022: $31.35m deficit). The operating result was impacted by:

- Slower return to pre covid activity levels than anticipated
- Deterioration in margin due to increased labour and supply costs (CPI) and inability to pass on these costs to health funds due to locked in contract rates.
- St Joseph's Hospital decommissioning costs

Going concern

The Group's Balance Sheet shows an excess of current liabilities over current assets of $808.16m (2022: $751.62m).

Included within current liabilities are accommodation bonds / Refundable Accommodation Deposits (RADs) of $799.63m (2022: $708.92m) which are recorded as current under Australian accounting standards. In the normal course of business not all of these liabilities will crystallise within one year and those that do are usually replaced by incoming residential accommodation payments. In addition, current liabilities contain provisions for annual and long service leave of $442.73m (2022: $415.57m) which although presented as current, are probable to be paid out over several years.

The Group has a substantial net asset position of $1.19b for the year ended June 2023 (2022: $1.21b).

St Vincent's Hospital (Melbourne) Limited (SVHM)

When preparing its financial statements, SVHM assessed the Department of Health and Human Services (DHHS) funding and related costs for Public services to be provided in the twelve months following 30 June 2023. DHHS has committed to providing temporary cash flow support to enable the Health Service to meet its current and future operational obligations as and when they fall due for a period up to 31 October 2024 should it be required to enable continued trade in the short term for provision of health services to Victorians. In practice and historically, DHHS has provided ongoing financial support to SVHM to enable it to continue to operate, and the Directors expect this support to continue post October 2024.

St Vincent's Hospital Sydney Limited (SVHS)

SVHS has legislative obligations combined with a Memorandum of Understanding with the NSW Ministry of Health (Ministry) to provide a level of surety that ongoing funding allocations will be provided by the Ministry. It has a Service Agreement with the Ministry for 2023-24 which provides certainty of funding for that financial year. SVHS received a letter from the Ministry dated 22 October 2009 in which it accepts some liability for employee entitlements should the Company cease activities as an Affiliated Health Organisation. The National Partnership on COVID-19 Response outlines the joint responsibility of the Commonwealth and the States to protect the Australian community by ensuring that the health system can respond effectively to the outbreak of COVID-19. This includes the provision of financial stimulus packages that complement the National Health Reform Agreement.

St Vincent's Care Services (SVCS)

COVID-19 pandemic has continued to create significant uncertainty for the operating environment of residential aged care and community care programs in Australia. It has impacted staffing and has resulted in increased overhead costs to manage the response to the pandemic, occupancy was significantly affected due to lockdowns and community concern about the safety of vulnerable family members. The Company's consumable supply chains were also impacted with increased costs for supplies of personal protective equipment and waste disposal.

Based on agreements with State Goverments for funding, improved government funding for Aged Care and positive cash flow from operating activities, the financial statements have been prepared on a going concern basis.

DIVIDENDS

SVHA's constitution precludes the payment of dividends and accordingly no dividend has ever been paid or declared.

MEMBER'S GUARANTEE

If SVHA is wound up the constitution states that each member is required to contribute a maximum of $100 each towards meeting the obligations of SVHA. At 30 June 2023 SVHA had 1 member (2022: 1) so the maximum amount to be contributed towards meeting the obligations of SVHA would be $100 (2022: $100).

SUBSEQUENT EVENTS

There have been no material transactions or events occuring subsequent to year end that require adjustment to, or disclosure in the financial statements.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group will continue to operate public and private hospitals and aged care facilities, providing direct relief of sickness, suffering and distress through supporting its health service facilities and to provide relief without discrimination.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is registered under the National Greenhouse and Energy Reporting Act, under which it is required to report energy consumption and greenhouse gas emissions for its Australian facilities for the 12 months ended 30 June 2023 and future periods. The Group has data collection systems and processes are in place to meet its requirements.

INDEMNIFICATION AND INSURANCE OF OFFICERS

SVHA has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be personally held liable, except where there is a lack of good faith. The Directors have not included details of the indemnity as disclosure of those details is prohibited under the indemnity agreement.

INDEMNIFICATION OF AUDITOR

As part of the Group's terms of engagement with Ernst & Young, the Group has agreed to indemnify Ernst & Young to the extent permitted by law and professional regulations, against any losses, liabilities, costs or expenses incurred by Ernst & Young where they arise out of or occur in relation to any negligent, wrongful or wilful act or omission, or breach of the engagement agreement by the Group. No payment has been made to Ernst & Young by the Group pursuant to this indemnity, either during or since the end of the financial year.

ROUNDING OF AMOUNTS

The amounts contained in Directors' report and financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($'000), or in certain cases to the nearest dollar, under the option available to the Group under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

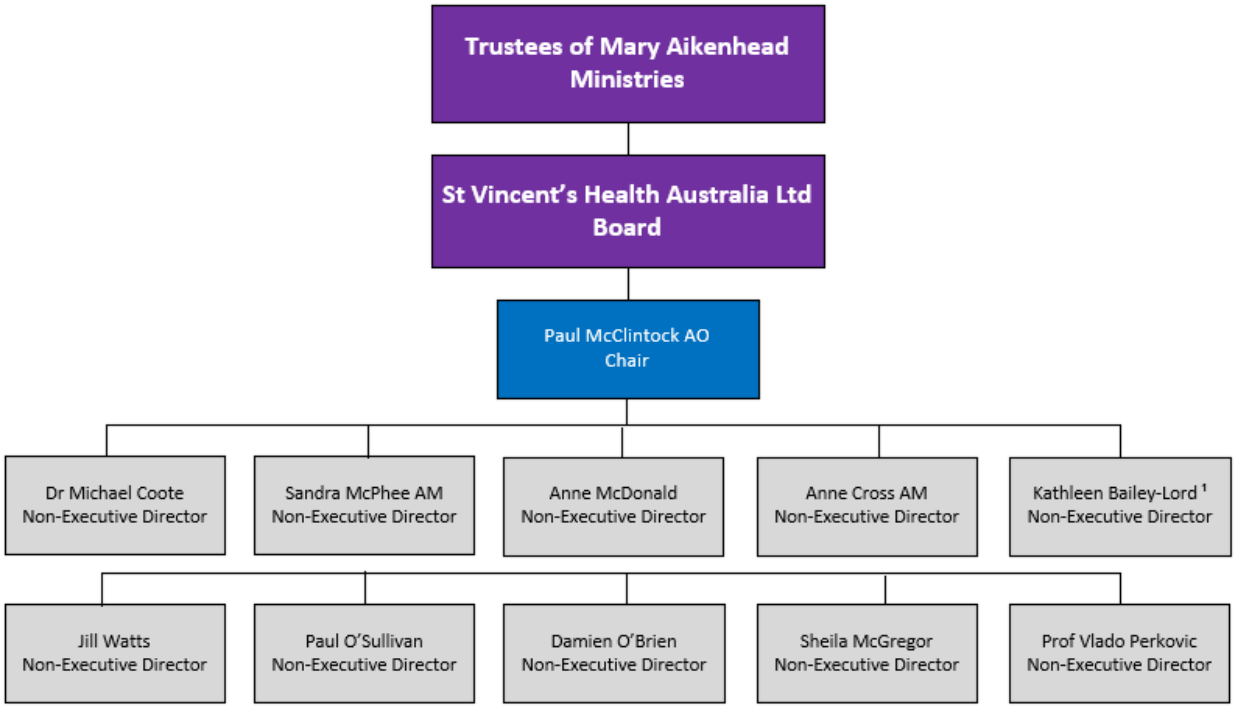
STRUCTURE AND MANAGEMENT

SVHA is a group of not-for-profit non-listed entities. SVHA Limited is a public company limited by guarantee and is registered with the Australian Charities and Not-for-profits Commission.

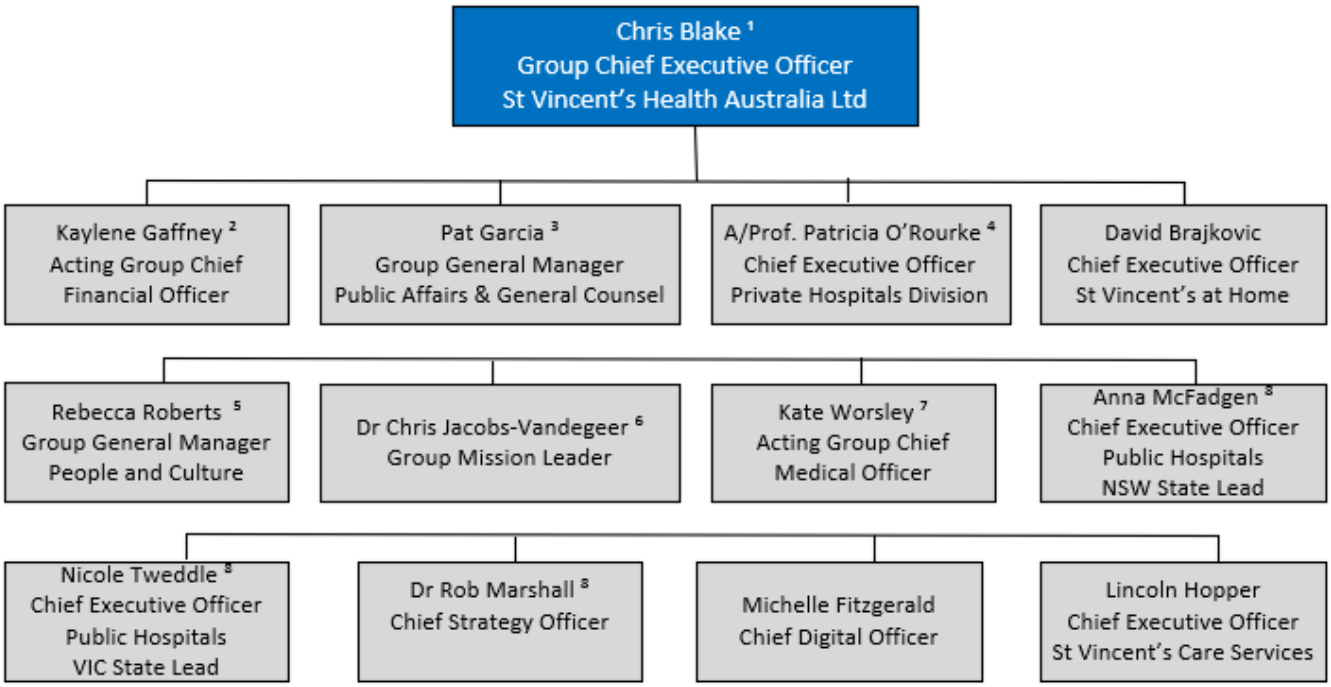
SVHA is governed by a Board of Directors ("Board") chaired by Paul McClintock. The Board exists to ensure there is effective integration and growth of the mission of Mary Aikenhead Ministries throughout the health and aged care services and to govern the SVHA Group of companies pursuant to the Australian Charities and Not-for-profits Commission Act 2012 (Cth), Canon law and all other relevant civil legislation. The Board must at all times operate within the Mary Aikenhead Ministries Ethical Framework and the Catholic Health Australia Code of Ethical Standards of Health and Aged Care Services in Australia (2001).

The day-to-day running of SVHA is the responsibility of the Executive Leadership Team led by Chris Blake, Group Chief Executive Officer.

STRUCTURE AND MANAGEMENT (continued)



[1] Appointed 17 April 2023



[1] Appointed 4 October 2022. Ruth Martin Appointed Interim Group Chief Executive Officer from 29 March 2022 to 3 October 2022
[2] Commenced 21 August 2023. Previous Group Chief Financial Officer, Ruth Martin retired 18 August 2023
[3] Commenced 4 September 2023. Rob Beetson, Group General Manager Legal, Governance & Risk retired 1 September 2023
[4] Chief Executive Officer Hospitals Division until 16 July 2023. Appointed Chief Executive Officer Private Hospitals Division 17 July 2023
[5] Appointed 13 February 2023, Previous Group General Manager People and Culture, Annie Schmidt retired 10 February 2023
[6] Appointed 31 January 2023, Previous Group Mission Leader, Lisa McDonald retired 12 August 2022
[7] Commenced 29 July 2023. Dr Erwin Loh, Group General Manager Clinical Governance retired 28 July 2023
[8] Appointed 17 July 2023 to the executive leadership team

STRUCTURE AND MANAGEMENT (continued)

Board of Directors

The Board is accountable for its key purpose to The Trustees of Mary Aikenhead Ministries ('TMAM'). Mary Aikenhead Ministries builds on the charism and traditions of the Sisters of Charity and Mary Aikenhead, founder of the Sisters of Charity. The Trustees are the canon law and civil stewards of SVHA. All Directors serve as independent non-Executive Directors and are appointed by TMAM.

Board Committees

All Board Committees operate under their own Charter which is annually reviewed and approved by the Board. Committees are permitted to appoint external experts to assist them in their consideration of matters. SVHA is grateful to those individuals who have given their time, skills and expertise freely in order to ensure our Committees are operating at the highest level so as to meet the needs of those we serve.

The Board is supported by seven standing Committees:

Audit & Risk

The purpose of the Audit & Risk Committee is to ensure that effective audit, risk management and compliance systems are in place to protect SVHA's assets and to minimise the possibility of SVHA operating outside of legal requirements or beyond Board agreed risk parameters and ensuring the integrity of the SVHA Group statutory financial accounts.

Finance & Investment

The purpose of the Finance & Investment Committee is to ensure all SVHA Group companies financially operate within accepted risk, legal, accounting, investment and solvency parameters. The other purpose is to guide the strategic investment strategy for the organisation and to ensure our companies and facilities achieve financial performance objectives.

Mission, Ethics & Advocacy

The purpose of the Mission, Ethics & Advocacy Committee is to ensure the mission is promoted and strengthened throughout SVHA whilst also advocating for the poor, disadvantaged and marginalised. The Committee aims to foster and strengthen links to the broader SVHA community, the Catholic Church, supporters and stakeholders.

People & Culture Committee

The purpose of the People & Culture Committee is to assist the Board in fulfilling its responsibilities in relation to the workforce strategy required to deliver SVHA's Mission & services. The Committee monitors the systems in place that facilitate the Board discharging its obligations in relation to all SVHA operations meeting best practice benchmarks in relation to people management, workplace relations and safety. The Committee will have an oversight role in relation to work health and safety matters and workplace relation issues.

Clinical Governance & Experience

The purpose of the Clinical Governance and Experience Committee is to assist the Board in the effective discharge of its responsibilities related to ensuring effective clinical governance and safe quality delivery of services across SVHA Group facilities in accordance with the Mission and values of the organisation. The Committee ensures a patient & resident centred focus is maintained across all SVHA aged care and health services and monitors professional performance to ensure a high quality of care.

Research & Education Committee

The Research & Education Committee is core to delivering the SVHA strategy of being a health and aged care organisation renowned for teaching, training and research with strong strategic partnerships and a focus on translating research into best practice clinical outcomes. The Committee is responsible for oversight of SVHA's strategic direction in regard to research and education so that SVHA is able to deliver on its commitment to translational research to improve the health outcomes our community, in particular the poor and disadvantaged.

STRUCTURE AND MANAGEMENT (continued)

Aged Care Committee

The Committee assists the Board in the effective discharge of its responsibilities as Directors of an Approved Provider of the effective, safe, person-centred and sustainable delivery of aged care services in accordance with the Mission and Values of the organisation. The Committee monitors all aspects related to the provision of aged care services including workforce, consumer participation, models of care, resident and staff safety and welfare and financial performance.

Information on Directors

Mr. Paul McClintock AO

Graduated in Arts and Law from the University of Sydney and is an honorary fellow of the Faculty of Medicine of that University

Life Governor of the Woolcock Institute of Medical Research

Paul was appointed to the Board of SVHA and its subsidiary Boards on 1 January 2013 and was appointed Chair on 18 October 2019. He also serves as a trustee of St Vincent's Hospital Sydney.

Paul is Chair of Icon Group and also Chair of Metcalfe Limited in New Zealand. He is on the Board of Catholic Health 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 I-MED Network, Medibank Private, the COAG Reform Council, the Committee for the Economic Development of Australia, Symbion Health, Sydney Health Partners, Affinity Health and the Woolcock Institute of Medical Research. He has also served as Commissioner of the Health Insurance Commission.

Ms. Anne Cross AM

Master of Social Work (Research) University of Queensland

Bachelor of Social Work University of Queensland

Fellow of Australian Institute of Company Directors

Member of Chief Executive Women

Anne was appointed to the Board of SVHA and its subsidiary Boards on 1 January 2019.

Anne concluded her executive career as Chief Executive of Uniting Care Queensland, one of Australia's largest not for profit health, aged care and community service organisations late in 2017. Currently she is Deputy Chair of the Australian Institute of Company Directors, Chair of Uniting Church in Australia Redress Ltd and a Director of TopCo Pty Ltd. Anne is an Adjunct Professor in the Faculty of Health and Behavioural Sciences University of Queensland.

She received recognition in the Queen's Birthday 2018 Honours List for significant service to the community and to women. She was named Telstra's National Businesswoman of the Year in 2014 and awarded the University of Queensland's Alumni Excellence Award in 2016.

Anne is Chair of the Aged Care Committee, is a member of the Clinical Governance & Experience Committee and the Audit & Risk Committee.

Ms. Anne McDonald

Bachelor of Economics

Chartered Accountant, Fellow of the Institute of Chartered Accountants Australia and New Zealand

Graduate and Member of the Australian Institute of Company Directors

Anne was appointed to the Board of SVHA and its subsidiary Boards on 1 June 2017. Anne had previously served on the Boards of several St Vincent's entities prior to 2010.

Anne is an experienced non-executive Director (NED) with a solid understanding of corporate governance. She has pursued a full-time career as a NED since 2006. She is currently a Director of ASX listed company Link Administration Group, a Director of Smartgroup (SIQ) and is a Director of Transport Assets Holding Entity of NSW.

Anne has previously served as a non-executive Director or Chair on a range of public and private companies and state government Boards including The GPT Group, Spark Infrastructure, Specialty Fashion Group, Sydney Water and Water NSW. Prior to her NED career, she spent 15 years as a partner of EY.

Anne is Chair of the Audit & Risk Committee and a member of the Finance & Investment Committee.

STRUCTURE AND MANAGEMENT (continued)

Information on Directors (continued)

Dr. Michael Coote

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

Michael was appointed to the Board of SVHA and its subsidiary Boards on 4 August 2016. Michael also serves as a Director on the Board of the Aikenhead Centre for Medical Discovery Ltd.

Michael is an Associate Professor and senior glaucoma consultant at the Royal Victorian Eye and Ear Hospital Melbourne and is the previous Clinical Director of Ophthalmology. He is the managing partner of Melbourne Eye Specialists - an academic private practice in Melbourne specialising in Glaucoma management.

Michael is an active researcher, mainly in glaucoma surgery research. He developed the CERA model of bleb porosity testing and has published 50 peer reviewed manuscripts, authored 8 book chapters and has given over 50 international lectures. He is currently on the Executive Board of the International Society for Glaucoma Surgery.

Michael is Chair of the Research & Education Committee and is a member of the Clinical Governance & Experience Committee.

Ms. Kathleen Bailey-Lord

Bachelor of Arts (Honours), University of Melbourne

Fellow, AICD

Graduate of the Macquarie Advanced Management Program, Harvard Executive Program, Singapore & Boston and University of Cambridge, Centre for Sustainable Leadership - Sustainability Leadership Program

Member, CEW

Appointed 17 April 2023

Melbourne-based, Kathleen is an experienced Company Director serving on boards across the public, private and for purpose sectors. Kathleen is passionate about bringing people and technology together to solve the big challenges of the day. With 20 years of senior executive experience leading businesses through complex change, to adapt and benefit from disruptive change and create sustainable value. Kathleen brings skills in transformational change, digital, technology, operational effectiveness including people, culture and business redesign. She has enjoyed executive and board roles in diverse industries (Technology, Professional Services, Financial Services, Education and Energy).

Between 2018 and 2022, Kathleen enjoyed working with the Parkville Health Precinct (comprises Melbourne Health, Royal Women's, Royal Children's and Peter Mac Cancer Centre) chairing its Connecting Care Board. This board's role was to oversight the implementation of precinct wide electronic medical records.

Kathleen is a member of the AICD Victorian Council and AICD Governance of Innovation and Technology Panel. She is an active member of Chief Executive Women. Kathleen's current boards are Janison Education Group (ASX:JAN), Datacom Group and Alinta Energy. Her past boards include Melbourne Water Corporation, Monash College, QBE Insurance (Auspac), Bank of Queensland (ASX:BOQ), Trinity College at the University of Melbourne, and the Australian Government Solicitor.

STRUCTURE AND MANAGEMENT (continued)

Information on Directors (continued)

Ms. Sandra McPhee AM

Diploma in Education

Fellow of the Australian Institute of Company Directors

Member of Chief Executive Women

Member of Women Corporate Directors

Sandra was appointed to the Board of SVHA and its subsidiary Boards on 1 October 2017. She has a long history with SVHA having served on the Sydney regional Boards prior to 2010 and as Chair of the Sydney Regional Advisory Committee.

Sandra is Chair of the NSW Public Service Commission, Chancellor of Southern Cross University and a member of the Advisory Council of JP Morgan. In 2018 she was appointed by the Commonwealth Government to Chair the Employment Services Expert Advisory Panel Review resulting in the "'I Want to Work' Employment Services 2020 Report".

Sandra has previously served as a Non-Executive Director on a diverse number of public companies, state, federal government and not for profit Boards including Scentre Group, Westfield Retail Trust, AGL Energy, Fairfax Media, Coles Group, Kathmandu Holdings, Perpetual, Australia Post, Tourism Australia, South Australia Water, Care Australia and the Starlight Foundation.

Sandra has extensive global leadership experience in the airline and tourism industries in Australia, UK, Europe, SE Asia, the Indian sub-Continent and Africa.

Sandra is Chair of the People & Culture Committee and a Member of the Mission, Ethics & Advocacy Committee.

Mr. Paul O'Sullivan

B.A. Economics, (First Class), Trinity College Dublin

Advanced Management Program, Harvard Business School.

Paul was appointed to the Board of SVHA and its subsidiary Boards on 1 August 2019.

Paul is an experienced chief executive with extensive domestic and international experience in ASX and SGX companies driving business transformation, growth and managing mergers and acquisitions as well as working with Board Remuneration and Audit Committees. Previous roles include Chief Executive Optus Australia and CEO Group Consumer Singtel (SGP).

Paul is Chairman of Singtel Optus, Chair of the Western Sydney Airport Company, Chair of ANZ bank and a Non-Executive Director of Australian Tower Network Pty Ltd.

Paul is Chair of the Finance & Investment Committee and a member of the People & Culture Committee.

Mr. Damien O'Brien

Bachelor of Economics (UNSW)

MBA (Columbia University)

Diploma in Theology & Philosophy (St Columban's College)

Damien was appointed to the Board of SVHA and its subsidiary Boards on 1 November 2019.

Damien is the former Chair and CEO of Egon Zehnder, a leading global advisory firm specialising in Board advisory services and executive recruitment. During his career with Egon Zehnder he was based in Hong Kong, Sydney, Paris, London and Zurich. He served as Chairman between 2010 and 2018. Prior to that he was engaged by McKinsey & Company as an Associate Consultant.

He is currently a non-executive Director at Ardagh Group, a New York Stock Exchange listed company, and he is a Member of the Supervisory Board of IMD Business School, Lausanne, Switzerland. In 2021 he was appointed to the Advisory Board of Conduit Capital, a private funds management group. He previously served on the Board of St Vincent's Private Hospital Sydney from 2002 to 2008 and the Advisory Board of Jesuits Australia from 2004 to 2007.

Damien is Chair of the Mission, Ethics & Advocacy Committee and a Member of the Audit & Risk Committee.

STRUCTURE AND MANAGEMENT (continued)

Information on Directors (continued)

Ms. Jill Watts	Jill was appointed to the Board of SVHA and its subsidiary Boards on 01 August 2019.
Wharton Fellow, MBA Grad Dip Health Admin & Information Systems; RM; RN	Jill has over 40 years international business experience achieved through high profile executive and non-executive Board roles in Australia, UK, France, South Africa and South-East Asia. Jill is currently a non-executive Director on NIB Australia Board, Icon Group Board and Lendlease Retirement Villages. She is also a Director on the IHH Healthcare Berhad Board (dual listed in Singapore and Malaysia), a top 50 Asia company and one of the world's largest healthcare networks. Prior to establishing a non-executive Board portfolio, Jill was an advisor to Macquarie Capital and spent 10 years in the United Kingdom as Group CEO of two of the largest hospital Groups, BMI Healthcare and Ramsay UK. Jill has previously served on several high-profile Boards including the Australian Chamber of Commerce and the Royal Flying Doctor Service in the UK, Ramsay Santé in France and the Netcare Group in South Africa. Between 2008 and 2012 Jill was Chair of NHS Partners Network, in 2010 she was voted as the most influential leader in UK Private Health Care and in 2013 as one of healthcare's most inspirational women. Jill has a strong business, leadership, and financial acumen, honed through executive roles where she actively led a number of major business transformations. In combination with over 12 years as a surveyor with the Australian College of Healthcare Standards, Jill has facilitated a unique knowledge base in managing both corporate and clinical risk. Jill is a member of the People & Culture Committee, the Finance & Investment Committee, and the Aged Care Committee.
Ms. Sheila McGregor	Sheila was appointed a Director of SVHA and its subsidiary Boards on 1 December 2019.
BA (Hons), LLB (Sydney University) Graduate Australian Institute of Company Directors Member of Chief Executive Women	Sheila is a partner at Gilbert + Tobin Lawyers and before that was a partner at Herbert Smith Freehills (then Freehills), and in those roles has advised private and public sector organisations on a range of complex legal and governance issues focused on information technology & data. Sheila is on the Boards of Crestone Holdings Limited and of the Sydney Writers' Festival. She is Chair of Sydney girls' school Loreto Kirribilli. Sheila is a member of the Mission, Ethics & Advocacy Committee, the Clinical Governance & Experience Committeeand the Aged Care Committee.
Prof. Vlado Perkovic	Vlado was appointed a Director of SVHA and its subsidiary Boards on 1 October 2021.
MBBS, PhD (University of Melbourne)	Professor Vlado Perkovic is Dean of Medicine & Health, and Scientia Professor at UNSW, a Professorial Fellow at The George Institute, Australia, a non-executive Director at Victor Chang Cardiac Research Institute, Garvan Institute of Medical Research and several other independent Medical Research Institutes as well as George Clinical, and a Staff Specialist in Nephrology at the Royal North Shore Hospital. He is a distinguished clinical researcher and has led several major international clinical trials that have identified new treatments to prevent kidney failure. Vlado holds a Doctor of Philosophy from the University of Melbourne and completed his undergraduate training at The Royal Melbourne Hospital. He is a Fellow of the Royal Australasian College of Physicians, the Australian Academy of Health and Medical Sciences, and the American Society of Nephrology. He serves on the Editorial Board of a number of leading journals, including the New England Journal of Medicine. Vlado is Chair of the Clinical Governance & Experience Committee, and a member of the Research & Education Committee.

STRUCTURE AND MANAGEMENT (continued)

Company Secretary

Mr. Pat Garcia

Bachelor of Law, Finance & Marketing, Public Policy, International Law and Security

Appointed 4 September 2023

Pat Garcia was the CEO of Catholic Health Australia, the largest not for profit grouping of health and aged care services in Australia. He is a lawyer, policy expert and political strategist who has worked in all three levels of government including as the Director of Policy to the NSW Premier, as a Senior Adviser in the Department of Prime Minister & Cabinet, and as Chair of a local government planning committee.

Pat is an experienced Board director whose experience spans the boards of the St Vincent de Paul Society National Council, the Law Council of Australia, the Law Society of New South Wales, Shine for Kids, Surf Life Saving Sydney and Youth Action. He is a former Club Captain of Coogee Surf Life Saving Club and former Army Reserves Officer.

Mr. Robert Beetson

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)

Retired 31 August 2023

Rob has worked for over 40 years in the health industry. He is admitted as a Solicitor to the Supreme Court of NSW, Member of the Law Society of NSW, Member of the Governance Institute of Australia, Member Australian Lawyers for Human Rights and a Member Australian Corporate Lawyers Association. Rob is also a graduate of the Australian Institute of Company Directors. Rob was a Director of St Vincent's Care Services Boondall Ltd and St Vincent's Care Services Carseldine Ltd. He also served as a trustee of St Vincent's Hospital Sydney. He served as an Executive in St Vincent's Health Australia in the position of Group General Manager Legal, Governance & Risk until 31 August 2023.

Mr. Paul Fennessy

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

Paul was appointed as alternate Company Secretary on 11 February 2016 and 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. Paul is the Group General Counsel for St Vincent's Health Australia.

STRUCTURE AND MANAGEMENT (continued)

Meetings of the Board and Committees

Number of meetings held	9	7	7	6	6	5	4	5
Directors	Board	Board Committee Meetings						
		Audit & Risk	Finance & Investment	Clinical Governance & Experience	Research & Education	People & Culture	Mission, Ethics & Advocacy	Aged Care
Mr Paul McClintock (AO) Chair	9/9				4/6			5/5
Ms Anne McDonald	9/9	7/7●	7/7					
Ms Sandra McPhee AM	9/9					5/5●	4/4	
Mr Paul O'Sullivan	8/9		7/7●			5/5		
Ms Anne Cross AM	9/9	5/7		6/6				5/5●
Dr Michael Coote	9/9			6/6	6/6●			
Ms Jill Watts	9/9		6/7			5/5		3/5
Ms Sheila McGregor	6/9			4/5	1/1		4/4	5/5
Mr Damien O'Brien	9/9	6/7					4/4●	
Prof Vlado Perkovic	9/9			5/6●	4/6			
Ms Kathleen Bailey-Lord [1]	0/1							

[1] Appointed 17 April 2023

● Committee chair

REMUNERATION

Under the legislation, the Group is not required to present a Remuneration Report but seeks to provide fair and responsible remuneration within the bands expected for a not-for-profit organisation. Note E1 contains the required remuneration disclosures.

AUDITOR

The Directors have received an Independence Declaration from Ernst & Young, a copy of which is attached at page 13.

This report is made in accordance with a resolution of the Directors.



Mr. Paul McClintock AO, Chair

Sydney

12 October 2023

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Building a better working world

Auditor's Independence Declaration to the Directors of St Vincent's Health Australia Limited and its Controlled Entities

In relation to our audit of the financial report of St Vincent's Health Australia Limited (the Company) and its Controlled Entities (collectively the Group) for the financial year ended 30 June 2023, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and
b. No non-audit services provided that contravene any applicable code of professional conduct.

Ernst & Young

Anton Ivanyi
Partner
Sydney
12 October 2023

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 $'000	2022 $'000
Revenue	A1	**3,011,788**	2,906,115
Other income	A1	**96,329**	55,868
Total revenue and other income		**3,108,117**	2,961,983
Employment expenses	A2	**1,926,166**	1,851,113
Goods and services		**768,925**	797,256
Finance costs		**74,586**	48,139
Repairs and maintenance		**29,525**	20,378
Depreciation and amortisation	A5 / A7 / A11	**181,166**	176,052
Other expenses from ordinary activities		**176,509**	100,392
Total expenses		**3,156,877**	2,993,330
Operating (deficit)		**(48,760)**	(31,347)
Capital funding received	A1	**22,149**	21,148
(Deficit) for the year		**(26,611)**	(10,199)
Other comprehensive income			
Items of other comprehensive income:			
Revaluation of assets		**(1,911)**	(68)
Net (loss) / gain on cash flow hedges		**(596)**	17,215
Total comprehensive (deficit) / income		**(29,118)**	6,948

BALANCE SHEET
AT 30 JUNE 2023

	Notes	2023 $'000	2022 $'000
ASSETS			
Current assets			
Cash and cash equivalents	B1	**384,861**	337,706
Trade and other receivables	A3	**222,006**	234,716
Inventories	A4	**39,684**	40,446
Investments	B2	**371,246**	283,355
Total current assets		**1,017,797**	896,223
Non-current assets			
Receivables	A3	**58,037**	41,445
Investments	B2	**157,708**	146,125
Property, plant and equipment	A5	**1,692,250**	1,649,774
Right-of-use assets	A11	**148,311**	156,105
Investment properties	A6	**323,774**	306,794
Intangible assets	A7	**225,895**	254,022
Total non-current assets		**2,605,975**	2,554,265
Total assets		**3,623,772**	3,450,488
LIABILITIES			
Current liabilities			
Trade and other payables	A8	**487,819**	424,180
Accommodation bonds and payables	A9	**799,626**	708,924
Lease liabilities	A11	**5,868**	16,981
Borrowings	B4	**71,566**	69,118
Provisions	A10	**461,080**	428,641
Total current liabilities		**1,825,959**	1,647,844
Non-current liabilities			
Payables	A8	**16,190**	17,418
Lease liabilities	A11	**151,212**	154,901
Borrowings	B4	**386,588**	367,723
Provisions	A10	**55,155**	55,359
Total non-current liabilities		**609,145**	595,401
Total liabilities		**2,435,104**	2,243,245
Net assets		**1,188,668**	1,207,243
Reserves		**115,661**	118,628
Retained surplus		**1,073,007**	1,089,075
Total equity		**1,188,668**	1,207,243

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Member's reserve	Revaluation reserve	Cash flow hedge reserve	Retained surpluses	Total
	$'000	$'000	$'000	$'000	$'000
2023					
Balance 1 July 2022	**204**	**107,305**	**10,659**	**1,089,075**	**1,207,243**
Total deficit	**-**	**-**	**-**	**(26,611)**	**(26,611)**
Other comprehensive loss	**-**	**(1,911)**	**(596)**	**-**	**(2,507)**
Total comprehensive loss	**-**	**(1,911)**	**(596)**	**(26,611)**	**(29,118)**
Transaction with the members in their capacity as members (Note B4ii)	**-**	**-**	**-**	**10,543**	**10,543**
Balance 30 June 2023	**204**	**105,394**	**10,063**	**1,073,007**	**1,188,668**
2022					
Balance 1 July 2021	204	107,373	(6,556)	1,097,723	1,198,744
Total deficit	-	-	-	(10,199)	(10,199)
Other comprehensive income	-	(68)	17,215	-	17,147
Total comprehensive income	-	(68)	17,215	(10,199)	6,948
Transaction with the members in their capacity as members (Note B4ii)	-	-	-	1,551	1,551
Balance 30 June 2022	204	107,305	10,659	1,089,075	1,207,243

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from patients, residents and grants (including GST)		**3,233,710**	3,116,472
Payments to suppliers and employees (including GST)		**(3,072,481)**	(2,900,204)
Interest and dividends received		**14,846**	4,168
Donations received		**30,209**	27,278
Interest paid		**(23,195)**	(16,901)
Net cash flow from operating activities		**183,089**	230,813
Cash flows from investing activities			
Payments for property, plant, equipment and intangibles		**(176,948)**	(136,443)
Acquisition of a business	A7(iii)	**-**	(100,278)
Net (payments) / proceeds for investments		**(73,798)**	(3,233)
Capital funding received	A1	**22,149**	21,148
Proceeds from disposal of plant, equipment and intangibles		**430**	339
Payments for investment properties		**(4,622)**	(881)
Net cash flow used from investing activities		**(232,789)**	(219,348)
Cash flows from financing activities			
Loan proceeds / (repayments) from related party		**7,594**	(14,426)
RAD, accommodation bond and ILU entry contribution inflows		**279,144**	254,032
RAD, accommodation bond and ILU entry contribution outflows		**(179,475)**	(125,573)
Payment of principal portion of lease liabilities	A11	**(19,537)**	(26,232)
Repayment of borrowings		**(27,871)**	(57,649)
Proceeds from borrowings		**37,000**	48,000
Net cash flow from financing activities		**96,855**	78,152
Net increase in cash and cash equivalents held		**47,155**	89,617
Cash at the beginning of the financial year		**337,706**	248,089
Cash at the end of the financial year	B1	**384,861**	337,706

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SVHA is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

The financial report represents the consolidation of SVHA (the "Company") and its controlled entities (the "Group" or "SVHA"). The financial report was authorised for issue by the Directors on 12 October 2023. The Directors have the power to amend and reissue the financial report.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards – Simplified disclosures and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012 (Cth).

The financial statements comprise the consolidated financial statements of St Vincent's Health Australia and the entities it controls (the Group). For the purposes of preparing the consolidated financial statements, the Group is a not-for-profit.

The financial report has also been prepared on a going concern basis, using historical cost conventions, except for investment properties, financial assets at fair value through profit or loss and available-for-sale financial assets which are carried at fair value.

The financial report is presented in Australian dollars with all values rounded to the nearest thousand dollars unless otherwise stated and presents reclassified comparative information where required for consistency with the current year's presentation.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. A list of subsidiaries at year end is contained in note C3. Subsidiaries are those over which the Group has the power to govern the financial and operating policies.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity and using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed.

Going concern

The Group's Balance Sheet shows an excess of current liabilities over current assets of $808.16m (2022: $751.62m).

Included within current liabilities are accommodation bonds / Refundable Accommodation Deposits (RADs) of $799.63m (2022: $708.92m) which are recorded as current under Australian accounting standards. In the normal course of business not all of these liabilities will crystallise within one year and those that do are usually replaced by incoming residential accommodation payments. In addition, current liabilities contain provisions for annual and long service leave of $442.73m (2022: $415.57m) which although presented as current, are probable to be paid out over several years.

The Group has a substantial net asset position of $1.19b for the year ended June 2023 (2022: $1.21b).

St Vincent's Hospital (Melbourne) Limited (SVHM)

When preparing its financial statements, SVHM assessed the Department of Health and Human Services (DHHS) funding and related costs for Public services to be provided in the twelve months following 30 June 2023. DHHS has committed to providing temporary cash flow support to enable the Health Service to meet its current and future operational obligations as and when they fall due for a period up to 31 October 2024 should it be required to enable continued trade in the short term for provision of health services to Victorians. In practice and historically, DHHS has provided ongoing financial support to SVHM to enable it to continue to operate, and the Directors expect this support to continue post October 2024.

St Vincent's Hospital Sydney Limited (SVHS)

SVHS has legislative obligations combined with a Memorandum of Understanding with the NSW Ministry of Health (Ministry) to provide a level of surety that ongoing funding allocations will be provided by the Ministry. It has a Service Agreement with the Ministry for 2023-24 which provides certainty of funding for that financial year. SVHS received a letter from the Ministry dated 22 October 2009 in which it accepts some liability for employee entitlements should the Company cease activities as an Affiliated Health Organisation. The National Partnership on COVID-19 Response outlines the joint responsibility of the Commonwealth and the States to protect the Australian community by ensuring that the health system can respond effectively to the outbreak of COVID-19. This includes the provision of financial stimulus packages that complement the National Health Reform Agreement.

St Vincent's Care Services (SVCS)

COVID-19 pandemic has continued to create significant uncertainty for the operating environment of residential aged care and community care programs in Australia. It has impacted staffing and has resulted in increased overhead costs to manage the response to the pandemic, occupancy was significantly affected due to lockdowns and community concern about the safety of vulnerable family members. The Company's consumable supply chains were also impacted with increased costs for supplies of personal protective equipment and waste disposal.

Based on agreements with State Goverments for funding, improved government funding for Aged Care and positive cash flow from operating activities, the financial statements have been prepared on a going concern basis.

The notes to the financial statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Group. Information is considered material and relevant if, for example:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the Group;
- it helps to explain the impact of significant changes in the Group's business; or
- it relates to an aspect of the Group's operations that is important to its future performance.

Key accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and judgements which are considered material to the financial report are found in the following notes:

Area of Estimation	***Note***
Long-term employee obligations – assumptions underlying assessment of employee departures and periods of service	A2
Property, plant and equipment – assessment of useful lives and impairment assessment	A5
Investment properties - assumptions underlying valuation	A6
Intangible assets – assumptions underlying recoverable value	A7
Insurance deductible excess provision – assumptions underlying assessment of future costs	A10(ii)
Leases – determining lease term and incremental borrowing rate	A11
Estimated fair value of certain financial assets	E4

This section explains the results and performance of the Group. It provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of the entity, including accounting policies that are relevant for understanding the items recognised in the financial statements.

A1 REVENUE, OTHER INCOME AND CAPITAL FUNDING

Revenue, other income and capital funding recognised during the year are set out below.

	2023	2022
	$'000s	$'000s
Patient and resident fees	**1,011,001**	907,093
Government grants and subsidies	**1,596,895**	1,376,616
COVID-19 government subsidies	**52,936**	261,318
Non-medical revenue	**100,251**	150,030
Lease income	**37,843**	35,957
Interest and dividend income	**24,778**	8,205
Imputed revenue on RAD and Bond balances under AASB 16 *Leases* (ii)	**37,118**	19,399
Other revenues	**150,966**	147,497
Total revenue	**3,011,788**	2,906,115
Donations	**71,843**	51,807
Net gain from fair value adjustment - investment properties (note A6)	**13,447**	3,809
Gain from fair value adjustment - investments	**10,851**	80
Net gain from disposal of assets	**188**	172
Total other income	**96,329**	55,868
Health Infrastructure Funding	**11,355**	16,119
Mater Hospital Sydney redevelopment	**4,653**	2,050
St Vincent's Healthcare	**1,440**	1,652
St Vincent's Private Hospital Toowoomba Redevelopment	**4,701**	1,000
St Vincent's Private Hospital Melbourne	**-**	326
St Vincent's Private Hospital Werribee	**-**	1
Total capital funding (included in non-operating income)	**22,149**	21,148

(i) Accounting policy

Refer to Note E6, Other Accounting Policies, Revenue from Contracts with Customers

(ii) Imputed revenue on RAD and Bond balances under AASB 16 *Leases*

Total revenue includes an imputed non-cash charge for accommodation in respect of residents who have chosen to pay a RAD or Bond, Refer to Note A11 Leases.

A2 EMPLOYMENT EXPENSES

Employment expenses recognised during the year are set out below.

	2023 $'000s	2022 $'000s
Salaries and wages and on-costs	**1,764,221**	1,706,606
Superannuation	**161,945**	144,507
	1,926,166	1,851,113

(i) Accounting policy

This disclosure note includes the accounting policies for all items related to employment expenses. This includes the treatment of balance sheet items such as provision for employee benefits (note A10).

Superannuation

The Group contributes to several defined contribution superannuation plans. Contributions are recognised as an employment expense as they are incurred.

Termination benefits

The Group recognises termination benefits when it commits to either terminating a current employee's employment according to a detailed formal plan without the possibility of withdrawal, or providing termination benefits following an offer made to encourage voluntary redundancy.

Short-term employee obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave which are expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled and are classified as current where the Group does not have an unconditional right to defer the liability beyond 12 months of the reporting date.

The liability for annual leave and long service leave is recognised in the provision for employee benefits. All other short-term employee obligations are presented as payables.

Long-term employee obligations

Liabilities for long service leave and annual leave which are expected to be settled more than 12 months from the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on Commonwealth Government bonds and High Quality Corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

A3 TRADE AND OTHER RECEIVABLES

	2023 $'000s	2022 $'000s
Current		
Trade receivables	**132,266**	126,981
Less: Allowance for expected credit losses (ii)	**(5,059)**	(4,817)
Net trade receivables	**127,207**	122,164
Loans to related parties (note C4)	**8,345**	2,095
Derivative asset (iv)	**10,063**	10,660
Other receivables	**31,959**	37,758
Accrued revenue	**26,441**	42,397
Prepayments	**17,991**	19,642
Total current receivables	**222,206**	234,716
Non-current		
Loans to related parties	**367**	-
Other receivables	**57,670**	41,445
Total non-current receivables	**58,037**	41,445

(i) Accounting policy

Refer to Note E6, Other Accounting Policies, Financial Instruments

(ii) Financial risk management

Market risk - interest rate risk

Receivables are generally non-interest bearing and are not, therefore, subject to interest rate risk.

Credit risk

Credit risk in respect of trade and other receivables is generally considered to be low given that the majority of receivables relate to funds owed by State and Commonwealth government departments and private health insurance funds who are subject to prudential standards governed by the Private Health Insurance Act and monitored by the Private Health Insurance Administration Council. It is the Group's policy that all health funds trading on credit terms are subject to credit verification procedures. Receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

Allowance for expected credit losses

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Amounts due from related parties

Credit risk in respect of amounts due from related parties (primarily associated entities to the Group) is considered to be low given the history and stability of these entities. Credit risk is also assessed by reviewing current financial information including management and statutory accounts, budgets and cash forecasts.

(iii) Fair value

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

(iv) Derivative asset

Derivative asset represents mark to market valuation of effective interest rate swaps which hedge interest rate exposure on core debt.

A4 INVENTORIES

Inventories of $39,684,000 (2022: $40,446,000) comprise medical and other consumables.

(i) Accounting policy

Inventories are carried at the lower of cost and replacement value. Cost is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location. Replacement value is the estimated cost of replacement in the ordinary course of business.

A5 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	In course of construction	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 30 June 2023						
Cost	**273,121**	**807,230**	**1,027,644**	**758,495**	**189,654**	**3,056,144**
Accumulated depreciation	**-**	**(399,866)**	**(421,581)**	**(542,447)**	**-**	**(1,363,894)**
Net carrying amount	**273,121**	**407,364**	**606,063**	**216,048**	**189,654**	**1,692,250**
Movement						
Net carrying amount at 1 July	**273,055**	**430,406**	**601,956**	**217,818**	**126,539**	**1,649,774**
Additions – operating	**66**	**158**	**16,193**	**39,549**	**83,746**	**139,712**
Additions – development	**-**	**2,189**	**-**	**-**	**26,653**	**28,842**
Transfer to Investment properties (Note A6)	**-**	**-**	**-**	**-**	**(1,868)**	**(1,868)**
revaluation	**-**	**-**	**-**	**483**	**-**	**483**
Transfers	**-**	**168**	**33,576**	**11,672**	**(45,416)**	**-**
Disposals	**-**	**-**	**(512)**	**(516)**	**-**	**(1,028)**
Depreciation		**(25,557)**	**(45,150)**	**(52,958)**	**-**	**(123,665)**
Net carrying amount at 30 June	**273,121**	**407,364**	**606,063**	**216,048**	**189, 654**	**1,692,250**
Year ended 30 June 2022						
Cost	273,055	804,820	977,714	752,222	126,539	2,934,350
Accumulated depreciation	-	(374,414)	(375,758)	(534,404)	-	(1,284,576)
Net carrying amount	273,055	430,406	601,956	217,818	126,539	1,649,774

A5 PROPERTY, PLANT AND EQUIPMENT (continued)

(i) Accounting policy

Property, plant and equipment (including in the course of construction) is measured at historical cost less accumulated depreciation and impairment losses.

Cost includes purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs incurred in relation to the asset are included in cost, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation

Items of property, plant and equipment are depreciated on the straight-line method over their estimated useful lives. Land is not depreciated. The depreciation rates used for each class of assets are detailed below:

Buildings	up to 40 years
Leasehold improvements	up to 40 years (shorter of (a) the unexpired period of the lease or (b) the estimated useful life of the improvement to the Group)
Plant and equipment	up to 25 years
Furniture and fittings	up to 10 years
Computer equipment	up to 5 years
Medical and surgical equipment	up to 10 years

The estimation of useful lives, residual value and the depreciation method applied to an asset are reviewed at least annually.

In 2023 depreciation has been accelerated for the St Joseph's Hospital assets by $5,028,000 relating to the closure of the Hospital.

Impairment

If the carrying value of an item of property, plant and equipment is greater than its estimated recoverable amount, then its carrying value is written down immediately to its recoverable amount.

Derecognition

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits. Any gain or loss on derecognising an item of property, plant and equipment (difference between the proceeds of disposal and the carrying amount of property, plant and equipment) is included in profit or loss in the year of disposal.

Componentisation of buildings

Buildings are split into their various components including physical structure, fire services, mechanical services, vertical transport services, and electrical services. Estimates of useful lives for each of these components are based on advice from quantity surveyors and as a result, with the exception of the structural components, the other components have estimated useful lives less than 40 years.

(ii) Net gain on the disposal of property, plant and equipment

The Group incurred a net loss on the disposal of property, plant and equipment of $344,000 (2022: net loss of $129,000). The expense included in 'other expenses from ordinary activities' in the profit or loss.

A6 INVESTMENT PROPERTIES

	2023 $'000s	2022 $'000s
Independent Living Units (i)	**268,623**	253,813
Other investment properties (ii)	**55,151**	52,981
	323,774	306,794

(i) Independent Living Units

Independent Living Units are held to earn rent or for capital appreciation rather than service delivery obligations. Independent Living Units include units located on land held under long-term Crown leases at Heathcote.

	2023 $'000s	2022 $'000s
Fair value on 1 July	**253,813**	248,664
Additions	**1,665**	1,102
Transfer from Property, plant and equipment (Note A5)	**1,868**	1,871
Net gain from fair value adjustment on Independent Living Units (note A1)	**11,277**	2,176
Carrying amount at 30 June	**268,623**	**253,813**

(ii) Other investment properties

Other Investment properties, principally comprising strata titled suites used by doctors, are held for long-term rental yields and are not occupied by the Group.

	2023 $'000s	2022 $'000s
Opening balance at 1 July	**52,981**	51,348
Net gain from fair value adjustment on other Investment Properties (note A1)	**2,170**	1,633
Closing balance at 30 June	**55,151**	52,981

(iii) Accounting Policy

Investment properties are initially recognised at cost including any acquisition costs and subsequently stated at fair value at each balance date as described in (iv) below. Changes in fair values are recorded in the statement of profit or loss and other comprehensive income as a Net (loss) gain from fair value adjustment - investment properties.

If an investment property is disposed, the gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal and is recognised in the profit or loss in the year of disposal.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

A6 INVESTMENT PROPERTIES (continued)

(iv) Fair Value

The measurement of fair value may in some cases be subjective and may depend on the inputs used in the calculations. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is included in note E4.

The Group has classified investment properties as level 3 in that one or more of the significant inputs are not based on observable market data. Where such information is not available the Directors consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

Investment properties are independently valued at least every 3 years. In the intervening years, the Directors assess if there are any significant changes to the valuation assumptions and will obtain a valuation in the event that there are significant changes.

Independent Living Units

The fair value of Independent Living Units was determined to be the aggregate of the resident entry contributions, expressed as a nominal value and including capital gain share, the net fair value of occupied properties on a going concern basis and the fair value of any new unsold properties.

Each Independent Living Unit is independently valued at least every 3 years.

During 2023, a third of the Independent Living Units were independently valued by Knight Frank, a member of the Australian Property Institute. The basis of the Independent Living Units valuation was fair value. The valuation includes and is therefore net of, the liabilities payable to the existing residents of the Independent Living Units.

The key assumptions used by Knight Frank in determining fair value for the Group's portfolio of properties were in the following ranges:

Valuation technique	**Inputs used to measure fair value**	**Range of inputs**
Discounted cash flow approach	Discount rates	14% – 16%
	Growth rates	2.62% – 2.63%
	Average tenure of residents	4 – 12.7 years

Increasing the discount rate and average subsequent tenue periods would reduce the fair value of the investment properties and vice-versa. Increasing the assumptions made about the market value of units and property price growth rates would increase the fair value of investment properties and vice-versa.

Valuation reconciliation	**2023 $'000s**	2022 $'000s
Carrying amount of Independent Living Units	**268,623**	253,813
Less ingoing contributions (Note A9)	**(166,773)**	(163,934)
Valuation at 30 June 2023	**101,850**	89,879

A6 INVESTMENT PROPERTIES (continued)

(v) fair value (continued)

Other Investment Properties

Other investment properties are independently valued at least every 3 years. In the intervening years, the Directors assess if there are any significant changes to the valuation assumptions and will obtain a valuation in the event that there are significant changes.

On 30 April 2021 other investment properties were independently valued by Charter Keck Cramer ("Charter"), a member of the Australian Property Institute. The basis of the doctors suites valuation was fair value, being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction based on current prices in an active market.

The key assumptions used by Charter in determining fair value for the Group's portfolio of properties were in the following ranges:

Valuation technique	Inputs used to measure fair value	Range of inputs
Direct comparison approach income capitalisation method	Gross market rent (rate per m^2)	$13,000 - $17,000
	Adopted capitalisation rate	4.25%

The Directors have assessed the fair value of investment properties as at 30 June 2023 and consider it appropriate.

(v) Non-current assets pledged as security

Refer to note B4 or information on non-current assets pledged as security by the Group.

(vi) Leasing arrangements

Lease income and expenses relating to investment properties are recorded in the books of a related party.

(vii) Other

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties.

A7 INTANGIBLE ASSETS

	Goodwill $'000	Residential aged care bed licences $'000	Development costs and other intangibles $'000	Total $'000
Year ended 30 June 2023				
Cost	**157,430**	**88,678**	**96,187**	**342,295**
Accumulated amortisation and impairment	**-**	**(59,118)**	**(57,282)**	**(116,400)**
Net carrying amount	**157,430**	**29,560**	**38,905**	**225,895**
Movement				
Carrying amount at 1 July	**157,430**	**59,119**	**37,473**	**254,022**
Additions	**-**	**-**	**9,758**	**9,758**
Amortisation expense	**-**	**(29,559)**	**(8,326)**	**(37,885)**
Carrying amount at 30 June	**157,430**	**29,560**	**38,905**	**225,895**
Year ended 30 June 2022				
Cost	157,430	88,678	87,875	333,983
Accumulated amortisation and impairment	-	(29,559)	(50,402)	(79,961)
Net carrying amount	157,430	59,119	37,473	254,022

(i) Accounting policy

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Goodwill of $50,640,000 from the acquisition of 50% membership of St Vincent's Private Hospital Melbourne in 31 March 2011, $2,121,000 from the acquisition of St Vincent's Care Services Jabiru in 1 September 2016, $3,056,000 from the acquisition of St Vincent's Care Services Hawthorn on 1 July 2018, $29,628,000 from the acquisition of 50% membership of St Vincent's Private Hospital Northside on 1 July 2018, $7,031,000 from the acquisition of Rosary Village on 1 December 2018, $475,000 from the acquisition of St Joan of Arc Villa on 1 March 2019, $23,498,000 from the acquisition of Holy Spirit Care Service Brisbane and Holy Spirit Care Service Boondall on 1 June 2019, $20,255,000 from the acquisition of Heathcote on 1 September 2019 and $20,726,000 from the acquisition of Prescare on 29 July 2021.

Refer to Note A7 (iii), Goodwill on acquisition of business combination – prior period.

A7 INTANGIBLE ASSETS (continued)

(i) Accounting policy (continued)

Residential aged care bed licences

Residential aged care bed licences obtained through the Aged Care Approvals Round (ACAR) represent an asset contribution under AASB 1004 Contributions. Residential aged care bed licences are recognised at the initial fair value until the Group either disposes of the licence or recognises impairment losses related to the licence. Fair value is determined at the date when the residential aged care beds become operational. The fair value assessment is based upon market transaction data as provided by an external consultant.

In its response to the Royal Commission into Aged Care Quality and Safety, the Federal Government has announced in May 2021 that it will end the Aged Care Approvals Round ("ACAR") process by July 2024 and remove the system of aged care providers controlling resident places, instead transferring them to residents themselves. In accordance with Accounting Standards and guidelines issued by the Australian Securities and Investments Commission ("ASIC") and the Group's current understanding of the relevant legislation and transitional arrangements relating to the removal of bed licences, the Group has reassessed the useful life of its bed licences. Consequently, the Group commenced amortising the value of bed licences from 1 July 2021 on a straight-line basis over their remaining economic life to 30 June 2024.

This has resulted in a $29,559,000 amortisation expense in the profit and loss for year ended 30 June 2023 (2022: $29,559,000) with no impact to the cash flows of the Group.

Development costs and other intangibles

Development costs and other intangibles represent identifiable non-monetary assets without physical substance such as computer software development costs. Intangible assets are recognised at initial cost with subsequent costs only capitalised when it is expected that additional future economic benefits will flow to the entity.

Amortisation

The Group amortises intangibles with a finite useful life using the straight-line method over a period up to 10 years. The estimation of useful lives and amortisation method are reviewed at least annually.

Impairment

Intangibles that have an 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 might be impaired. An intangible is considered impaired when its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. As a not-for-profit entity, value in use is determined using depreciated replacement cost.

Impairment losses are recognised in the profit or loss in the year it arose. Impairment losses recognised for goodwill are not subsequently reversed.

Derecognition

An intangible asset is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits. Any gain or loss on derecognising an intangible asset (difference between the proceeds of and the carrying amount of property, plant and equipment) is included in profit or loss in the year of disposal.

A7 INTANGIBLE ASSETS (continued)

(ii) Key assumptions used for value-in-use calculations

Goodwill

For the purposes of assessing impairment of goodwill, assets are grouped at the lowest levels for which goodwill is monitored for internal management purposes and allocated to cash-generating units ("CGU's"). The allocation is made to those CGUs or groups of CGU's that are expected to benefit from the business combination in which the goodwill arose.

The recoverable amount for goodwill is based on detailed 5-year forecast cash flows including the expected impact of COVID-19 on cash flows, a terminal value growth rate of 3% and a discount rate of 10%. The value-in-use calculations and impairment reviews are sensitive to changes in key assumptions, particularly relating to discount rates and terminal rate growth. A sensitivity analysis was performed and it was concluded that the recoverable amount of the goodwill amount exceeded its carrying value and that no impairment existed. There is no reasonably possible change in a key assumption that could result in impairment.

(iii) Goodwill on acquisition of business combination – prior period

Acquisition of three Residential Aged Care Facilities from PresCare

On 29 July 2021, St Vincent's Care Services Ltd reached an agreement to purchase three Residential Aged Care Facilities in Queensland, previously owned by PresCare, namely PresCare Vela in Carina, Protea by PresCare in Townsville and WRB in Corinda. The PresCare transaction was completed on 6 October 2021.

	2022 $'000s
Purchase consideration	
Cash	**100,278**
Total	**100,278**
Assets acquired and liabilities assumed at the date of acquisition	
Inventory	**80**
Freehold land	**12,800**
Buildings	**64,500**
Plant and equipment	**3,670**
Employee Benefits	**(1,498)**
Total	**79,552**

In accordance with accounting standards, the accounting for the Prescare acquisition has been completed.

Goodwill arising on acquisition:

Consideration transferred	**100,278**
Less: fair value of net identifiable assets acquired	**(79,552)**
Goodwill arising on acquisition	**20,726**

A7 INTANGIBLE ASSETS (continued)

(iii) Goodwill on acquisition of business combination – prior period (continued)

Acquisition of three Residential Aged Care Facilities from PresCare (continued)

The goodwill recognised in relation to the acquisition of the Prescare sites is attributable to the future profitability of the facilities with higher occupancy and the synergies expected to be achieved from integrating the business into the Company's existing operations.

The cash outflow on acquisition was:	**2022 $'000s**
Transaction costs (included in operating cash flows)	**533**
Cash consideration paid	**100,278**
Outflow of cash	**100,811**

A8 TRADE AND OTHER PAYABLES

	2023 $'000s	2022 $'000s
Current		
Trade creditors and accrued expenses	**306,035**	315,652
Other payables	**181,784**	108,528
	487,819	424,180
Non-current		
Other payables	**16,190**	17,418
	16,190	17,418

(i) Accounting policy

Payables are initially recognised at fair value less transaction costs and subsequently carried at amortised cost. Trade payables are unsecured and are usually paid within 30 days of recognition.

(ii) Financial risk management

Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flow and matching the maturity profiles of financial assets and liabilities.

(iii) Fair value

Due to the short-term nature of these payables, their carrying amount is assumed to approximate their fair value.

A9 ACCOMMODATION PAYABLES

	2023 $'000s	2022 $'000s
Refundable accommodation deposits (RADs)	**620,274**	515,749
Accommodation bonds (ABs)	**12,579**	29,241
Independent living unit (ILU) entry contributions (Note A6)	**166,773**	163,934
	799,626	708,924

A9 ACCOMMODATION PAYABLES (continued)

(i) Accounting policy

Refundable accommodation deposits (RADs) and accommodation bonds (ABs)

A refundable accommodation deposit (RAD) is a non-interest bearing deposit paid or payable to an Approved Provider by a resident for the resident's accommodation in an aged care facility. Prior to 1 July 2014, lump sum refundable accommodation deposits were referred to as an accommodation bond (AB). RADs and ABs are in effect an interest-free loan. Not all residents are required to pay RADs – the Australian Government conducts an assessment of residents' income and assets and determines if residents can be asked to pay towards their accommodation costs. Residents who are required to pay for accommodation can chose to pay a full lump sum (RAD), a regular rental-type payment called a 'daily accommodation payment' (DAP), or a combination of both. Accommodation bonds were not payable by residents upon their admission to non-extra service high care accommodation facilities. Under the Living Longer Living Better reforms the distinction between low care and high care has been removed.

Accommodation bond balances are reduced by annual retention fees charged in accordance with the Aged Care Act 1997, however, retention fees are not applicable to post 1 July 2014 RADs. RAD and AB refunds are guaranteed by the government under the prudential standards legislation. Providers are required to have sufficient liquidity to ensure they can refund RAD and AB balances as they fall due in the following twelve months. Providers are also required to implement and maintain a liquidity management strategy.

Independent living unit (ILU) entry contributions

Entry contributions relate to Independent Living Unit residents. Entry contributions are settled after a resident vacates the property and the terms and conditions are governed by applicable State-based Retirement Village Acts and the individual resident contract.

(ii) Classification as a current liability

As there is no unconditional right to defer payment for 12 months, RADs, ABs and ILU entry contributions are recorded as current liabilities, the settlement of entry contribution is typically replaced by the receipt of a new entry contribution from an incoming resident. However, based on past history, the Group expects accommodation payables to be settled as follows:

	2023	2022
	$'000s	$'000s
Expected to be settled within 12 months	**288,905**	327,657
Expected to be settled greater than 12 months	**510,721**	381,267
	799,626	708,924
(iii) Movement in accommodation payables		
Opening balance at 1 July	**708,924**	589,935
Proceeds from government	**-**	34,387
Proceeds from residents	**279,168**	218,566
Repayments to former residents	**(180,045)**	(125,872)
Interest payable to former residents	**1,676**	1,231
Interest, retentions and other deductions charged to residents	**(10,097)**	(9,323)
Closing balance	**799,626**	708,924

(iv) Financial risk management

Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flow and matching the maturity profiles of financial assets and liabilities.

Maturity of accommodation payables

Accommodation payables have no fixed repayment dates.

A10 PROVISIONS

	2023 $'000s	2022 $'000s
Current		
Employee benefits (note A2(i))	**442,731**	415,573
Insurance deductible excess (ii)	**2,011**	974
Other provisions	**16,338**	12,094
	461,080	428,641
Non-current		
Employee benefits (note A2(i))	**49,187**	51,205
Insurance deductible excess (ii)	**5,968**	4,154
	55,155	55,359

Movement in provisions	Employee benefits $'000s	Insurance deductible excess $'000s	Other $'000s	Total $'000s
Carrying amount as at 1 July 2022	466,778	5,128	12,094	484,000
Provision recognised	119,932	1,477	5,996	127,405
Payments	(94,792)	(834)	(1,752)	(97,378)
Other	-	2,208	-	2,208
Carrying amount as at 30 June 2023	491,918	7,979	16,338	516,235

A redundancy provision has been provided relating to the closure of St Joseph's Hospital. All employee entitlements relating to the staff employed at St Joseph's Hospital have been allocated to current benefits.

The Boondall 'Viridian' retirement village is considered an affected building under combustible cladding regulations. Fire safety risk assessments have been completed and further fire engineering assessments have been undertaken. A project manager has been engaged for the work which will be completed in FY24. In the interim, fire safety risk mitigation measures are in place and have been communicated to staff, contractors, families and residents. The provision is estimated to be $1,648,500.

(i) Accounting policy

A provision is recognised when a present legal or constructive obligation exists as a result of a past event and it is probable that a future outflow of cash or other benefit will be required to settle the obligation, the timing or amount of which is uncertain.

(ii) Insurance deductible excess

Insurance deductible excess is a provision for medical malpractice claims based on an independent assessment of open claims made to reporting date and past experience on the level of claim outcomes. Estimates of the insurance deductible excess obligations are based on an assessment of future costs, which have been discounted to their present value. In determining the insurance deductible excess provision, the Group have assumed no significant changes will occur in the relevant Federal and State legislation in relation to medical malpractice claims in the future.

A11 LEASES

Leases as a lessee

The Group leases assets including land and buildings and medical equipment. The leases are secured by the assets leased and represent the discounted future rentals payable by the Group for:

- Certain of its office properties and leased property, plant and equipment.
- Leases of medical equipment.

Further information about leases for which the Group is a lessee is presented below.

(i) Right-of-use assets	**Property $'000s**	**Medical equipment $'000s**	**Total $'000s**
Balance at 1 July 2022	**142,523**	**13,582**	**156,105**
Additions	**12,194**	**316**	**12,510**
Depreciation charge for the year	**(16,086)**	**(3,530)**	**(19,616)**
Disposals	**(657)**	**(31)**	**(688)**
Balance at 30 June 2023	**137,974**	**10,337**	**148,311**
Balance at 1 July 2021	144,286	8,186	152,472
Additions	16,106	8,618	24,724
Depreciation charge for the year	(17,048)	(3,153)	(20,201)
Disposals	(477)	-	(477)
Revaluation	(344)	(69)	(413)
Balance at 30 June 2022	142,523	13,582	156,105

(ii) Lease liabilities	**2023 $'000s**	2022 $'000s
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**20,840**	23,505
One to five years	**47,109**	54,628
More than 5 years	**367,753**	358,111
Total undiscounted lease liabilities as 30 June	**435,702**	436,244
Lease liabilities included in the statement of financial position at 30 June		
Current	**5,868**	16,981
Non-current	**151,212**	154,901

A11 LEASES (continued)

Leases as a lessee (continued)

(iii) Amounts recognised in profit or loss	2023 $'000s	2022 $'000s
Depreciation on right-of-use assets	**19,616**	20,201
Interest on lease liabilities	**6,674**	6,559
Variable lease payments not included in the measurement of lease liabilities	**38,807**	38,139
Expenses relating to short-term leases	**435**	141
Expenses relating to leases of low value assets, excluding short-term leases of low-value assets	**77**	64

(iv) Amounts recognised in the statement of cash flows	2023 $'000s	2022 $'000s
Payment of principal portion of lease liabilities	**19,537**	26,232
Payment of interest portion of lease liabilities	**6,676**	4,337
Total cash outflow for leases	**26,213**	30,569

Leases as a lessor

The Group leases out its investment property (Note A6). All leases are classified as operating leases from a lessor perspective because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group during 2023 was $37,843,000 (2022: $35,957,000)

At reporting date, the Group had contracts with tenants for the following future minimum lease payments:

	2023 $'000s	2022 $'000s
Within one year	**9,714**	7,463
In the second to fifth years inclusive	**19,500**	17,305
Later than five years	**2,571**	4,456
	31,785	29,224

A11 LEASES (continued)

Residential aged care and retirement living accommodation

Contracts with residential aged care and retirement living customers contain provisions for accommodation, use of common areas/facilities for provision of care and other services. The Group has concluded that its contractual arrangements relating to the provision of residential aged care and retirement living accommodation are an operating lease pursuant to AASB 16, being the exclusive right to the use of a room/unit by a resident.

For residential aged care accommodation arrangements where the resident has elected to pay a RAD or Bond, the Group receives a financing benefit, being non-cash consideration, in the form of an interest free loan. On adoption of AASB 16, the fair value of this non-cash consideration is required to be recognised as income (to reflect the interest free loan financing benefit received on RADs and Bonds) and, correspondingly, interest expense (to record the financial liability associated with RADs and Bonds at fair value) with no net impact on profit or loss.

The application of AASB 16 for the year ended 30 June 2023 has been calculated based on:

- monthly average RAD / Bond balances; and
- interest rate equal to the Maximum Permissible Interest Rate (MPIR) which is a Government set interest rate used to calculate the Daily Accommodation Payment to applicable residents. The weighted average interest rate for the year was 6.46% (2022: 4.12%).

The Group's Statement of Profit or Loss and Other Comprehensive Income presents Income of $37,118,000 (2022: $19,399,000) and an additional Finance cost (i.e. interest expense) of $37,118,000 (2022: $19,399,000), with $nil impact to net profit for the period.

The accounting treatment for residential aged care accommodation arrangements where residents have elected to pay a DAP has not changed upon adopting AASB 16.

This section outlines the financing activities of the Group and the Group's exposure to financial risk such as market risk, credit risk and liquidity risk.

B1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents of $384,861,000 (2022: $337,706,000) comprise cash at bank and short term deposits.

(i) Accounting policy

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

B2 INVESTMENTS

	2023	2022
	$'000s	$'000s
Current		
Fair value through profit or loss financial assets	**299,620**	276,140
Other financial assets at amortised cost	**71,626**	7,215
	371,246	283,355
Non-current		
Fair value through profit or loss financial assets	**128,975**	105,153
Other financial assets at amortised cost	**-**	9,682
Fair value through OCI	**28,733**	31,290
	157,708	146,125

(i) Accounting policy

Refer to Note E6, Other Accounting Policies, Financial Instruments

(ii) Fair value

The measurement of fair value may in some cases be subjective and may depend on the inputs used in the calculations. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is included in note E4.

The Group has classified investments as level 1 in that the fair value is traded in active markets. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (or for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity specific inputs.

B3 CASH AND INVESTMENTS – FINANCIAL RISK MANAGEMENT

Interest rate risk

The Group's main interest rate risk arises from cash and bank deposits earning variable rates and long-term borrowings with variable rates. These expose the Group to the risk that the fair value or cash flows of financial instruments will fluctuate due to changes in market interest rates.

The variable risk on financial assets is managed by an investment policy that restricts the type and term of investments. The Group also retains independent advisors to recommend and place investments in accordance with this policy. The term of the investments is determined after consideration of the liquidity needs of the Group.

B4 BORROWINGS

	2023 $'000s			2022 $'000s		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Secured						
Amounts due to TMAM (ii)	**6,209**	**86,754**	**92,963**	5,871	95,068	100,939
	6,209	**86,754**	**92,963**	5,871	95,068	100,939
Unsecured						
Amounts due to the Trustees of the Sisters of Charity of Australia (iii)	**-**	**-**	**-**	101	-	101
Bank loan (iv)	**-**	**298,500**	**298,500**	-	271,500	271,500
Amounts due to the Mission Congregation of the servants of the Holy Spirit (v)	**-**	**-**	**-**	12,000	-	12,000
Loans from related parties (note C4)	**65,357**	**1,334**	**66,691**	51,146	1,155	52,301
	65,357	**299,834**	**365,191**	63,247	272,655	335,902
	71,566	**386,588**	**458,154**	69,118	367,723	436,841

Borrowings are managed within a Group Treasury policy. This includes ensuring that the Group at all times has sufficient liquid cash resources to meet anticipated financial as well as ensuring compliance with borrowing facilities including financial covenants. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period. Financial risk management approach is covered further in this section.

(i) Accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost. If a substantial modification is made to a loan arrangement, that loan is remeasured at fair value at the date of modification and subsequently carried at amortised cost. Fees paid on loan facilities' establishment is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

B4 BORROWINGS (continued)

(ii) Amounts due to the Trustees of Mary Aikenhead Ministries ('TMAM') (secured) (current and non-current)

On 1 January 2003, the Group acquired $369,547,000 of freehold land and buildings and $15,246,000 of investment properties from the Trustees of the Sisters of Charity of Australia (TSCA). The acquisition of these assets was financed by the provision of a loan from TSCA and the assumption of certain liabilities payable previously by TSCA. On 1 July 2009, the loan was assigned by TSCA to TMAM.

On 14 May 2014, TMAM advised the Group that there is no present intention to charge interest on the loan and that should this intention change, interest would only be charged prospectively (after providing 12 months' notice). This resulted in a significant change to the terms and conditions of the loan. Consequently, the loan which previously was reflected in the balance sheet at its nominal value is now reflected in the Balance Sheet at its present value.

On 2 December 2015, the Group made a prepayment of $12,000,000 at the request of TMAM. This resulted in a significant change to the terms and conditions of the loan including the present value of the loan. Consequently, $10,990,000 was recognised as an equity transaction with the parent.

On 11 November 2018, the Group agreed to prepayments of $250,000 per annum at the request of TMAM. This resulted in a change to the present value of the loan. Consequently, $1,802,000 was recognised as an equity transaction with the parent.

In 2021 the carrying value of the loan was increased by $10,554,00 as a result of a downwards revision of the effective interest rate. This was accounted for as an equity distribution. In the 2023 financial year, there was a reversal of this adjustment due to a review of the original accounting treatment. This resulted in a reduction of the loan value and a corresponding increase in equity of $10,554,000.

The terms of the loan are reviewed annually and agreed between the parties. Relevant aspects of the terms and conditions of the loan as currently agreed include:

- *Repayment amount* - loan repayments are made quarterly each year and comprise a base amount which is indexed each year in line with consumer price index and an additional element as agreed but constrained such that the overall Health Ministry of the SVHA Company would not be adversely impacted by any request for payments under this element. The repayment amount for the 2023 year was $5,871,420 and will change in 2024 by the change in CPI.
- *Security* - the loan is secured by a mortgage over the majority of the assets of the Group.
- *Interest* – nil at present, however, TMAM reserve the right to charge interest however interest will only be charged prospectively (after providing 12 months' notice).

The carrying amounts of non-current assets pledged as security are:

	2023	2022
	$'000s	$'000s
Subordinated mortgage		
Freehold land and buildings	**198,431**	204,852
Investment properties	**46,738**	46,738
Total assets pledged as security	**245,169**	251,590

B4 BORROWINGS (continued)

(iii) Amounts due to the Trustees of the Sisters of Charity of Australia (unsecured)

On 28 June 2013, the Group acquired 190 residential aged care bed licences at a total cost of $4,750,000 from The Congregation of the Religious Sisters of Charity of Australia ("Congregation"). The acquisition of these intangible assets was financed by the provision of a loan by the Congregation. On 28 June 2013, the loan was assigned by the Congregation to the Trustees of the Sisters of Charity of Australia ("TSCA").

On 28 June 2013, St Joseph's Village Limited acquired 80 residential aged care bed licences at a total cost of $2,000,000 from The Congregation of the Religious Sisters of Charity of Australia ("Congregation"). The acquisition of these intangible assets was financed by the provision of a loan by the Congregation. On 28 June 2013, the loan was assigned by the Congregation to TSCA. On 1 July 2015 the assets, liabilities and operations of St Joseph's Village Limited were transferred to the Group.

Fixed repayments of $59,375 (2022: $59,375) are made quarterly each year. While TSCA has the right to charge interest none has been charged.

The balance of the amount due is classified as a current liability as it is effectively callable at the discretion of TSCA pursuant to their ability to offset any ingoing contribution amounts payable upon occupancy of an independent living unit operated by the Group. For the year ended 30 June 2023, TSCA elected to offset $41,600 (2022: $nil) of ingoing contribution payable upon occupancy under this provision.

(iv) Bank loans (unsecured)

$298,500,000 bilateral bank loan (2022: $271,500,000)

St Vincent's Healthcare Limited has an established $500m Cash Advance Facility with various maturity dates; ($100,000,000: 12 March 2026; $300,000,000: 1 October 2026; $50,000,000: 21 March 2028; $50,000,000: 21 April 2030).

The principal is repayable in full at the maturity date of the loan. Loans within the facility limit can be drawn in a minimum of $1,000,000 face value and multiples of $500,000 thereafter for terms of one, two, three and six months.

Interest is payable at maturity of each loan drawdown. The bank loan attracts a variable average rate of interest at 4.17% at 30 June 2023 (2022: 3.56%)

The loan is unsecured, except for security granted by the Trustees of the Sisters of Charity of Australia and The Congregation of Religious Sisters of Charity of Australia over the assets used to conduct the business of St Vincent's Private Hospital Sydney and any interest in St Vincent's Private Hospital Medical Imaging.

(v) Amounts due to the Mission Congregation of the servants of the Holy Spirit

On 1 July 2018, The Mission Congregation of the Servants of the Holy Spirit and SVHA agreed a transition of membership, whereby SVHA becomes the sole member of Holy Spirit Northside Private Hospital Limited (now formally known as St Vincent's Private Hospital Northside Limited "SVPHN").

The consideration transferred for the acquisition is $60,000,000, paid in five equal instalments annually commencing from 1 July 2018 to 1 July 2022.

Interest is payable annually on the undrawn balance on the loan at a fixed rate of 5.0% at 30 June 2023 (2022: 5.0%)

B4 BORROWINGS (continued)

(vi) Financial risk management

Market risk - interest rate risk

The Group's main interest rate risk arises long-term borrowings with variable rates. These expose the Group to the risk that the fair value or cash flows of financial instruments will fluctuate due to changes in market interest rates.

The variable risk on financial liabilities is managed by ensuring that the term for loan repayments reflect the underlying duration of the cash flow generated, cash inflows provide a prudent level of coverage of principal and interest repayments and that there are sufficient cash reserves held to maintain principal and interest repayments for a sufficient period of time to enable longer term corrective actions to occur should underlying cash flows be disrupted.

The Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flow and matching the maturity profiles of financial assets and liabilities. The Group maintains cash equivalents and short term investments with appropriately rated financial institutions and the maturity of these investments is such that funds mature as needed.

Financing arrangements

The Group has limited undrawn borrowing facilities that are not committed to current capital projects. Given the nature of the Group and the financial obligations that it currently has, this position is considered to be of low risk. The Group has access to $201,500,000 in undrawn borrowing facilities, at variable rates (2022: $228,500,000).

This section provides information which will help users understand how the Group structure affects the financial position and performance of the Group as a whole.

C1 ULTIMATE PARENT ENTITY AND MEMBER'S GUARANTEE

On 1 July 2009, the Congregation of the Religious Sisters of Charity of Australia and the Trustees of the Sisters of Charity of Australia transferred the incorporated Health Ministry to TMAM. From an accounting viewpoint, the ultimate parent entity is the Trustees of the Sisters of Charity of Australia on the basis that it is the sole member of TMAM. In practice, TMAM, however constituted, exercises ultimate control.

If SVHA is wound up the constitution states that each member is required to contribute a maximum of $100 each towards meeting the obligations of SVHA. At 30 June 2023, SVHA had 1 member (2022: 1) so the maximum amount to be contributed towards meeting the obligations of SVHA would be $100 (2022: $100).

C2 PARENT ENTITY FINANCIAL INFORMATION

The parent entity in the wholly-owned Group is St Vincent's Health Australia Limited. As the parent entity, it holds the interest in the subsidiaries and joint ventures and acts as a holding company, employing staff and paying fees for service. These costs are then recovered from the operating subsidiaries, joint ventures and other related parties such that the parent entity eventually breaks even.

The results of the parent entity are as follows:

	2023	2022
	$'000s	$'000s
Current assets	**28,411**	9,889
Total assets	**289,513**	267,326
Current liabilities	**118,381**	94,772
Total liabilities	**188,904**	167,370
Reserves	**204**	204
Retained earnings	**100,405**	99,752
Total equity	**100,609**	99,956
Operating deficit recorded by the parent entity	**1,472**	(9,575)
Total comprehensive loss of the parent entity	**1,472**	(9,575)

C3 SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries. SVHA is the sole member of each of all of these controlled entities.

Name of Entity	**Country of Incorporation**	**Equity Holding**		**Carrying amount**	
		2023	2022	**2023**	2022
		%	%	**$'000**	$'000
St Vincent's Community Health Ltd [1]	Australia	**100**	100	**-**	-
St Vincent's Clinic	Australia	**100**	100	**6,402**	6,402
The Trustee for St Vincent's Clinic Foundation	Australia	**100**	100	**-**	-
St Vincent's Care Services Ltd	Australia	**100**	100	**9,545**	9,545
St Vincent's Healthcare Limited	Australia	**100**	100	**5,261**	5,261
St Vincent's Hospital (Melbourne) Limited	Australia	**100**	100	**45,653**	45,653
St Vincent's Hospital Sydney Limited	Australia	**100**	100	**20,474**	20,474
St Vincent's Private Hospitals Ltd	Australia	**100**	100	**174,718**	174,718
St Vincent's Curran Foundation	Australia	**100**	100	**-**	-
Aikenhead Centre for Medical Discovery Limited	Australia	**100**	100	**-**	-
St Vincent's Health Australia Foundation Queensland	Australia	**100**	100	**-**	-
St Vincent's Health Australia Foundation Victoria	Australia	**100**	100	**-**	-
Victor Chang Cardiac Research Institute [2]	Australia	**100**	100	**-**	-
St Vincent's Institute of Medical Research [2]	Australia	**100**	100	**-**	-
St Vincent's Private Hospital Northside Limited	Australia	**100**	100	**-**	-
St Vincent's Care Services Boondall Ltd	Australia	**100**	100	**4,193**	4,193
St Vincent's Care Services Carseldine Ltd	Australia	**100**	100	**23,562**	23,562
St Vincent's Clinic Research Foundation Ltd [3]	Australia	**100**	**-**	**-**	-
				289,808	289,808

[1] St Vincents & Mater Health Sydney Limited renamed to St Vincent's Community Health Ltd

[2] Reporting date 31 December

[3] St Vincent's Clinic Research Foundation Ltd was incorporated at 2 May 2023

C4 RELATED PARTY TRANSACTIONS

Transactions with related parties during the year ended 30 June 2023 consisted of:

(a) Loans advanced by St Vincent's Health Australia Limited;

(b) Loans repaid by St Vincent's Health Australia Limited;

(c) Payment of interest on the above loans;

(d) Payment for leases ;

(e) Recovery of costs for the provision of management and administrative services; and

(f) Payment for the provision of management and administrative services.

Management and administrative services referred to in (d) and (e) above are provided at cost. Otherwise the above transactions were made on normal commercial terms and conditions and at market rates.

The following transactions occurred with joint ventures and St Vincent's Private Hospital Sydney:

	2023	2022
	$'000s	$'000s
Lease income from:		
St Vincent's Private Hospital Sydney	**16,811**	16,144
Income from the provision of management and administrative services to:		
St Vincent's Private Hospital Sydney	**25,951**	24,673
Trustee of St Vincent's Hospital Sydney	**-**	1,053
Expenses relating to the provision of management and administrative services by:		
St Vincent's Private Hospital Sydney	**30,399**	30,542
Trustee of St Vincent's Hospital Sydney	**-**	2,500
Repayment of interest-free amounts advanced from		
TMAM	**5,871**	5,548

C4 RELATED PARTY TRANSACTIONS (continued)

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2023 $'000s			2022 $'000s		
	Current	**Non-current**	**Total**	Current	Non-current	Total
Receivables						
Loans from related parties						
St Vincent's Private Hospital Sydney	**8,062**	**367**	**8,429**	2,095	-	2,095
Trustee of St Vincent's Hospital Sydney	**283**	**-**	**283**	-	-	-
	8,345	**367**	**8,712**	2,095	-	2,095
Borrowings						
Loan from related party (i)						
St Vincent's Private Hospital Sydney	**64,332**	**1,334**	**65,666**	48,354	1,155	49,509
Trustee of St Vincent's Hospital Sydney	**1,024**	**-**	**1,024**	2,792	-	2,792
	65,357	**1,334**	**65,890**	51,146	1,155	52,301
TMAM (B4)	**6,209**	**86,754**	**92,963**	5,871	95,068	100,939

(i) Loan from related party

The Group has a loan from St Vincent's Private Hospital Sydney Limited amounting to $65,666,000 (2022: $49,509,000). The loan is unsecured and attracts a variable interest rate of 4.17% (2022: 3.56%).

This section provides information about items that are not recognised in the financial statements but could potentially have a significant impact on the Group's financial position and performance.

D1 COMMITMENTS

	2023	2022
	$'000s	$'000s
Capital commitments		
Commitments for capital projects contracted for at the balance date but not recognised as liabilities are as follows:		
Within one year	**321,891**	37,279
Later than one year but not later than 5 years	**129,335**	148,931
	451,226	186,210
Operating expenditure commitments		
Within one year	**3,896**	2,216

D2 CONTINGENT LIABILITIES

A contingent liability is a liability that is not sufficiently certain to qualify for recognition as a provision where uncertainty may exist regarding the outcome of future events.

The contingent liabilities of the Group are detailed below. No material losses are anticipated in respect of any of these contingent liabilities.

Entity with Rights	**Nature of Security or Obligation**	**2023** **$'000s**	2022 $'000s
Doctors owning strata title suites in the St Vincent's Clinic building	St Vincent's Healthcare Limited ("SVHC") has given an undertaking to buy back certain clinic suites for which an approved buyer cannot be found within 90 days after the service of a Sale Notice. The amount shown represents the full value of all suites that SVHC has committed to repurchase in the event that they cannot be sold.	**76,569**	72,982
Commonwealth Department of Health & Ageing	In the financial year ended 30 June 2011, SVPHN entered into a capital funding agreement with the Commonwealth Department of Health & Ageing which enabled SVPHN to receive funding for capital works under the Commonwealth Government's Innovative Clinical Teaching and Training Grants Program. Under the agreement SVPHN received capital grant funding of $4,857,000 to assist in the funding of the construction of a Clinical Education Centre which was completed and opened on 8 November 2012. Pursuant to agreement, SVPHN may be liable to repay any funds advanced by the Commonwealth Department of Health & Ageing if SVPHN ceases to operate the Clinical Education Centre or if there is a breach in the terms and conditions of the capital funding agreement prior to 8 November 2032.	**2,428**	2,671

D2 CONTINGENT LIABILITIES (continued)

The Victorian Health Service continues to plan for potential further works to rectify St Vincent's Hospital Melbourne cladding issues related to the main Health Service inpatient building in Fitzroy. As such, future cladding works remain subject to some uncertainty in relation to the nature and timing of the works required, and if relevant, the ultimate funding source. The contingent liability is estimated to be in the range of less than $0.1m to $4m depending on the outcome of a review currently being undertaken by a specialist consulting firm. Discussions will be held with the Department of Health if funding is required to cover the cost of works once this has been determined.

D3 SUBSEQUENT EVENTS

There have been no material transactions or events occuring subsequent to year end that require adjustment to, or disclosure in the financial statements.

This section includes information that the Directors do not consider to be significant in understanding the financial performance and position of the Group, but must be disclosed to comply with the Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulations 2013.*

E1 KEY MANAGEMENT PERSONNEL

Directors

The names of persons who were Directors of St Vincent's Health Australia Limited at any time during the financial year are set out below.

Mr. P McClintock AO
Dr. M Coote
Prof. V Perkovic
Ms. S McPhee AM
Ms. A McDonald
Ms. K Bailey-Lord (Appointed 17 April 2023)
Ms. A Cross AM
Ms. S McGregor
Ms. J Watts
Mr. P O'Sullivan
Mr. D O'Brien

Executives

Other than Directors, key management personnel include those having the authority and responsibility for planning, directing and controlling the Group's activities directly or indirectly.

The names and position of key management personnel (other than Directors) are:

Mr. C Blake [1]	Group Chief Executive Officer
Ms. K Gaffney [2]	Acting Group Chief Financial Officer
Mr. P Garcia [3]	Group General Manager, Public Affairs & General Counsel
Mr. L Hopper	Chief Executive Officer, St Vincent's Care Services
A/Prof. P O'Rourke [4]	Chief Executive Officer, Private Hospitals Division
Ms. N Tweddle [5]	Public Hospitals Chief Executive Officer, VIC State Lead
Ms. A McFadgen [5]	Public Hospitals Chief Executive Officer, NSW State Lead

[1] Appointed 4 October 2022. Ms. Ruth Martin Appointed Interim Group Chief Executive Officer from 29 March 2022 to 3 October 2022
[2] Commenced 21 August 2023. Previous Group Chief Financial Officer, Ms. Ruth Martin retired 18 August 2023, Ms. Belinda Johnson appointed Interim Group Chief Financial Officer from 29 March 2022 to 3 October 2022
[3] Commenced 4 September 2023. Rob Beetson, Group General Manager Legal, Governance & Risk retired 1 September 2023
[4] Chief Executive Officer Hospitals Division until 16 July 2023. Appointed Chief Executive Officer Private Hospitals Division 17 July 2023
[5] Appointed 17 July 2023 to the executive leadership team

Compensation

The compensation paid to Directors and specified executives noted above is as follows:

	2023	2022
	$	$
Total compensation paid to key management personnel	**4,958,402**	6,694,384

There were no loans or transactions between the Group and its key management personnel during the financial year (2022: $nil).

E2 ECONOMIC DEPENDENCY

Various controlled entities involved in the provision of public health and aged care services source a significant volume of their revenue from a number of Government entities including:

- Queensland Department of Health
- NSW Ministry of Health
- Victorian Department of Health and Human Services
- Commonwealth Department of Health and Ageing
- Commonwealth Department of Veterans' Affairs

The revenues from these Government entities are expected to continue in the foreseeable future.

E3 NATURE AND PURPOSE OF RESERVES

Member's reserve was created on the incorporation of the parent entity.

Available-for-sale investments revaluation reserve records movements in the fair value of available-for-sale financial assets.

The revaluation reserve records movements in the fair value of property, plant and equipment.

E4 FAIR VALUE HIERARCHY

Investment properties and financial assets at fair value through the profit or loss are measured at fair value in the Balance Sheet. The measurement of this fair value may in some cases be subjective and may depend on the inputs used in the calculations. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment properties. Where such information is not available the Directors consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

There were no transfers between the levels during the financial year.

E5 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretation

Several amendments and interpretations apply for the first time in the period beginning on or after 1 July 2022, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The nature of each new standard or amendment is described below:

Reference	Description	Application of Standard	Application by Group
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: • What is meant by a right to defer settlement • That a right to defer must exist at the end of the reporting period • That classification is unaffected by the likelihood that an entity will exercise its deferral right • That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification This amendment has no material impact on the consolidated financial statements of the Group.	1 January 2023	30 June 2023
Definition of Accounting Estimates - Amendments to IAS 8	In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. This amendment has no material impact on the consolidated financial statements of the Group.	1 January 2023	30 June 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by: • Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; And • Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures	1 January 2023	30 June 2023

E6 OTHER ACCOUNTING POLICIES

AASB 16 *Leases*

At Inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of the physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either the Group has the right to operate the asset, or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Significant accounting judgements, estimates and assumptions

In applying AASB 16, the Group has made the following judgements.

In determining the lease term used to ascertain total future lease payments, the Group considers all facts and circumstances that create an economic benefit to exercise an extension option. Renewal options are only considered to be part of the lease term if the lease is reasonably certain to be extended. The Group has included renewal periods as part of the lease term for leases where it is reasonably certain they will be extended. This assessment is reviewed if a significant event or significant changes in circumstances occurs which affects this assessment and is also within the control of the Group.

Where the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to calculate the present value of future lease payments. The IBR is the interest rate that the lessee would have to pay to borrow over a similar term of each lease. The Group estimates the IBR using market interest rates.

Short term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Concessionary leases

Concessionary leases are leases where the consideration paid by the lessee is significantly less than its fair value. The Group has identified one concessionary lease for St Vincent's Hospitals Network Sydney ("SVHNS"), the Lowy Packer building which is leased by the Trustees of SVHNS until 2035.

Extension options

Some property leases contain extension options exercisable by the Group. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors.

E6 OTHER ACCOUNTING POLICIES (continued)

AASB 16 *Leases* (continued)

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under purchase option that Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies AASB 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'

E6 OTHER ACCOUNTING POLICIES (continued)

AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers applies to all revenue arising from contracts with customers unless the contracts are in the scope of other standards.The Group is required to consider the five-step model to contracts with customers, and is required to recognise revenue to depict the transfer of goods or services in an amount that reflects consideration to which the Group expects to be entitled to.

Under AASB 15, revenue is recognised on satisfaction of the performance obligations of the entity, being the provision of medical services to patients and residents.

Revenue is recognised over time as services are provided:

- Patient and resident income is recognised when services are provided.
- Government grants and subsidies income is recognised as the right to receive payment is established.
- Non-medical revenue is recognised when services are provided.
- Donations (including trust estate distributions income) are recognised upon receipt.

Finance costs

Finance costs include interest, amortisation of discounts or premiums related to borrowings and other costs incurred in connection with the arrangement of borrowings. Financing costs are expensed as incurred unless they relate to a qualifying asset. A qualifying asset is an asset which generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, the financing costs are capitalised to the cost of the asset. Where funds are borrowed by the Group for the construction of a qualifying asset, the amount of financing costs capitalised are those incurred in relation to that borrowing.

Goods and services tax

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST) except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority (in which case the GST is recognised as part of the cost of the acquisition of the asset or as part of the expense).

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement including GST in the operating cash flows. Commitments and contingencies are disclosed net of GST recoverable from, or payable to, the taxation authority.

Income tax

The Company and its controlled entities are exempt from income tax under the provisions of Section 50-30 of the *Income Tax Assessment Act* 1997.

Government grants and subsidies

Government grants, subsidies and COVID-19 subsidies are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

E6 OTHER ACCOUNTING POLICIES (continued)

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as AFS, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of AASB 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with AASB 9.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Included within current liabilities are accommodation bonds / Refundable Accommodation Deposits (RADs) which are recorded as current under Australian accounting standards. In the normal course of business not all of these liabilities will crystallise within one year and those that do are usually replaced by incoming residential accommodation payments. In addition, current liabilities contain provisions for annual and long service leave which although presented as current, are probable to be paid out over several years.

E6 OTHER ACCOUNTING POLICIES (continued)

Cash flow hedges (interest rate swap contracts)

The Group uses interest rate swap contracts to hedge its interest rate risks, predominantly arising from financing activities. Interest rate swap contracts are initially recognised at fair value on the date the contract is entered into and are subsequently re-measured at fair value. Interest rate swap is carried as financial asset when the fair value is positive and as financial liability when the fair value is negative.

At the inception of a hedge relationship, the Group designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

Before 1 January 2018, the documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting cash attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedge that meet all the qualifying criteria for hedge accounting are accounted for cash flow hedges by the Group.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the cash flow exposures on the variable rate debt and are accounted for as cash flow hedges. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract.

The Group's cash flow hedges settle on a quarterly basis. The Group settles the difference between the fixed and floating interest rate payable / (receivable) under each cash flow hedge on a net basis.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges as they reduce the Group's cash flow exposure resulting from variable interest rates on its Gross Bank Loans.

The effective portion of the gain or loss on the interest rate swaps is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the interest rate swaps and the cumulative change in fair value of the hedged liability.

The interest rate swaps and the interest payments on the underlying financial liability occur simultaneously and the amount accumulated in OCI is reclassified to the profit or loss as a reclassification adjustment over the period that the floating rate interest payments on the underlying financial liability affect the profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

E6 OTHER ACCOUNTING POLICIES (continued)

Financial Instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the assets.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principle and interest on the principle amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes loans, advances, receivables (including trade receivables and other receivables), and held-to-maturity investments.

E6 OTHER ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Trade receivables note A3

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

E6 OTHER ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

E6 OTHER ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. As such the Group does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

- Recognise as an operating expense over the term of the service contract - Fee for use of application software, customisation costs
- Recognise as an operating expense as the service is received - Configuration costs, data conversion and migration costs, testing costs, training costs

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets. Refer to Note A7 for an outline of accounting for intangible assets.

E7 REMUNERATION OF AUDITORS

	2023	2022
	$'000s	$'000s
Ernst & Young and related network firms:		
Audit of the Group and its subsidiaries financial reports	**699**	624
	699	624
Other auditors and their related network firms :		
Audit of St Vincent's Hospital Melbourne by HLB Mann Judd	**87**	87
	87	87

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2023

In the Directors' opinion:

(a) the financial statements and notes set out on pages 14 to 60 of the consolidated entity are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*, including:

(i) complying with Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date;

(b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



_____

Mr. Paul McClintock AO, Chair

Sydney

12 October 2023

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200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

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Building a better working world

Independent auditor's report to the members of St Vincent's Health Australia Limited

Opinion

We have audited the financial report of St Vincent's Health Australia Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 30 June 2023, the consolidated profit of loss account and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the 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 directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives 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 our 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, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Building a better working world

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Anton Ivanyi
Partner
Sydney
12 October 2023

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ST VINCENT'S HEALTH AUSTRALIA LTD

"KB-21"

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Annual Information Statement 2025

Legal name:
St Vincent's Health Australia Ltd

ABN:
75073503536

About the charity

Website:
svha.org.au

Charity size:
Large

Is the charity an incorporated association?:
No

Does the Charity intend to fundraise in the next reporting period?:
Yes

Charity programs

St Vincent's Private Hospitals

Program classification:
Health and medical research

Program locations:
NSW, Australia
Victoria, Australia
Queensland, Australia

Program beneficiaries:
Adults - aged 25 to under 65
Adults - aged 65 and over
People in rural/regional/remote communities
Financially disadvantaged people
People with chronic illness (including terminal illness)
People with disabilities
Females
Males
General community in Australia

St Vincent's Care Services

Program classification:
Shelter and residential care

Program locations:
Queensland, Australia
NSW, Australia
Victoria, Australia

Program beneficiaries:
Adults - aged 25 to under 65
Adults - aged 65 and over
People with disabilities
People with chronic illness (including terminal illness)
Financially disadvantaged people

St Vincent's Public Hospitals

Program classification:
Health and medical research

Program locations:
Victoria, Australia
NSW, Australia

Program beneficiaries:
Adults - aged 25 to under 65
Adults - aged 65 and over
Families
Aboriginal and Torres Strait Islander people
Financially disadvantaged people
People at risk of homelessness/ people experiencing homelessness
People with chronic illness (including terminal illness)
People with disabilities
Unemployed persons
Females
Males

St Vincent's Virtual & Home Healthcare

Program classification:
Health and medical research

Program locations:
Victoria, Australia
New South Wales, Australia
Queensland, Australia

Program beneficiaries:
Adults - aged 25 to under 65
Adults - aged 65 and over
Families
Aboriginal and Torres Strait Islander people
Financially disadvantaged people
People at risk of homelessness/ people experiencing homelessness
Males
Females
Unemployed persons
People with disabilities
People with chronic illness (including terminal illness)

Program website:
svha.org.au

Description of the charity's activities and outcomes:

The charity is the parent company providing management, administrative and support services for group entities operating private and public hospitals, aged care facilities and health services in the community.

Human resources

Human resources:
Full time employees: 522
Part time employees: 62
Casual employees: 1
Full-time equivalent staff (FTE): 558.00
Estimated number of volunteers: 38

Annual report

Note: If you want to see the financial report or annual report that this charity has submitted, go back to Financials & Documents

Financial Reporting

Charity's 2025 reporting period:
1 July 2024 to 30 June 2025

Type of financial statement:
General purpose financial statements

Financial report consolidated with more than one entity?:
Yes

Reportable related party transactions in the 2025 reporting period?:
Yes

Types of reportable related party transactions:
Fees paid to a related party for providing goods or services to the charity
Loans from/to a related party

Additional details about reportable related party transactions:
Refer to St Vincent's Health Australia Limited Financial Report 2025, Section C4, page 41: Related Parties Transactions.

More than one remunerated key management personnel member:
Yes

Number of remunerated key management personnel:
19

Total amount paid to key management personnel:
$6,609,478

Income and Expenses

Comprehensive Income Statement summary

Gross income

Revenue from government including grants	$1,743,050,415
Donations and bequests	$55,728,598
Revenue from providing goods or services	$1,135,757,811
Revenue from investments	$121,081,779
All other revenue	$338,971,287
Total revenue	$3,394,589,890
Other income (for example, gains)	$15,962,905
Total gross income	$3,410,552,795

Expenses

Employee expenses	$2,153,734,253
Interest expenses	$95,502,353
Grants and donations made for use in Australia	$0
Total expenses	$3,465,730,177

Grants and donations made for use outside Australia	$0
All other expenses	$1,216,493,571
Total expenses	$3,465,730,177

Net income

Net surplus/(deficit)	-$55,177,382
Other comprehensive income	-$3,863,205
Total comprehensive income	-$59,040,587

Balance Sheet extract

Assets

Total current assets	$943,290,247
Non-current loans receivable	$91,453,565
Other non-current assets	$2,837,042,026
Total non-current assets	$2,928,495,591
Total assets	$3,871,785,838

Liabilities

Total current liabilities	$1,940,096,024
Non-current loans payable	$486,977,948
Other non-current liabilities	$238,194,896
Total non-current liabilities	$725,172,844
Total liabilities	$2,665,268,868

Net assets/liabilities

Net assets/liabilities	$1,206,516,970

UNITINGCARE QLD_ACNC GROUP

"KB-22"

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Annual Information Statement 2022

Legal name:
UnitingCare QLD_ACNC Group

About the group

Website:
unitingcareqld.com.au

Group size:
Large

Group programs

Hospitals

Program classification:
Hospital care

Program locations:
The Wesley Hospital, Coronation Drive, Auchenflower QLD, Australia
St Andrew's War Memorial Hospital, Wickham Terrace, Spring Hill QLD, Australia
Buderim Private Hospital, Elsa Wilson Drive, Buderim QLD, Australia
St Stephens Hospital, Nissen Street, Urraween QLD, Australia

Program beneficiaries:
General community in Australia

Program website:
unitingcareqld.com.au/services-and-support/hospitals

Residential Aged Care

Program classification:
Senior living

Program locations:
Queensland, Australia

Program beneficiaries:
Adults - aged 25 to under 65
Adults - aged 65 and over
Families
Aboriginal and Torres Strait Islander people
People in rural/regional/remote communities
People at risk of homelessness/ people experiencing homelessness
People with chronic illness (including terminal illness)
People with disabilities
Females
Males

Program website:
bluecare.org.au/aged-care-homes

Residential & Centre Based Respite Care

Program classification:
Attendant care

Program locations:
Queensland, Australia

Program beneficiaries:
Adults - aged 25 to under 65
Adults - aged 65 and over
Families
Aboriginal and Torres Strait Islander people
People in rural/regional/remote communities
People with chronic illness (including terminal illness)
People with disabilities
Females
Males

Program website:
bluecare.org.au/services/respite

In-Home Care - Aged, Disabled & Vulnerable Persons

Program classification:
In-home aid and personal assistance

Program locations:
Queensland, Australia

Program beneficiaries:
Adults - aged 25 to under 65
Adults - aged 65 and over
Families
Aboriginal and Torres Strait Islander people
People in rural/regional/remote communities
People with chronic illness (including terminal illness)
People with disabilities
Females
Males

Program website:
bluecare.org.au/home-care

Family, Crisis and Community Services

Program classification:
Family services

Program locations:
Queensland, Australia

Program beneficiaries:
Early childhood - aged under 6
Children - aged 6 to under 15
Youth - 15 to under 25
Adults - aged 25 to under 65
Adults - aged 65 and over
Families
Aboriginal and Torres Strait Islander people
People from a culturally and linguistically diverse background
People in rural/regional/remote communities
Financially disadvantaged people
People at risk of homelessness/ people experiencing homelessness
People with disabilities
Females
Males

Program website:
unitingcareqld.com.au/services-and-support

Disability Services

Program classification:
Disability services

Program locations:
Queensland, Australia

Program beneficiaries:
People with disabilities
Females
Males

Program website:
unitingcareqld.com.au/services-and-support/disability

Lifeline, Telephone & Community Crisis Support

Program classification:
Crisis intervention

Program locations:
Queensland, Australia

Program beneficiaries:
Females
Males
General community in Australia

Program website:
unitingcareqld.com.au/lifeline

Aboriginal & Torres Strait Islander Aged Care, Family & Community Services

Program classification:
Healthcare access

Program locations:
Queensland, Australia

Program beneficiaries:
Aboriginal and Torres Strait Islander people
Females
Males

Program website:
unitingcareqld.com.au/services-and-support/people-we-support/aboriginal-and-torres-strait-is...

Child Welfare & Care Services

Program classification:
Out-of-home care

Program locations:
Queensland, Australia

Program beneficiaries:
Early childhood - aged under 6
Children - aged 6 to under 15
Youth - 15 to under 25
Aboriginal and Torres Strait Islander people
Females
Males

Program website:
unitingcareqld.com.au/services-and-support/people-we-support/children-and-families

Hospital in the Home

Program classification:
Home healthcare

Program locations:
Queensland, Australia

Program beneficiaries:
Females
Males
General community in Australia

Program website:
unitingcareqld.com.au/services-and-support/hospitals

Description of the group's activities and outcomes:
The UnitingCare Queensland group, known as UnitingCare, comprise of the charities UnitingCare Queensland, UnitingCare Community, Blue Care and UnitingCare Health. As an outreach of the Uniting Church, our mission is to improve the health and well being of individuals, families and communities as we speak out for fairness and justice, and care with compassion, innovation and wisdom. Our charities conduct activities across Queensland. As health and community service providers and one of the largest charity groups in Australia we connect with people in every corner of our community and engage with people from all walks of life. Through our accessible services we re committed to empowering older people, those living with a disability, people requiring healthcare in hospital or at home, Aboriginal and Torres Strait Islanders, children and families. Aged Care and Community Services - UnitingCare is committed to providing support to individuals in need regardless of their circumstances or where they live. For more than 65 years Blue Care has been providing support to empower individuals to live life in all its fullness by providing in-home care, residential aged care, disability services and independent and supported retirement living to Queenslanders. Family and Disability Services UnitingCare is a respected industry leader and one of

Queensland s largest community services. We provide a wide range of services supporting vulnerable individuals, families and communities in metropolitan, regional and remote areas across the State. Every day in the community, we deliver skilled, evidence-based interventions for those facing adversity and utilise our reach and skills to confront injustice. We are leaders in crisis response and community recovery, the protection of vulnerable children, support for people living with disability and their families, financial resilience and family wellbeing. In Queensland we also deliver our 24-hour 13 11 14 Lifeline Crisis Support Line through 10 Lifeline Centres, providing suicide prevention services with a non-judgemental and compassionate ear and raising money to support this service via our Lifeline retail stores and events such as Bookfest. We continue to expand our social impact by delivering high-quality person-centred, culturally inclusive and place-based family and disability services. We are committed to working alongside people living with disability and their families to imagine and build personally meaningful lives. Hospitals UnitingCare is one of the largest private hospital groups in Queensland, providing a comprehensive range of private medical services, and is renowned for its clinical excellence. Our hospitals include; The Wesley Hospital and St Andrew s War Memorial Hospital in Brisbane, The Buderim Private Hospital at Buderim and St Stephen s Hospital at Hervey Bay

Human resources

Human resources:
Full time employees: 3790
Part time employees: 9193
Casual employees: 2981
Full-time equivalent staff (FTE): 9595.00
Estimated number of volunteers: 6310

Annual report

Note: If you want to see the financial report or annual report that this group has submitted, go back to Financials & Documents

Financial Reporting

Group's 2022 reporting period:
1 July 2021 to 30 June 2022

Type of financial statement:
General purpose financial statements

Financial report consolidated with more than one entity?:
Yes

Did your charity have any related party transactions:
Yes

Does your group have documented policies or processes about related party transactions?:
Yes

More than one remunerated key management personnel member:
Yes

Number of remunerated key management personnel:
25

Total amount paid to key management personnel:
$6,298,000

Financial report submitted to a state/territory regulator?:
No

Income and Expenses

Comprehensive Income Statement summary

Gross income

Revenue from government including grants	$576,266,000
Donations and bequests	$10,907,000
Revenue from providing goods or services	$997,559,000
Revenue from investments	$3,898,000
Total gross income	$1,700,252,000

All other revenue	$68,252,000
Total revenue	$1,656,882,000
Other income (for example, gains)	$43,370,000
Total gross income	$1,700,252,000

Expenses

Employee expenses	$1,029,010,000
Interest expenses	$3,903,000
Grants and donations made for use in Australia	$0
Grants and donations made for use outside Australia	$0
All other expenses	$662,274,000
Total expenses	$1,695,187,000

Net income

Net surplus/(deficit)	$5,065,000
Other comprehensive income	-$5,330,000
Total comprehensive income	-$265,000

Balance Sheet extract

Assets

Total current assets	$1,441,943,000
Non-current loans receivable	$0
Other non-current assets	$1,596,525,000
Total non-current assets	$1,596,525,000
Total assets	$3,038,468,000

Liabilities

Total current liabilities	$2,050,661,000
Non-current loans payable	$0
Other non-current liabilities	$99,890,000
Total non-current liabilities	$99,890,000
Total liabilities	$2,150,551,000

Net assets/liabilities

Net assets/liabilities	$887,917,000

"KB-23"



Financial Statements
2021 – 2022

UnitingCare

Proudly representing
Blue Care | Lifeline | ARRCS | The Wesley Hospital | Buderim Private Hospital
St Stephen's Hospital | St Andrew's War Memorial Hospital

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30 June 2022

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Registered address

The registered address and principal office of UnitingCare Queensland is:
Level 5, 192 Ann Street, Brisbane, Queensland 4000

UnitingCare Queensland

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

	Note	2022 $'000	2021[1] $'000
Revenue			
Revenue from contracts with clients	B1	1,703,873	1,666,498
Other income	B1	56,949	122,401
Total revenue		**1,760,822**	**1,788,899**
Share of surplus in joint ventures	F2	1,383	601
Change in fair value of investment properties	C3	19,576	1,868
Expenses			
Salaries and employee expenses		(1,083,097)	(1,078,260)
Supplies and services expenses	B2	(341,704)	(331,752)
Depreciation and amortisation expenses		(109,118)	(108,671)
Property expenses	B2	(138,851)	(123,298)
Other expenses	B2	(88,345)	(83,140)
Finance costs	B2	(3,970)	(3,547)
Total expenses		**(1,765,085)**	**(1,728,668)**
Surplus for the year		**16,696**	**62,700**
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Gains/(losses) on equity instruments measured at FVOCI[2]	D1	(4,713)	4,452
Items that will subsequently be reclassified to profit or loss			
Gains/(losses) on debt instruments measured at FVOCI[2]	D1	(617)	109
Other comprehensive income/(loss) for the year		**(5,330)**	**4,561**
Total comprehensive income for the year		**11,366**	**67,261**

[1] The comparative information related to certain expense items has been restated on account of a change in accounting policy due to the adoption of the International Financial Reporting Standards Interpretations Committee (IFRIC) agenda decision relating to software-as-a-service arrangements. Refer to A2.6 for more information.

[2] Fair value through other comprehensive income (FVOCI).

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

UnitingCare Queensland
Consolidated statement of financial position
For the year ended 30 June 2022

	Note	2022 $'000	2021[1] $'000
Current assets			
Cash and cash equivalents	B3	497,626	566,265
Trade and other receivables	C1.1	97,532	145,302
Financial assets	D1	30,572	33,740
Inventories	C1.2	20,263	20,584
Other assets	C1.3	41,958	24,304
Assets classified as held for sale		-	315
Total current assets		**687,951**	**790,510**
Non-current assets			
Interests in other entities	F2	229	-
Property plant and equipment	C2	1,018,345	992,834
Investment properties	C3	613,039	583,610
Intangible assets	C4	38,968	23,009
Other assets	C1.3	2,310	2,305
Total non-current assets		**1,672,891**	**1,601,758**
TOTAL ASSETS		**2,360,842**	**2,392,268**
Current liabilities			
Trade and other payables	C1.4	152,807	190,650
Ingoing contributions, RADs and accommodation bonds	C1.5	853,998	805,632
Borrowings	D2	11,786	11,681
Employee benefits	E1	157,353	168,268
Other liabilities	C1.6	94,396	131,927
Other provisions		4,663	4,641
Total current liabilities		**1,275,003**	**1,312,799**
Non-current liabilities			
Trade and other payables	C1.4	6,979	5,837
Borrowings	D2	28,026	30,247
Employee benefits	E1	14,309	18,875
Other liabilities	C1.6	42,149	41,395
Other provisions		9,735	9,840
Total non-current liabilities		**101,198**	**106,194**
TOTAL LIABILITIES		**1,376,201**	**1,418,993**
NET ASSETS		**984,641**	**973,275**
Equity			
Contributed funds		5,234	5,234
Properties revaluation reserve		23,689	23,689
Financial assets at FVOCI reserve		(1,551)	3,779
Accumulated funds		957,269	940,573
TOTAL EQUITY		**984,641**	**973,275**

[1] The comparative information has been restated on account of a change in accounting policy due to the adoption of the IFRIC agenda decision relating to software-as-a-service arrangements. Refer to A2.6 for more information.

[2] Refundable Accommodation Deposits (RAD)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

UnitingCare Queensland
Consolidated statement of changes in funds
For the year ended 30 June 2022

	Note	Contributed funds	Properties Revaluation Reserve	FVOCI Reserve	Accumulated funds	Total equity
		$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2020		**5,234**	**23,689**	**(782)**	**900,437**	**928,578**
Effect of change in accounting policy upon adoption of IFRIC Agenda Decision	A2.6	-	-	-	(22,564)	**(22,564)**
Restated balance at 1 July 2020[1]		**5,234**	**23,689**	**(782)**	**877,873**	**906,014**
Surplus for the year		-	-	-	63,978	63,978
Other comprehensive income	D1	-	-	4,561	-	4,561
Effect of change in accounting policy upon adoption of IFRIC Agenda Decision	A2.6	-	-	-	(1,278)	(1,278)
Restated balance at 30 June 2021[1]		**5,234**	**23,689**	**3,779**	**940,573**	**973,275**
Balance at 1 July 2021		**5,234**	**23,689**	**3,779**	**940,573**	**973,275**
Surplus for the year		-	-	-	16,696	16,696
Other comprehensive loss	D1	-	-	(5,330)	-	(5,330)
Balance at 30 June 2022		**5,234**	**23,689**	**(1,551)**	**957,269**	**984,641**

[1] The comparative information has been restated on account of a change in accounting policy due to the adoption of the IFRIC agenda decision relating to software-as-a-service arrangements. Refer to A2.6 for more information.

The above consolidated statement of changes in funds should be read in conjunction with the accompanying notes.

UnitingCare Queensland
Consolidated statement of cash flows
For the year ended 30 June 2022

	Note	2022 $'000	2021[1] $'000
Cash flows from operating activities			
Receipts from clients, funding and others		1,760,296	1,714,058
Payments to suppliers and employees		(1,740,034)	(1,564,577)
Interest received		1,681	2,329
Interest paid		(2,940)	(2,643)
Net cash inflow from operating activities	B3	**19,003**	**149,167**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		17,468	9,705
Proceeds from capital grants		11,067	12,315
Payments for property, plant and equipment		(144,253)	(80,463)
Payments for intangible assets		-	(15)
Dividends received from investments in financial assets		870	329
Proceeds from sale of business		-	2,941
Payments for investment properties	C3	(9,853)	(6,048)
Payments for purchases of financial assets		(10,649)	(8,698)
Proceeds from sales of financial assets		10,205	2,030
Repayment of loans by joint ventures		1,000	1,250
Net cash outflow from investing activities		**(124,145)**	**(66,654)**
Cash flows from financing activities			
Net proceeds from ingoing contributions and accommodation bonds	D2.1	54,232	42,959
Repayment of lease liabilities	D2.1	(17,729)	(14,715)
Net cash inflow from financing activities		**36,503**	**28,244**
Net increase/(decrease) in cash and cash equivalents		**(68,639)**	**110,757**
Cash and cash equivalents at beginning of year		566,265	455,508
Cash and cash equivalents at end of year	B3	**497,626**	**566,265**

[1] The comparative information has been restated on account of a change in accounting policy due to the adoption of the IFRIC agenda decision relating to software-as-a-service arrangements. Refer to A2.6 for more information.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

A About us

A1 Our organisation

These consolidated financial statements comprise UnitingCare Queensland and its controlled entities (the Group). The Group is an unincorporated not for profit organisation established by the Uniting Church in Australia Queensland Synod. The Uniting Church in Australia Queensland Synod has appointed the Board of UnitingCare Queensland to govern its activities. Legal title to all property beneficially utilised in the services provided by the Group is held in trust by the Uniting Church in Australia Property Trust (Q.) (the Property Trust), a body incorporated by statute and domiciled in Australia, or Australian Regional and Remote Community Services Limited (ARRCS).

UnitingCare Queensland's principal continuing activities are delivering quality health, aged care, disability and community services across Queensland and the Northern Territory. The Group provides person-centred care and support services to thousands of people every day of the year, enabling clients to live their best possible lives, whatever their circumstances.

UnitingCare Queensland is domiciled in Australia.

A2 Our Financial Statements – basis of preparation

A2.1 Statement of Compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations (AAS) issued by the Australian Accounting Standards Board. In some circumstances, where permitted under the AAS, the Group has elected to apply certain exemptions available to not-for-profit entities.

The consolidated financial statements were authorised for issue by the Board of Directors on 4 October 2022.

A2.2 Basis of Measurement

The consolidated financial statements have been prepared on an accruals basis and are based on historical cost, except for investment properties and financial assets which are measured at fair value.

A2.3 Functional and Presentation Currency

The consolidated financial statements are presented in Australian dollars, which is the Group's functional currency and have been rounded to the nearest thousand dollars, unless otherwise stated.

A2.4 Use of Estimates and Judgements

In preparing these consolidated financial statements, the Board and management have made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about underlying assumptions and estimation uncertainties are included in the following notes:

Key estimates and judgements	
Deferred management fees	B1
Expected credit losses	C1.1
Refundable accommodation deposits	C1.5
Property, plant and equipment useful lives	C2
Classification of investment properties	C3
Fair value estimate of investment properties	C3
Software-as-a-service (SaaS) arrangements	C4
Annual and long service leave assumptions	E1

A2 Our Financial Statements – basis of preparation (continued)

A2.5 Comparatives

Where applicable, various comparative balances have been reclassified to align with current period presentation. Other than those identified in A2.6 below, these have not had a material impact on the consolidated financial statements.

A2.6 Changes to significant accounting policy

In April 2021, the IFRS Interpretation Committee ("IFRIC") published its final agenda decision 'Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets)'. This decision addresses whether configuration or customisation costs relating to Software-as-a-Service ("SaaS") arrangements can be recognised as an intangible asset and if not, over what time period the costs are expensed.

The Group's accounting policy has historically been to capitalise certain costs related to cloud computing arrangements as an intangible asset. The adoption of the above agenda decision has resulted in the Group (i) changing its accounting policy for SaaS arrangements, and (ii) reclassifying intangible assets in the Statement of Financial Position to expenses in the Statement of Profit or Loss and Other Comprehensive Income. This has an impact on both the current and prior year presented.

The new accounting policy is presented in note C4.

The impact of this change in accounting policy on the previously reported comparative numbers is presented below:

Consolidated Statement of Financial Position	**Previously reported $'000**	**Adjustments $'000**	**Restated $'000**
30 June 2021			
Plant and equipment	209,152	31	209,183
Capital work in progress	38,769	(7,378)	31,391
Property plant and equipment	**1,000,181**	**(7,347)**	**992,834**
Intangible assets	39,504	(16,495)	23,009
Total non-current assets	**1,625,600**	**(23,842)**	**1,601,758**
Total assets	**2,416,110**	**(23,842)**	**2,392,268**
Net assets	**997,117**	**(23,842)**	**973,275**
Accumulated funds	964,415	(23,842)	940,573
Total equity	**997,117**	**(23,842)**	**973,275**

Consolidated Statement of Profit or Loss and Other Comprehensive Income	**Previously reported**	**Adjustments**	**Restated**
Year ended 30 June 2021	**$'000**	**$'000**	**$'000**
Software-as-a-service expense	-	4,542	4,542
Property expenses	**118,756**	**4,542**	**123,298**
Depreciation and amortisation	111,935	(3,264)	108,671
Total expenses	**1,727,390**	**1,278**	**1,728,668**
Surplus for the year	**63,978**	**(1,278)**	**62,700**
Total comprehensive income for year	**68,539**	**(1,278)**	**67,261**

Consolidated Statements of Cash Flows	**Previously reported**	**Adjustments**	**Restated**
Year ended 30 June 2021	**$'000**	**$'000**	**$'000**
Payments to suppliers and employees	(1,560,035)	(4,542)	(1,564,577)
Net cash from operating activities	**153,709**	**(4,542)**	**149,167**
Payments for property, plant and equipment	(85,005)	4,542	(80,463)
Net cash used in investing activities	**(71,196)**	**4,542**	**(66,654)**

A2 Our Financial Statements – basis of preparation (continued)

A2.7 Going Concern

The consolidated financial statements include the assumption that the Group will continue to operate as a going concern. The following considerations have been taken into account when making this assumption.

Net current asset deficiency

The Group has a net current asset deficiency of $587,052,000 (2021: $522,289,000), a significant portion of which is ingoing contributions, refundable accommodation deposits (RADs) and accommodation bonds of $853,998,000 (2021: $805,632,000), which are disclosed as a current liability. Current liability classification notwithstanding, the Group expects that, of the total ingoing contributions, RADs and accommodation bonds disclosed as a current liability, $702,361,000 (2021: $669,303,000) will not be repaid within 12 months (refer C1.5). Furthermore, the repayment of any ingoing contributions, RADs and accommodation bonds will be offset by incoming ingoing contributions, RADs and accommodation bonds. Additionally, of the total current employee benefits disclosed, $58,171,000 (2021: $50,232,000) are expected to be settled after 12 months (refer E1). The Group's adjusted net current asset position is reflected as follows:

	2022 $'000	2021 $'000
Net current asset deficiency	(587,052)	(522,289)
Add back: Ingoing contributions and accommodation bonds not expected to be repaid within 12 months	702,361	669,303
Add back: Ingoing contributions and accommodation bonds expected to be repaid within 12 months and replaced by new ingoing contributions and accommodation bonds	151,637	136,329
Add back: Current employee benefits not expected to be settled within 12 months	58,171	50,232
Total adjusted net current asset position	**325,117**	**333,575**

A2.8 Economic Dependency

The Group is dependent on both State, Territory and Commonwealth Government funded services to fund its operations. The continued support and funding of community care and aged care program facilities by State, Territory and Commonwealth Governments are subject to regular reviews and accreditation requirements. Refer to section G7.1 for information relating to government-related funding.

A2.9 Impact of COVID-19 on the Group

The ongoing COVID-19 pandemic continued to impact service delivery of the Group. Significant preparedness and scenario planning activities helped ensure the Group was as prepared as possible for COVID-19 related issues, supported by a centrally dedicated COVID-19 Crisis Management and Operations Team. This team remains in regular contact with public health agencies to ensure its response is in line with State, Territory and Commonwealth Government directions.

On 30 March 2020, the Commonwealth Government announced the introduction of the JobKeeper payment, a financial support package provided to entities impacted by COVID-19. It was designed to assist in preserving jobs by enabling employers to continue paying their employees, whether they were able to work or not under restrictions related to the COVID-19 response.

The Group met the initial JobKeeper payment eligibility criteria and received income in 2021 that enabled the Group to continue operating and retain employees who serve some of the most vulnerable people in our community. The Group did not continue to claim under subsequent extensions of the programme.

A2 Our Financial Statements – basis of preparation (continued)

A2.10 Goods and Services Tax (GST)

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the consolidated statement of financial position. Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows within the receipts from clients, funding and others, and payments to suppliers and employees.

A2.11 Income Taxes

No provision for income tax has been made as the Group and each of the not-for-profit entities that comprise the Group is exempt from income tax under Division 50 of the *Income Tax Assessment Act (1997)* and have been so endorsed by the Commissioner of Taxation.

A2.12 Basis of consolidation

(a) Controlled entities

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements incorporate the financial statements of the entities controlled by the Group.

The Group controls the following not-for-profit entities by virtue of its governance oversight vested in the Board by the Uniting Church in Australia - Queensland Synod By-laws (section 3.1.1.1):

- UnitingCare Queensland* (ABN 45 414 098 573);
- UnitingCare Community* (ABN 28 728 322 186);
- Blue Care* (NAPS ID 314) (ABN 96 010 643 909);
- UnitingCare Health* (ABN 87 842 457 440);
- Australian Regional & Remote Community Services Limited (NAPS ID 6871) (ABN 88 167 926 132); and
- Regional and Remote Indigenous Services Trust (ABN 12 290 854 684).

** These organisations report to the Australian Charities and Not-for-profits Commission (ACNC) on a group reporting basis, known as the UnitingCare QLD_ACNC Group, refer to G7.*

All of the above entities are endorsed as deductible gift recipients.

(b) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

B Our performance

This section highlights the key drivers of the Group's operations, including revenue, expenses and operating cash flows.

B1 Revenue and other income

	2022 $'000	2021 $'000
Revenue from contracts with clients		
Aged care and community services	701,041	696,668
Hospital patient services	519,066	530,166
Family services (grant funded programs)	114,020	105,805
Recoverable revenue (prosthesis)	110,945	116,150
National Disability Insurance Scheme (NDIS) services	83,902	87,774
Lifeline sales	51,950	52,461
Hospital viability subsidy	49,917	6,842
Daily accommodation payments (DAP)	48,593	49,057
Deferred management fees (DMF)	16,000	13,697
Other hospital revenue	7,024	6,310
Bequests (with performance obligations)	1,196	1,315
Other revenue	219	253
Total revenue from contracts with clients	**1,703,873**	**1,666,498**
Other income		
Other not-for-profit income		
JobKeeper subsidy	-	84,832
Capital grants	16,169	5,227
Fundraising and donations	4,477	2,645
Bequests	5,253	489
Lessor income		
Other lessor income	19,323	18,730
Gain on sale of assets		
Gain on sale of property, plant and equipment	12,324	4,215
Gain on sale of business	3,844	-
Fair value movements		
Fair value gain/(loss) on resident loans	(10,866)	192
Other income		
Investment income	2,407	482
Other income	2,260	3,077
Interest Income		
Uniting Church Investment Services (UCIS)	946	1,491
Other interest	812	1,021
Total other income	**56,949**	**122,401**

Gain on sale of business includes profit on sale of the Group's childcare centres at market value to the Uniting Church in Australia Property Trust (Q.) of $3,844,379.

Key estimates and judgements

Deferred management fees	A significant source of estimation for the recognition of deferred management fees is the calculation of the expected resident occupancy period. This is calculated with reference to the Australian Bureau of Statistics Life tables and historical resident occupancy trends.

B1 Revenue and other income (continued)

Significant accounting policies

(a) Revenue from contracts with clients

Revenue is measured based on the consideration the entity expects to be entitled to in exchange for transferring promised goods or services as specified in a contract with a client. The Group recognises revenue when it transfers control over a good or provides a service to a client.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with clients, including significant payment terms, and the related revenue recognition policies.

Where an agreement is enforceable and contains sufficiently specific performance obligations for the Group to transfer goods or services to a third-party, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers* (AASB 15). Otherwise, revenue is accounted for under AASB 1058 *Income from Not-for-Profit Entities* (AASB 1058), whereby revenue is recognised upon receipt, except for certain capital grants noted below.

Type of good or service	Revenue recognition policies including nature and timing of satisfaction of performance obligations and significant payment terms
Aged care and community services	This revenue stream includes revenue derived from Home Care Packages (HCP), Aged Care Financial Instrument basic daily fees, aged care supplements and client fees for services relating to aged care and community services. Performance obligations are deemed to be the delivery of the services relevant to the above programs. Services are provided primarily on a daily or monthly basis. Revenue is recognised over time when the services are performed and delivered.
Hospital patient services	Performance obligations are deemed to be the delivery of the hospital patient services. Services are provided daily. Revenue is recognised daily as services are provided to hospital patients. A contract receivable representing the Group's right to consideration for services delivered but not yet invoiced is also recognised, refer C1.1.
Family services (grant funded programs)	Grants are received for the funding of family, aged care and community services programs. Where these specify certain specific performance obligations, the Group recognises revenue from services over time as performance obligations are satisfied. Such services are primarily provided on a daily or monthly basis. Any unused funds are to be returned to the funder unless otherwise agreed, and an associated grant funding liability is recognised, refer C1.6. Cyclic and annual acquittals are required to be submitted to the funder for the majority of funded programs, in addition to output-based performance reporting. Funding is generally received quarterly or biannually in advance.
Recoverable revenue (prosthesis)	The Group performs medical procedures that require prosthesis. Performance obligations for prosthesis revenue are deemed to be the delivery of the contracted prosthesis. The Group is considered the principal in these transactions and therefore recognises revenue on a gross basis. Revenue is recognised on delivery of the goods to the patient.
NDIS services	The Group provides services to clients under the National Disability Insurance Scheme (NDIS) as identified in individual contracts. After the provision of the agreed services, the Group may submit a claim through the National Disability Insurance Agency (NDIA) or invoice a client directly for recoupment of revenue for the service. The Group recognises revenue from services over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily or a monthly basis. There are no related unused funds as claims or invoices for payment are submitted after services are provided.

B1 Revenue and other income (continued)

Significant accounting policies (continued)

Type of good or service	Revenue recognition policies including nature and timing of satisfaction of performance obligations and significant payment terms
Lifeline sales	The Group sells new and second-hand goods at its network of Lifeline stores, including online. Goods sold come with a 14-day right of return. Revenue is recognised on delivery of the goods to the client. Historically, the amount of returns has not been material. As such, the full selling price is recognised as revenue.
Daily accommodation payments (DAP)	The Group has assessed its resident agreements relating to residential aged care accommodation arrangements to be leases under AASB 16 *Leases* (AASB 16) due to the security of tenure that these offer to its residents. The resident agreement only requires 14 days written notice to vacate. For arrangements where residents have elected to pay a DAP, the associated lessor revenue is accounted for under AASB 16. Where residents have chosen to pay an accommodation bond (refer C1.5), the Group receives a financing benefit in the form of an interest free loan. The interest expense associated with this financing benefit is not material and the Group has elected not to recognise the interest expense and corresponding income associated with the accommodation bonds.
Deferred management fees (DMF)	DMFs are amounts retained as income from ingoing contributions and accommodation bonds and are recognised over the expected period of resident occupancy in line with AASB 16.

(b) Other not-for-profit income

The Group is the recipient of income that is accounted for in accordance with AASB 1058, which covers transactions where the consideration to acquire an asset is significantly less than fair value principally to enable the Group to further its objectives. This includes the following:

(i) JobKeeper subsidy

The Group accounted for amounts received from the Australian Taxation Office (ATO) in the form of the JobKeeper program as income, separate from the related employee expense and there is no accounting policy choice to net the JobKeeper payment with the related employee expense.

(ii) Capital grants

AASB 1058 prescribes specific accounting requirements for capital grants. The following criteria must be met for a capital grant to be recorded:

- The Group must use the financial asset to acquire or construct an identified non-financial asset;
- The Group will control the asset post acquisition or construction (i.e. no requirement to transfer asset back to transferor or other parties); and
- The arrangement must occur under an enforceable agreement (but not a contract with a client).

The Group recognises a construction obligation liability when funding is received for the construction of an asset, and subsequently recognised progressively as revenue as the Group satisfies its obligations under the grant through construction of the asset. Refer to note C1.6 for construction obligation liabilities recognised relating to incomplete performance obligations at the end of the period.

(iii) Fundraising, donations and bequests

Income is recognised when received, unless it is required to be accounted for under AASB 15, in which case it is deferred until the relevant performance obligations have been satisfied.

(iv) Volunteering

The Group has elected not to recognise the receipt of volunteer services as income, asset or expense as the fair value of the services cannot be measured reliably.

B1 Revenue and other income (continued)

Significant accounting policies (continued)

(c) Interest Income

Interest income is recognised using the effective interest method. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(d) Lessor income

Other lessor income includes hospital car park and accommodation income and is for operating leases recognised on a straight-line basis over the lease term in accordance with AASB 16.

B2 Expenses

	2022	2021[1]
Supplies and services expenses	**$'000**	**$'000**
Patient services and supplies	229,726	226,626
Resident services and supplies	76,116	72,332
Cleaning and housekeeping	22,155	20,735
Other supplies and services	13,707	12,059
Total supplies and services expenses	**341,704**	**331,752**
Property expenses		
Repairs and maintenance expense	55,645	47,114
Communications and utilities expense	32,166	29,802
Motor vehicle expense	13,486	13,457
Rates and taxes	8,873	9,321
Property insurance	7,605	6,054
Software-as-a-service expense	6,936	4,542
Rental expense	5,999	7,069
Other property expense	6,613	4,163
Impairment expense	1,528	1,776
Total property expenses	**138,851**	**123,298**
Other expenses		
Consulting and professional fees	52,462	41,547
Business expenses	18,240	14,644
Administrative and other expenses	8,323	17,802
Stewardship expenses	9,320	9,147
Total other expenses	**88,345**	**83,140**
Finance costs		
Interest expense	2,940	2,643
Bank charges and fees	1,030	904
Total finance costs	**3,970**	**3,547**

[1] The comparative information has been restated on account of a change in accounting policy due to the adoption of the IFRIC agenda decision relating to software-as-a-service arrangements. Refer to A2.6 for more information.

B2 Expenses (continued)

The Group's major categories of expenses have been disclosed above. We note that:

- Supplies and services expenses include the cost of goods sold and costs incurred in delivering services to patients and residents;
- Property expenses comprise all costs associated with the ownership and maintenance of the Group's property, plant and equipment;
- Other expenses include external contractors, consulting and professional fees, stewardship and general business and administrative expenses; and
- Finance costs comprise interest expense on lease liabilities recognised using the effective interest method and bank fees.

B3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short-term bills and call deposits. Balances are carried at face value of the amounts deposited.

	2022 $'000	2021 $'000
Cash on hand	147	161
Cash at bank	238,616	228,538
Deposits – UCIS	218,863	292,566
Deposits – Other	40,000	45,000
Total cash and cash equivalents	**497,626**	**566,265**
Restricted balances included within cash and cash equivalents		
Grant agreements and donations	10,804	9,013
Funds held in Trust under Retirement Villages Act 1999:		
Capital Replacement Funds	3,480	4,077
Maintenance Reserve Funds	6,779	5,801
General Services Funds	799	2,017
Total restricted balances	**21,862**	**20,908**

Certain balances are restricted in use for certain purposes defined in either a grant agreement, trust agreement or other externally imposed requirements. In addition, all residential aged care bond deposits received since 1 October 2011, that have been expended on projects, meet the *Aged Care Act 1997* "permitted purposes".

B3 Cash and cash equivalents (continued)

Reconciliation of surplus to net cash inflow from operating activities

	2022 $'000	2021[1] $'000
Surplus for the year	**16,696**	**62,700**
Depreciation and amortisation expense	109,118	108,671
Capital grants from government	(16,169)	(5,227)
Write-offs and impairment expense	1,528	1,776
Gain on sale of property, plant and equipment	(12,324)	(4,215)
Change in fair value of resident loans	10,866	(192)
Deferred management fee revenue and retentions	(16,000)	(13,697)
Share of profit in joint ventures	(1,383)	(601)
Change in fair value of investment properties	(19,576)	(1,868)
Fair value movements on financial assets at Fair Value through Profit or Loss (FVTPL)	461	(286)
Investment income	(870)	(329)
Non-cash transactions included in the surplus for the year	1,879	(1,825)
Change in operating assets and liabilities:		
(Increase)/Decrease in trade and other receivables	47,770	(66,942)
(Increase) in prepayments	(8,419)	(1,280)
(Increase)/Decrease in inventories	321	(6,314)
(Increase)/Decrease in other assets	(8,620)	20,534
Increase/(Decrease) in trade and other payables	(37,843)	56,206
(Decrease) in other liabilities	(32,868)	(12,776)
Increase/(Decrease) in employee benefits and other provisions	(15,564)	14,832
Net cash inflow from operating activities	**19,003**	**149,167**

[1] The comparative information has been restated on account of a change in accounting policy resultant from the adoption of the IFRIC agenda decision relating to software-as-a-service arrangements. Refer to A2.6 for more information.

C Our operating base

This section provides further insight into the Group's operating asset base used to support the provision of health, aged care and community services. This section includes working capital, property, plant and equipment and intangible assets. Working capital includes trade and other receivables, inventories, other assets, trade and other payables, ingoing contributions, RADs and accommodation bonds and other liabilities.

C1 Working Capital

C1.1 Trade and other receivables

	2022 $'000	2021 $'000
Trade receivables	76,900	94,123
Loss allowance	(8,239)	(11,010)
	68,661	83,113
Contract receivables	19,390	33,920
Other receivables	2,716	18,506
GST recoverable	6,765	9,763
Total trade and other receivables	**97,532**	**145,302**

	Current - 90 days past due $'000	90+ days past due $'000
30 June 2022		
Gross carrying amount - trade receivables	57,676	19,224
Loss allowance	(1,774)	(6,465)
	55,902	**12,759**
30 June 2021		
Gross carrying amount - trade receivables	81,439	12,684
Loss allowance	(4,970)	(6,040)
	76,469	**6,644**

The above contract receivables include accrued hospital income for patients not yet invoiced.

The closing loss allowances for trade receivables and contract assets as at 30 June 2022 reconcile to the opening loss allowances as follows:

	2022 $'000	2021 $'000
Opening loss allowance as at 1 July	11,010	6,893
Increase in loss allowance recognised in profit or loss during the year	1,117	5,202
Receivables written off during the year as uncollectible	(1,134)	(661)
Unused amount reversed	(2,754)	(424)
Closing loss allowance at 30 June	**8,239**	**11,010**

Key estimates and judgements

Expected credit losses

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the ageing profile. The expected loss rates are based on the historical payment profiles of debtors over a period of up to 12 months before 30 June 2022 and 30 June 2021 respectively. The historical loss rates are adjusted to reflect current and forward-looking information on economic factors affecting the ability of the clients to settle the receivables.

C1 Working Capital (continued)

C1.1 Trade and other receivables (continued)

Significant accounting policies

(a) Trade receivables

Trade receivables are amounts due from clients for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are classified as current. Trade receivables are recognised initially at the transaction price unless they contain significant financing components, then they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and measures them subsequently at amortised cost using the effective interest method.

(b) Credit Risk

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating surplus/deficit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The Group applies the simplified approach to measuring expected credit losses and uses a lifetime expected loss allowance for all trade receivables.

(c) Contract receivables

A contract receivable representing the Group's right to consideration for services delivered but not yet invoiced is recognised as hospital patient services are rendered but not yet invoiced. Refer to B1 for hospital patient services revenue.

C1.2 Inventories

	2022 $'000	2021 $'000
Medical Supplies	16,835	18,294
Other	3,428	2,290
Total current inventories	**20,263**	**20,584**

The cost of inventories recognised as an expense during the year was $211,555,000 (2021 $210,658,000). This predominantly relates to medical items and prosthetics.

Significant accounting policies

Purchased inventories are valued at the lower of weighted average cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Second-hand inventory donations are not recognised.

C1.3 Other assets

	2022 $'000	2021 $'000
Current		
Prepayments	19,725	11,306
Accrued income	16,861	12,234
Loans to other entities	1,360	745
Other current assets	4,012	19
Total other current assets	**41,958**	**24,304**
Non-current		
Funds held in trust	2,310	2,305
Total other non-current assets	**2,310**	**2,305**

C1 Working Capital (continued)

C1.3 Other assets (continued)

Funds held in trust are restricted in use to the purposes intended under the trust agreements. Only interest income earned from investment of the principal amounts is permitted to be used. Permitted uses include the promotion of staff development and training and the support of community care services.

Other current assets include consideration receivable for the transition of the Group's childcare centres to the Uniting Church in Australia Property Trust (Q.) of $3,900,000.

C1.4 Trade and other payables

	2022	2021
Current	**$'000**	**$'000**
Trade payables	68,603	83,871
Accrued expenses	81,257	104,505
Other payables	2,947	2,274
Total current trade and other payables	**152,807**	**190,650**
Non-current		
Maintenance reserve funds	6,979	5,837
Total non-current trade and other payables	**6,979**	**5,837**

The Group has financial risk management policies in place to ensure that payables are paid within the credit framework. The credit framework is determined by the terms of the creditors and interest is not payable when paid within trading terms.

Maintenance reserve funds are established under section 97 of the *Retirement Villages Act 1999 (Qld)* for maintaining and repairing retirement villages' capital items. The amounts held in the maintenance reserve funds are solely for the benefit of the residents and the residents are solely responsible for contributing to the funds. The budget of the fund is set annually by an external quantity surveyor and drawn down as the allowed items are incurred.

C1.5 Ingoing contributions, RADs and accommodation bonds

	2022	2021
Expected to be paid within 12 months	**$'000**	**$'000**
Ingoing contributions	42,956	43,567
RADs and accommodation bonds	108,681	92,762
	151,637	136,329
Not expected to be paid within 12 months		
Ingoing contributions	490,116	460,276
RADs and accommodation bonds	212,245	209,027
	702,361	669,303
Total ingoing contributions, RADs and accommodation bonds	**853,998**	**805,632**

Accommodation bonds, including RADs, are held in respect of clients in residential aged care facilities. Ingoing contributions are held for clients of retirement living units covered under the *Retirement Villages Act 1999*.

Key estimates and judgements	
RADs	Management use historical performance for resident exits and the average value of current RADs held for the basis of estimating the expected payment periods for current RADs.

C1 Working Capital (continued)

C1.5 Ingoing contributions, RADs and accommodation bonds (continued)

Significant accounting policies

(a) Ingoing contributions

Ingoing contributions received from residents represent non-interest bearing deposits that are refundable in accordance with the relevant legislation and the individual resident agreements in the event the resident leaves a Group facility. As they are considered to be repayable on demand, they are recorded at the amount initially received less any contractually accrued DMF the Group is allowed to deduct and are not discounted.

(b) RADs

RADs are repayable on demand and are classified as current liabilities. They are recorded at the amount initially received less any retention the Group is allowed to deduct in accordance with the relevant legislation and resident agreement in the form of DAPs, and are not discounted. DAPs are accounted for under AASB 16, refer to B1.

The cash required to cover the refund of RADs is subject to a documented liquidity management strategy.

C1.6 Other liabilities

	2022	2021
Current	**$'000**	**$'000**
Grant funding liabilities	48,694	40,005
Contract liabilities	19,398	57,873
Construction obligation	16,881	21,983
Deferred revenue	4,116	4,290
Unearned income	3,976	7,027
Other current liabilities	1,331	749
Total other current liabilities	**94,396**	**131,927**
Non-current		
Deferred revenue	33,745	32,839
Fundraising monies held in trust	403	396
Unearned income	8,001	8,160
Total other non-current liabilities	**42,149**	**41,395**

The revenue recognised for the year that was included in contract liabilities at the beginning of the period was $57,873,000 (2021: $46,919,000).

Unearned income includes a lease to Wesley Medical Research for a 99-year period that has been prepaid. This lease does not have an option to renew or purchase the leased asset at the expiry of the lease period.

Deferred revenue relates to the difference between contractually accrued ingoing contributions and DMF revenue recognised based on expected resident occupancy.

Significant accounting policies

(a) Grant funding liabilities

Grant funding liabilities comprise unfulfilled performance obligations for government grants containing a refund obligation. Liabilities are released to the statement of profit or loss and other comprehensive income as performance obligations are satisfied, refer B1, or returned to the funder unless otherwise agreed.

(b) Contract liabilities

Contract liabilities comprise unfulfilled performance obligations for Home Care Packages. Liabilities are released to the statement of profit or loss and other comprehensive income as performance obligations are satisfied, refer B1.

C1 Working Capital (continued)

C1.6 Other liabilities (continued)

(c) Construction obligation

A construction obligation is recognised for capital grants received for which there is an unfulfilled construction obligation, refer B1.

C2 Property, plant and equipment

2022	Work in Progress $'000	Land and Buildings $'000	Plant and Equipment $'000	Right of Use Assets $'000	Total $'000
Cost	91,031	1,278,807	594,202	68,666	2,032,706
Accumulated Depreciation	-	(585,488)	(388,561)	(40,312)	(1,014,361)
Carrying amount at 30 June 2022	**91,031**	**693,319**	**205,641**	**28,354**	**1,018,345**
Carrying amount at 1 July 2021	31,391	724,419	209,183	27,841	992,834
Additions	102,817	10,224	39,217	13,916	166,174
Disposals and derecognitions	-	(3,019)	(1,810)	-	(4,829)
Transfers: from Work in Progress	(43,177)	4,402	2,323	-	(36,452)
Depreciation	-	(42,707)	(43,272)	(13,403)	(99,382)
Carrying amount at 30 June 2022	**91,031**	**693,319**	**205,641**	**28,354**	**1,018,345**
2021					
Cost	31,391	1,298,964	620,311	51,805	2,002,471
Accumulated Depreciation	-	(574,545)	(411,128)	(23,964)	(1,009,637)
Restated carrying amount at 30 June 2021[1]	**31,391**	**724,419**	**209,183**	**27,841**	**992,834**
Carrying amount at 1 July 2020[1]	37,723	736,630	204,983	36,174	1,015,510
Additions	41,503	10,986	27,975	4,409	84,873
Disposals and derecognitions	(69)	(2,463)	(1,617)	-	(4,149)
Transfers: from Work in Progress	(45,990)	22,743	19,305	-	(3,942)
Transfers: to Held for Sale	-	(315)	-	-	(315)
Depreciation	-	(43,162)	(41,463)	(12,742)	(97,367)
Impairment	(1,776)	-	-	-	(1,776)
Restated carrying amount at 30 June 2021[1]	**31,391**	**724,419**	**209,183**	**27,841**	**992,834**

Certain transfers out of capital work-in-progress have been processed through asset class additions and transfers to investment properties and intangible assets have been recognised as additions in C3 and C4.

Assets pledged as security

Freehold land and buildings with a carrying amount of $61,064,000 (2021: $63,188,000) have been pledged to secure borrowings of the Property Trust. The freehold land and buildings have been pledged as security for bank loans under a mortgage held. The Property Trust is not allowed to pledge these assets as security for other borrowings or to sell them to another entity without the approval from the Australia and New Zealand Banking Group Limited.

As at 30 June 2022, freehold land and buildings with a carrying amount of $3,999,000 (2021: $4,198,000) have been pledged to the Queensland Government to secure grant funding under a mortgage. The Group is able to pledge these assets as security for other borrowings provided that the funder remains as a second mortgagee. In addition, hospital assets with a carrying value of $30,801,000 (2021: $33,171,000) are pledged as security in accordance with a grant contract from the Commonwealth of Australia. Leased assets with a carrying value of $Nil (2021: $57,000) are pledged as security under the terms of the finance lease.

[1] The comparative information has been restated on account of a change in accounting policy due to the adoption of the IFRIC agenda decision relating to software-as-a-service arrangements. Refer to A2.6 for more information.

C2 Property, plant and equipment (continued)

Assets pledged as security (continued)

In total, property, plant and equipment of $34,800,000 (2021: $37,369,000) which is 3.4% (2021: 3.7%) of total property, plant and equipment, has been or will be pledged to secure government grants.

Key estimates and judgements	
Estimated useful life of property, plant and equipment	The estimated useful lives of property, plant and equipment are assessed annually. This assessment takes into consideration legislative and safety requirements and plans to ensure continued compliance therewith. The estimated useful lives reflect existing redevelopment plans which are also subject to review based on requirements and cost. Future changes to the redevelopment program may impact on the assessment of useful lives with a corresponding impact on depreciation expense in future periods.

Significant accounting policies

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the consolidated statement of profit or loss and other comprehensive income.

The cost of capital works in progress includes directly attributable expenditure including the cost of materials, direct labour, an initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located, an appropriate proportion of production overheads and directly attributable borrowing costs.

(b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(c) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in the consolidated statement of profit or loss and other comprehensive income. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- Buildings and improvements — Up to 40 years
- Plant and equipment — 3 to 30 years
- Motor vehicles (included in plant and equipment) — 3 to 15 years

Assets are depreciated on a straight-line basis from the date of acquisition or from the time an asset is completed and held ready for use.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

C2 Property, plant and equipment (continued)

Significant accounting policies (continued)

(d) Impairment of assets

The carrying amounts of assets are reviewed annually to determine whether there is any indication of impairment. If any indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Group would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the current replacement cost of the asset.

Impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive income. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

C2.1 Leases

The consolidated statement of financial position shows the following amounts relating to leases:

	2022	2021
Right of Use (ROU) Assets	**$'000**	**$'000**
Properties	26,286	25,978
Equipment	95	281
Motor Vehicles	1,973	1,582
Total ROU Assets	**28,354**	**27,841**

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

Depreciation of ROU Assets		
Properties	12,036	11,062
Equipment	185	504
Motor Vehicles	1,182	1,176
Total depreciation of ROU Assets	**13,403**	**12,742**
Interest expense (included in operating cost)	2,185	1,861
Expense relating to short-term leases (included in property expenses)	7,069	5,956

Total cash outflows for leases for the year ended 30 June 2022 was $17,729,000 (2021: $16,574,000).

The Group leases various properties, equipment and motor vehicles. Rental contracts are made for fixed periods of 1 to 10 years and may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Concessionary leases

The Group has 56 (1 July 2021: 51) below market leases accounting for 11.9% (2021:17.2%) of the total number of leases. The Group is dependent on these leases to further its objectives as it utilises the land and buildings to run its operations and deliver its services. The Group is restricted on the use of the land and buildings subject to these leases as agreed with the respective lessors being local, state or territory governments. This includes 5 leases of land under deed of grant in trust on which the Group operates aged care facilities.

C2 Property, plant and equipment (continued)

C2.1 Leases (continued)

The following table outlines the nature of the Group's concessionary leases.

Category	Source	Group Objectives	Lease term	Ave payment p.a. ($)
Aged care 13: land and buildings	State/Territory government	Regional and remote high care, hostel and remote accommodation	10 to 99 years Average of 50 years	9
Community services 41: land and buildings	Local government	Respite centres, counselling, charity stores and other community services	2 to 99 years Average of 25 years	34
Housing 2: Dwellings	State government	Crisis accommodation	1 to 14 years Average of 3 years	2

Significant accounting policies

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As a lessee

At commencement or modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative standalone prices.

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group uses its incremental borrowing rate as the discount rate.

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in consolidated statement of profit and loss and other comprehensive income if the carrying amount of the ROU asset has been reduced to zero.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of profit or loss and other comprehensive income. Short-term leases are leases with a lease term of 12 months or less, while low-value assets include items such as IT equipment.

C2 Property, plant and equipment (continued)

C2.1 Leases (continued)

(b) Concessionary leases

The Group has applied the temporary option not to measure these assets at fair value in accordance with AASB 2018-8 *Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities* and are expensed as incurred.

(c) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies AASB 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as 'other revenue'.

C2.2 Commitments and expenditure

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2022	2021
Not later than 1 year	**$'000**	**$'000**
Buildings	46,418	16,756
Plant and equipment	8,438	4,340
Intangibles	1,410	739
Contractors and consultants	19,764	16,599
	76,030	**38,434**
Between 1 and 5 years		
Buildings	25,245	-
Total commitments and expenditure	**101,275**	**38,434**

C3 Investment properties

	2022	2021
	$'000	**$'000**
At fair value: carrying amount at the beginning of the year	**583,610**	**575,694**
Additions	9,853	6,048
Change in fair value of investment properties	19,576	1,868
Carrying amount at the end of the year	**613,039**	**583,610**
Amounts recognised in consolidated statement of profit or loss and other comprehensive income		
Deferred management fees	16,000	13,697
Change in fair value of investment properties	19,576	1,868
Valuation reconciliation:		
Carrying amount of investment properties	613,039	583,610
Less:		
Ingoing contributions	(425,483)	(402,524)
Deferred revenue	(31,700)	(30,641)
Valuation	**155,856**	**150,445**

C3 Investment properties (continued)

In determining market values, the Group obtains independent external valuations for its investment properties on a rolling basis at least every three years. As a result, two investment properties have been independently valued during the year ended 30 June 2022 (2021: two).

Key estimates and judgements

Classification of investment properties

Significant management judgement has been applied to determine the classification of retirement units as investment properties. The Group has assessed the risks and rewards associated with ownership of the retirement units as remaining with the Group and not transferring to the occupier. The Group therefore recognises resident loans in respect of those occupied retirement units. The gross carrying amount of these units is recognised with reference to the relevant resident loan.

Fair value estimate of investment properties

Investment properties are classified as level 3 in the fair value hierarchy as key assumptions used in their valuation are not observable. The following assumptions have been used in calculating the fair values of investment properties:

Unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	2022	2021	
Expected market growth	2.50% to 3.50%	2.50% to 2.75%	Fair value increases with higher expected market growth
Average length of stay	5 to 11.80 years	4.5 to 12.7 years	Fair value decreases with lower length of stay
Risk adjusted discount rates	13% to 16.5%	13% to 16.5%	Fair value increases with lower discount rate

Significant accounting policies

Investment properties comprise the resort style retirement villages of the Group. This includes Independent Living Units, Serviced Apartments, common facilities and integral plant and equipment. Investment properties are initially measured at cost including any acquisition costs, and are held to generate income from deferred management fees and the Group's share of the change in the market value of the investment.

Subsequently, investment property is measured at fair value with any change therein recognised in the consolidated statement of profit or loss and other comprehensive income.

Fair value of investment properties under construction is primarily determined using direct comparison of active market prices, adjusted for any difference in the nature, location or stage of completion of the specific asset. Any gain or loss arising from a change in fair value is recognised in the consolidated statement of profit or loss and other comprehensive income.

If any investment property is disposed, the gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal, and is recognised in the consolidated statement of profit or loss and other comprehensive income in the year of disposal.

Deferred management fee income from investment property is recognised as revenue on a straight-line basis over the expected period of the resident occupancy in line with AASB 16, refer to B1.

C4 Intangible assets

	2022	2021 Restated
Computer software	**$'000**	**$'000**
Cost	170,077	143,731
Accumulated amortisation	(131,109)	(120,722)
Carrying amount at the end of the year	**38,968**	**23,009**
Computer software		
Opening balance	23,009	30,585
Additions	-	15
Transfers from capital work in progress (CWIP)	27,171	3,714
Amortisation	(9,736)	(11,305)
Impairment	(1,476)	-
Carrying amount at the end of the year	**38,968**	**23,009**

During the year ended 30 June 2022, the Group carried the following significant intangible assets: clinical information system, eHealth application and a data convergence centre. The carrying value related to these intangible assets at year-end was $3,725,000 (2021: $6,679,000) and is expected to be fully amortised in one to seven years.

The Group also has intangible assets in the form of residential aged care places which are a right to operate a bed. They are issued by the Commonwealth Government free of charge and have no fixed period once operational. The Group does not assign a value to bed assets due to the lack of a clear market that buys and sells these assets. The Commonwealth Government has discontinued the requirement for aged care providers to hold bed licenses from 1 July 2024 onwards.

The Group has adopted the IFRIC agenda decision as outlined in Note A2.6 and the adoption of this decision has resulted in a reclassification of some of the above intangible assets impacting both the current and prior periods, refer to A2.6.

Key estimates and judgements

Determination whether configuration and customisation services are distinct from the SaaS access

Implementation costs including costs to configure or customise the cloud provider's application software are recognised when the services are received.

Where the SaaS arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software. Distinct configuration and customisation costs are expensed as incurred when the software is configured or customised. Non-distinct configuration and customisation costs are expensed over the SaaS contract term.

Non-distinct customisation activities may significantly enhance or modify a SaaS cloud-based application. Judgement has been applied in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not.

Capitalisation of configuration and customisation costs in SaaS arrangements

In implementing SaaS arrangements, the Group has developed software code that either enhances, modifies or creates additional capability to the existing owned software. This software is used to connect with the SaaS arrangement's cloud-based application.

Judgement has been applied in determining whether the changes to the owned software meets the definition and recognition criteria for an intangible asset in accordance with AASB 138 *Intangible Assets*.

C4 Intangible assets (continued)

Significant accounting policies

(a) Recognition and measurement

Expenditure on research activities is recognised in the consolidated statement of profit and loss and other comprehensive income when incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development to be able to use or sell the asset. Otherwise, it is recognised in profit and loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

(b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the consolidated statement of profit and loss and other comprehensive income as incurred.

(c) Amortisation

Amortisation is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit and loss.

The estimated useful life for software development costs is 1 to 10 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(d) Impairment

Intangible assets are tested for impairment when an indicator of impairment exists. If the recoverable amount is less than its carrying value, an impairment loss is recorded to adjust the carrying value. The Group does not have intangibles with indefinite lives.

(e) SaaS arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud providers application software, are recognised as operating expenses when the services are received.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability of, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate. Judgement is required to determine whether the additional code meets the definition of an intangible asset.

When the SaaS arrangement supplier provides both the configuration and customisation services, and the SaaS access over the contract term, judgement is required to determine whether these services are distinct or not from each other. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (i.e. upfront). Non-distinct configuration and customisation costs are expensed over the SaaS contract term (i.e. as a prepayment).

Non-distinct customisation activities may significantly enhance or modify a SaaS cloud-based application. Judgement is required in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not.

D Financial Instruments

This section provides information on Group objectives when managing capital. The Group's objectives are to safeguard the Group's ability to continue as a going concern, and to ensure the funding structure enhances, protects and balances financial flexibility against minimising the cost of capital. Given the nature of Group operations, it is also exposed to a number of market risks; this section outlines how these key risks are managed.

D1 Financial assets

	2022 $'000	2021 $'000
Debt instruments at fair value through profit or loss	1,948	3,301
Equity instruments at fair value through other comprehensive income	28,624	30,439
Total financial assets	**30,572**	**33,740**

Amounts recognised in profit or loss and other comprehensive income

During the year, the following gains/(losses) were recognised in profit or loss and other comprehensive income:

Income/(losses) recognised in other comprehensive income		
Related to equity investments	(4,713)	4,452
Related to debt investments	(617)	109
Total income/(losses) recognised in other comprehensive income	**(5,330)**	**4,561**
Income/(losses) recognised in profit or loss		
Related to debt investments (recognised in other expense)	(461)	286
Dividends from equity investments held at FVOCI recognised in other income	956	329
Total income/(losses) recognised in profit or loss	**495**	**615**

The Group has established an investment portfolio which is managed in accordance with the Group's Investment Management Strategy (IMS). The IMS provides a framework within which the Group can invest funds in a considered, sustainable and compliant way.

Significant accounting policies

(a) Recognition and initial measurement

Debt and equity instruments are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Debt and equity instruments are initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(b) Classification and subsequent measurement

Classification

On recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

D1 Financial assets (continued)

Significant accounting policies (continued)

(b) Classification and subsequent measurement (continued)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The fair value of financial assets at FVTPL and FVOCI is determined based on current bid prices for all quoted investments at reporting date.

Subsequent measurement, gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains or losses are recognised in OCI. On derecognition, gains or losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

D2 Borrowings

	2022	2021
Current	**$'000**	**$'000**
Lease liabilities	11,786	11,681
Total current borrowings	**11,786**	**11,681**
Non-current		
Lease liabilities	28,026	30,247
Total non-current borrowings	**28,026**	**30,247**

At the end of the reporting period the Group had access to the following facilities:

i. ANZ bank guarantees facility of $11,000,000;

ii. ANZ asset finance facility of $8,900,000; and

iii. UCIS line of credit facility of $20,000,000.

With the exception of $6,171,000 (2021: $6,171,000) being utilised of the ANZ bank guarantee facility, no other amounts had been used from the above facilities.

D2 Borrowings (continued)

Significant accounting policies

(a) Borrowings

Borrowings are initially recognised when the Group becomes a party to the contractual provisions of the instrument. They are initially measured at fair value less transaction costs that are directly attributable to their acquisition.

Borrowings are classified and measured at amortised cost using the effective interest method. Any difference between cost and redemption value is recognised in the consolidated statement of profit or loss and other comprehensive income over the entire period of the borrowings on an effective interest basis. Fees paid on the establishment of loan facilities, which are not incremental costs relating to the actual draw-down facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are classified as current liabilities unless there is an unconditional right to defer the settlement of the liability for at least twelve months from the end of each annual reporting period.

(b) Lease liabilities

Refer to accounting policy at C2.1.

D2.1 Movement in liabilities from financing activities

The table below details changes in the Group's liabilities arising from financing activities including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

Liabilities	1 July 2021 $'000	Cash flows $'000	New leases $'000	Other $'000	30 June 2022 $'000
Lease liabilities	43,787	(17,729)	13,828	(74)	39,812
Ingoing contributions, RADs and accommodation bonds	805,632	40,328	-	8,038	853,998
Total liabilities from financing activities	**849,419**	**22,599**	**13,828**	**7,964**	**893,810**

Liabilities	1 July 2020 $'000	Cash flows $'000	New leases $'000	Other $'000	30 June 2021 $'000
Lease liabilities	52,537	(14,715)	4,106	1,859	43,787
Ingoing contributions, RADs and accommodation bonds	775,537	42,959	-	(12,864)	805,632
Total liabilities from financing activities	**828,074**	**28,244**	**4,106**	**(11,005)**	**849,419**

Other changes for ingoing contributions, RADs and accommodation bonds include deferred management fees, movement in deferred revenue liabilities and retention revenue. Other changes for lease liabilities relate to interest costs which is a cash movement included in interest paid in the consolidated statement of cash flows.

D3 Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risks, credit risk, capital risk and liquidity risk. The overall risk management program of the Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance. The Group's current strategy to meet minimum liquidity requirements is to constantly monitor cash flow through the preparation of monthly cash flow statements and cash flow reconciliations and forecasts.

The Group deposits funds with, and borrow funds from, UCIS, the Treasury arm of the Property Trust, ANZ and NAB. Risk management is carried out under policies approved by the Queensland Synod Finance, Investment and Property Board and the Group's Board.

D3 Financial risk management objectives (continued)

The fair values of financial assets and financial liabilities approximate carrying amounts as the assets and liabilities are either (i) short-term; (ii) the impact of discounting is not significant; or (iii) any borrowings incur interest at variable rates.

D3.1 Capital risk management

The capital structure consists of cash and cash equivalents, other financial assets and borrowings. Operating cash flows are used to maintain and expand the Group's assets, as well as to meet routine outflows including repayment of borrowings. The policy is to borrow centrally, using a variety of borrowing facilities to meet anticipated funding requirements.

(a) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At the end of the annual reporting period, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(b) Market risk management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: (i) interest rate risk; (ii) foreign currency risk; and (iii) price risk.

(i) Interest rate risk

The Group's main interest rate risk arises from interest bearing cash and cash equivalents and other financial assets. The Group has significant interest-bearing assets and the income and operating cash flows are materially exposed to changes in interest rates. There has been no change to the nature of these risks or the manner in which these risks are managed and measured.

Interest rate risks on borrowings are managed with the aim of reducing the impact of short-term fluctuations in earnings. However, over the longer term, permanent changes in interest rates would have an impact on earnings. At 30 June 2022, it is estimated that a general increase of one percentage point in interest rates on borrowings would not have a material impact on the Group. The undiscounted contractual maturities include interest that will be earned. This information is included as liquidity is managed on a net asset basis.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	30 June 2022		30 June 2021	
	USD	Other	USD	Other
	$'000	$'000	$'000	$'000
Shares (equity instruments)	5,796	1,780	9,303	1,308

As shown above, the Group is primarily exposed to changes in USD/AUD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from USD denominated shares. The impact of a +/- 12% movement in the AUD/USD exchange rate would result in an increase or decrease of $909,000 (2021: $1,102,000) on profit or loss. The Group's exposure to other foreign exchange movements is not material.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Group's exposure to price risk arises from financial asset investments held by the Group and classified as either FVOCI or FVTPL, refer D1. To manage its price risk arising from investments in debt and equity instruments, the Group diversifies its portfolio, with limits on asset classes and industries. Diversification of the portfolio is done in accordance with the policies and limits set by the Group, which include expected rates of return and ethical restrictions. Investments are managed at arm's length by an independent and fully qualified investment manager.

D3 Financial risk management objectives (continued)

D3.1 Capital risk management (continued)

(b) Market risk management (continued)

(iii) Price risk (continued)

The investment portfolio includes cash, term deposits, managed funds, exchange trade funds, corporate bonds, Australian equities and international equities, refer D1. If the price of Australian equities classified as FVTPL had been 20% higher or lower, the surplus/(deficit) for the year would have increased or decreased by $390,000 (2021: $660,000) as a result.

(c) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. UCIS maintains flexibility in funding by keeping external credit lines available. The Group has a documented liquidity risk management strategy in compliance with requirements of the *Aged Care Act 1997*.

The following table details the expected maturity for the Group's financial assets and liabilities. The table has been drawn up based on the undiscounted contractual maturities of the financial assets and liabilities, including interest that will be earned or charged on those assets. The inclusion of information on financial assets and liabilities is necessary in order to understand the liquidity risk management as the liquidity is managed on a net asset and liability basis.

D3 Financial risk management objectives (continued)

D3.1 Capital risk management (continued)

(c) Liquidity risk management (continued)

	Effective Interest	MATURING (Years)			
30 June 2022	**Rate**	**< 1**	**1 to 2**	**> 2**	**Total**
Assets	**%**	**$'000**	**$'000**	**$'000**	**$'000**
Non-interest bearing:					
Cash and cash equivalents	-	147	-	-	147
Financial assets	-	28,624	-	-	28,624
Trade and other receivables	-	97,532	-	-	97,532
Floating interest rate:					
Cash and cash equivalents	0.39	497,479	-	-	497,479
Financial assets	2.45	1,948	-	-	1,948
Loans to other entities	3.70	1,360	-	-	1,360
Funds held in trust	0.12	-	-	2,310	2,310
Total financial assets		**627,090**	**-**	**2,310**	**629,400**
Liabilities					
Fixed interest rate:					
Lease liabilities	3.90	11,786	11,912	16,114	39,812
Non-interest bearing:					
Ingoing contributions, RADs and accommodation bonds	-	853,998		-	853,998
Trade and other payables	-	152,807	6,979	-	159,786
Other liabilities	-	86,304	403	-	86,707
Total financial liabilities		**1,104,895**	**19,294**	**16,114**	**1,140,303**
30 June 2021					
Assets					
Non-interest bearing:					
Cash and cash equivalents	-	161	-	-	161
Financial assets	-	30,439	-	-	30,439
Trade and other receivables	-	145,302	-	-	145,302
Floating interest rate:					
Cash and cash equivalents	0.40	566,104	-	-	566,104
Financial assets	2.57	3,301	-	-	3,301
Loans to other entities	3.67	745	-	-	745
Funds held in trust	0.15	-	-	2,305	2,305
Total financial assets		**746,052**	**-**	**2,305**	**748,357**
Liabilities					
Fixed interest rate:					
Lease liabilities	3.79	11,554	9,104	21,076	41,734
Non-interest bearing:					-
Ingoing contributions, RADs and accommodation bonds	-	805,632	-	-	805,632
Trade and other payables	-	190,650	5,837	-	196,487
Other liabilities	-	120,610	396	-	121,006
Total financial liabilities		**1,128,446**	**15,337**	**21,076**	**1,164,859**

E Our People

This section provides further details of the Group's investment in our people, including employee benefits and remuneration of key management personnel.

E1 Employee benefits

	2022	2021
Current	**$'000**	**$'000**
Annual leave	92,051	91,632
Long service leave	61,912	72,714
Accrued day off and other leave	1,021	1,004
Sick leave	2,369	2,918
Total current employee benefits	**157,353**	**168,268**
Non-current		
Long service leave	14,309	18,875
Total non-current employee benefits	**14,309**	**18,875**

The current portion of employee benefits liability includes all of the employee benefits where employees have completed the required period of service or will complete the required period of service within 12 months from the balance date. The entire annual leave provision is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

The current portion of the long service leave represents the unconditional entitlement where employees have completed the required period of service and also for those employees that are entitled to pro-rata payments in certain circumstances.

Portable long service leave for community services workers within the community services industry came into effect with the passing of the *Queensland Community Services Industry (Portable Long Service Leave) Act 2020*. The scheme is administered by QLeave. The above long service leave balances contain an estimate for the probable reimbursement to be received from QLeave under the scheme.

The Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Current leave obligations not expected to be settled within 12 months, included in current employee benefits, were $58,171,000 (2021: $50,232,000).

Key estimates and judgements

Annual and long service leave

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been considered. These estimates have also been applied to the calculation for the probable reimbursement from QLeave under the portable long service leave scheme.

Significant accounting policies

(a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

The Group recognises benefits accruing to employees in respect of wages and salaries, annual leave, long service and accumulating sick leave as short-term benefits and measures these at their nominal values using the remuneration rate expected to apply at the time of settlement (including relevant on-costs).

E1 Employee benefits (continued)

Significant accounting policies (continued)

(b) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which they arise.

(c) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted to determine present value.

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructure and has raised a valid expectation that it will carry out the plan through either commencement or announcing its main features to those affected by it. The measurement of the provision includes only the direct expenditures arising from the restructure, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

E2 Key management personnel compensation

In addition to their salaries, the Group provides non-cash benefits to key management personnel. Key management personnel compensation paid to Directors and executives included in salaries and employee expenses in the consolidated statement of profit or loss and other comprehensive income are as follows:

	2022 $'000	2021 $'000
Short-term employee benefits	6,234	6,707
Post-employment benefits	294	276
Termination benefits	174	364
Total key management personnel compensation	**6,702**	**7,347**

No transactions other than those disclosed above were made with key management personnel (2021: nil).

F Our Structure

This section explains the Group's structure, including entities we control, and our interests in joint ventures.

F1 Joint operations

Blue Care has a 50% interest in a joint operation with Brisbane Housing Company Limited that provides affordable housing under the National Rental Affordability Scheme (NRAS). Financial information relating to this interest is set out below.

	2022	2021
Interest in joint operation	**$'000**	**$'000**
Property, plant and equipment	4,249	4,377
Less: accumulated depreciation	(128)	(128)
Net interest in joint operation	**4,121**	**4,249**
Results		
Lessor income	624	724
Expenses	(270)	(257)
Net contribution to result	**354**	**467**

Significant accounting policies

A joint operation is an arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interests in joint operations are accounted for through the recognition of the proportionate share of the assets, liabilities, revenues and expenses of the joint operation. Classification of these items is consistent within the Group.

F2 Interests in other entities

Interests in equity accounted joint venture

			Ownership Interest		Carrying Amount of Investment	
	Place of Business	Principal Activities	2022 %	2021 %	2022 $'000	2021 $'000
Leap in! Australia Ltd [i]	Australia	Healthcare	50	50	229	-
Investments accounted for using the equity method					**229**	**-**

[i] Leap in! Australia Ltd is an online portal for national disabilities insurance scheme clients.

F2 Interests in other entities (continued)

Movements during the year for equity accounted investments

	2022 $'000	2021 $'000
At beginning of the year	-	-
Add: Share of joint venture surplus	229	-
Balance at end of the year	**229**	**-**
Summarised financial performance:		
Joint ventures surplus/(deficit) for the period of ownership	1,383	601

The Group's share of joint venture surplus in Leap in! Australia Ltd has been offset against previously recognised deficits. The share of surplus is only recognised against the investment where the previously recognised losses have been extinguished. There is no other consideration owing.

Commitments and contingent liabilities in respect of joint venture

There were no commitments or contingent liabilities in respect of the Group's joint venture at 30 June 2022 (2021: Nil).

Significant accounting policies

A joint venture is an arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The Group recognises its share of the profits or losses of the joint venture, and its share of movements in the consolidated statement of profit or loss and other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains and losses on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest. Accounting policies are consistent with the Group's policies.

Interests in joint ventures are tested for impairment when an indicator of impairment exists. If the recoverable amount is less than its' carrying amount an impairment loss is recorded to adjust the carrying amount.

G Other Disclosures

G1 New and amended standards adopted

A number of standards became effective for the Group from 1 July 2021. These are as follows:

- AASB 2020-8 *Amendments to Australian Accounting Standards: Interest Rate Benchmark Reform – Phase 2*
- AASB 2021-3 *Amendments to Australian Accounting Standards: Covid-19-Related Rent Concessions beyond 30 June 2021*

None of the above standards have had a material impact on the Group.

G2 Standards and Interpretations in issue but not yet adopted

Apart from those presented below, there are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(a) AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This standard amends AASB 101 *Presentation of Financial Statements* (AASB 101) to require a liability be classified as current when entities do not have a substantive right to defer settlement at the end of the reporting period. It is effective for annual reporting periods beginning on or after 1 January 2023 and early adoption is permitted.

The Group is currently investigating the impact of this amendment.

(b) AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

This standard amends:

*(i)*AASB 7 *Financial Instruments* (AASB 7) to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;

(ii) AASB 101 *Presentation of Financial Statements* (AASB 101) to require entities to disclose their material accounting policy information rather than their significant accounting policies;

(iii) AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* (AASB 108) to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates; and

(iv) AASB Practice Statement 2 *Making Materiality Judgements* (PS 2) to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

It is effective for annual reporting periods beginning on or after 1 January 2023 and early adoption is permitted.

The Company is currently investigating the impact of this amendment.

G3 Auditors' remuneration

	2022 $	2021 $
Audit fees	570,000	554,000
Other services	77,100	228,874
Total auditors' remuneration	**647,100**	**782,874**

The auditor for the Group is Deloitte Touche Tohmatsu. Other services provided relate to consulting and professional fees. Management has an Auditor Independence Policy in place to formally approve the non-audit services provided by Deloitte and is satisfied that the provision of non-audit services during the year ended 30 June 2022 is compatible with the general standard of independence for auditors imposed by the Australian Charities and Not-for-profits Commission Act 2012. The Board has reviewed the position on permitted non-audit services and, in accordance with the advice received from the Audit, Risk and Compliance Committee, is satisfied that the nature and scope of the non-audit services provided does not compromise the auditor independence policy.

G4 Other related party disclosures

G4.1 Equity interests in related parties

For details of joint arrangements refer to sections F1 and F2.

G4.2 Transactions with other related parties

UnitingCare Queensland is part of the Uniting Church in Australia - Queensland Synod. The Group has a related party relationship with and undertakes transactions with various agencies and departments of the Property Trust including The Department of Finance and Property Services, Uniting Church Investment Services and Uniting Church Insurance. The Group makes financial contributions to the Uniting Church in Australia – National Assembly which is the national body for the Uniting Church network.

(a) Transactions and balances with related parties

The consolidated surplus for the year includes the following amounts arising from transactions and balances with related parties:

	2022 $'000	2021 $'000
Uniting Church in Australia – Queensland Synod		
Chaplaincy services	(3,536)	(3,058)
Insurance premiums expense	(11,396)	(10,666)
Other expenses	(57)	(149)
Stewardship fee	(9,320)	(9,147)
Redress and sensitive matters contribution	(1,200)	(3,000)
Consideration receivable for transfer of childcare centres	3,900	-
Net payables owed	(190)	(283)
Uniting Church Investment Services		
Interest revenue received	946	1,504
Cash on deposit at the end of year	218,910	292,566
Funds held in trust	2,310	2,305
The Uniting Church in Australia – National Assembly		
Contribution paid	(250)	(469)
Leap in! Australia Ltd		
Investment in Leap in! Australia Ltd	229	-
Loan receivable	1,360	745
Reversal of impairment of loan receivable	384	1,130
Share of joint venture surplus	1,383	601
Interest revenue	77	120
Loans repaid	1,000	1,250

G5 Contingent assets and liabilities

National Redress Scheme

Periodically, the organisation is notified of claims from people who have received current and/or previous services from the Uniting Church in Australia, Queensland Synod or its predecessor Denominations. Although the Group and the Uniting Church in Australia, Queensland Synod meet with claimants, payments made to claimants are paid through the Queensland Synod Insurance Managed Fund (including where applicable contributions from insurers and other predecessor Denominations) and not directly by the Group.

The National Redress Scheme was established on 1 July 2018 and the Group is a member of the scheme. The financial responsibility for meeting costs associated with redress and civil litigation will be borne collectively by the Uniting Church in Australia, with UnitingCare Queensland being a responsible body contributing to the recovery of costs. The nature and extent of any claims in any period are not predictable and therefore any amounts levied may vary from year to year.

Legal Claims

From time to time, the services of the Group are named in legal claims of a medical nature. The outcome of these claims is uncertain. The Board is of the opinion that provisions are not required in respect of these matters, as it is not probable that a future outflow of economic benefits will be required or the amount is not capable of reliable measurement and insurance policies are adequate to meet these claims. The maximum exposure to liability for excess payments in respect of these claims is $6,777,000 (2021: $4,571,000).

Capital Funding Grants

The Group has received capital grants from the State and Commonwealth governments. Funding received may be repayable in circumstances where the asset is sold or it ceases to be used for its funded purpose, depending on the specific contractual obligations of each contract. The contingent liability at 30 June 2022 was $3,999,000 (2021: $4,570,000). Blue Care's portion of the contingent liability at 30 June 2022 was $3,999,000 (2021: $4,276,000).

Insurance Claims

The Group has suffered financial damages as a result of the significant weather event in February 2022 and the cyber-incident in April 2021. The Group is in the process of quantifying the total damages claimable under its insurance policies in respect of these events. Whilst the outcome of the claims is uncertain, the Group currently estimates the total amount claimable for these incidents to be in excess of $39,330,000.

Other than the above matters, the Board is not aware of any other contingent assets or liabilities at the date of this report.

G6 Events after the reporting period

In July 2022 the decision was made to permanently close the Hamilton Merriwee Court Aged Care Facility. The facility had closed temporarily for refurbishment in June 2022, however, significant limitations were subsequently identified with the facility and what could be done to cater for the increasingly complex care needs of residents, and to ensure the health, safety and wellbeing of staff. At the date of authorisation of these financial statements, it is not practicable to determine the cost of closing the facility to the Group.

There were no further matters subsequent to the end of the year that have come to attention that would have a material impact on the consolidated financial statements or disclosures therein.

G7 ACNC disclosure

As per section A2.12, the ACNC reporting group includes the following entities:

- UnitingCare Queensland;
- UnitingCare Community;
- Blue Care; and
- UnitingCare Health.

However, UnitingCare Queensland also controls and consolidates Australian Regional and Remote Community Services Limited (ARRCS). A reconciliation is included below, with any reclassifications required to comply with ACNC disclosure requirements:

G7 ACNC disclosure (continued)

Consolidated statement of profit or loss and other comprehensive income	UCQ ACNC reporting group $'000	Other controlled entities [i] $'000	Eliminations $'000	UCQ Consolidated Group $'000
Revenue				
Government grants [ii]	576,266	69,814	-	**646,080**
Donations and bequests [iii]	10,907	19	-	**10,926**
Revenue from providing goods or services	997,559	10,611	-	**1,008,170**
Revenue from investments	3,898	242	-	**4,140**
Other revenue	68,252	4,817	-	**73,069**
Total revenue	**1,656,882**	**85,503**	**-**	**1,742,385**
Other income	43,370	637	(4,611)	**39,396**
Total gross income	**1,700,252**	**86,140**	**(4,611)**	**1,781,781**
Expenses				
Employee expenses	(1,029,010)	(52,495)	(1,592)	**(1,083,097)**
Interest expenses	(3,903)	(67)	-	**(3,970)**
Other expenses	(662,274)	(21,944)	6,200	**(678,018)**
Total expenses	**(1,695,187)**	**(74,506)**	**4,608**	**(1,765,085)**
Net surplus	**5,065**	**11,634**	**(3)**	**16,696**
Other comprehensive loss	(5,330)	-	-	**(5,330)**
Total comprehensive income	**(265)**	**11,634**	**(3)**	**11,366**
Consolidated statement of financial position				
Assets				
Total current assets	1,441,943	61,369	(815,361)	**687,951**
Total non-current assets	1,596,525	76,412	(46)	**1,672,891**
Total assets	**3,038,468**	**137,781**	**(815,407)**	**2,360,842**
Liabilities				
Total current liabilities	2,050,661	39,700	(815,358)	**1,275,003**
Other non-current liabilities	99,890	1,308	-	**101,198**
Total liabilities	**2,150,551**	**41,008**	**(815,358)**	**1,376,201**
Net assets	**887,917**	**96,773**	**(49)**	**984,641**

[i] All other controlled entities are also public benevolent institutions.

[ii] Government grants includes both aged care and community services, family services, capital grants from government and non-recurring revenue and income (refer B1).

[iii] Donations and bequests includes both fundraising, donations, and bequests (refer B1).

G7 ACNC disclosure (continued)

G7.1 Revenue and other income from government

The Group receives significant funding from government departments and agencies to enable its continued operations. The following table outlines the largest 10 sources of revenue and other income (including grants) received from the respective level of government department or agency. Further information may be obtained from the Group's Annual Information Statement lodged with the ACNC.

	UCQ ACNC reporting group	Other controlled entities	UCQ Consolidated Group
Commonwealth Government	**$'000**	**$'000**	**$'000**
Department of Health and Aged Care	382,655	68,347	451,002
Department of Social Services	34,161	86	34,247
Department of Veteran Affairs	11,376	237	11,613
National Indigenous Australian Agency	3,237	371	3,608
Department of Education	499	293	792
Total income from Commonwealth Government	**431,928**	**69,334**	**501,262**
State Government			
Queensland Health	62,305	-	62,305
Department of Children, Youth Justice and Multicultural Affairs	49,591	-	49,591
Department of Communities, Disability Services and Seniors	17,584	-	17,584
Department of Justice and Attorney General	4,673	-	4,673
Department of Seniors, Disability Services, Aboriginal and Torres Strait Islander Partnerships	2,210	-	2,210
Total income from State Government	**136,363**	**-**	**136,363**
Other departments and agencies	**7,975**	**480**	**8,455**

Declaration by the Board of UnitingCare Queensland

30 June 2022

The Board of UnitingCare Queensland declares that:

(a) the financial statements and notes set out on pages 1 to 41:

i. comply with the *Australian Charities and Not-for-profits Commission Act 2012* including compliance with Australian Accounting Standards and mandatory professional reporting requirements; and

ii. give a true and fair view of the financial position of UnitingCare Queensland as at 30 June 2022 and of its performance as represented by the results of its operations and its cash flows, for the financial year ended on that date; and

(b) there are reasonable grounds to believe that UnitingCare Queensland will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board.

Dated 4 October 2022



Nigel Alexander, Chair
UnitingCare Queensland Board



Chris Townend, Chair
UnitingCare Queensland Audit, Risk and Compliance Committee

Deloitte.

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Australia

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The Chair
UnitingCare Queensland Board
Level 5, 192 Ann Street
Brisbane Qld 4000
Australia

4 October 2022

Dear Nigel

The Uniting Church in Australia – Queensland Synod, UnitingCare Queensland

In accordance with Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Board of The Uniting Church in Australia – Queensland Synod, UnitingCare Queensland.

As lead audit partner for the audit of the financial statements of The Uniting Church in Australia – Queensland Synod, UnitingCare Queensland for the financial year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; or

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Matthew Donaldson
Partner
Chartered Accountants

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Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

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Independent Auditor's Report to the Board of UnitingCare Queensland acting through The Uniting Church in Australia – Queensland Synod, UnitingCare Queensland

Opinion

We have audited the financial report of The Uniting Church in Australia – Queensland Synod, Uniting Care Queensland (the "Group") which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in funds and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the declaration by the Board of Uniting Care Queensland (the "Board") as set out on pages 1 to 42.

In our opinion, the accompanying financial report of The Uniting Church in Australia – Queensland Synod, Uniting Care Queensland is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the Financial Report

The Board of the Group is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC Act and for such internal control as the Board determine is necessary to enable the preparation of the 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 are responsible for assessing the ability of Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Deloitte.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives 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 our 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, we exercise professional judgement and maintain professional skepticism throughout the audit. We 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with management and 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 we identify during our audit.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Matthew Donaldson
Partner
Chartered Accountants

Brisbane, 4 October 2022

Nathan Furness
Partner
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Brisbane, 4 October 2022



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UNITINGCARE QLD_ACNC GROUP

"KB-24"

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Annual Information Statement 2023

Legal name:
UnitingCare QLD_ACNC Group

About the group

Website:
unitingcareqld.com.au

Group size:
Large

Group programs

Hospitals

Program classification:
Hospital care

Program locations:
The Wesley Hospital, Coronation Drive, Auchenflower QLD, Australia
St Andrew's War Memorial Hospital, Wickham Terrace, Spring Hill QLD, Australia
Buderim Private Hospital, Elsa Wilson Drive, Buderim QLD, Australia
St Stephen's Hospital, Nissen Street, Urraween QLD, Australia

Program beneficiaries:
General community in Australia

Program website:
unitingcareqld.com.au/services-and-support/hospitals

Residential Aged Care

Program classification:
Senior living

Program locations:
Queensland, Australia

Program beneficiaries:
Adults - aged 25 to under 65
Adults - aged 65 and over
Families
Aboriginal and Torres Strait Islander people
People in rural/regional/remote communities
People at risk of homelessness/ people experiencing homelessness
People with chronic illness (including terminal illness)
People with disabilities
Females
Males

Program website:
bluecare.org.au/aged-care-homes

Residential & Centre Based Respite Care

Program classification:
Attendant care

Program locations:
Queensland, Australia

Program beneficiaries:
Adults - aged 25 to under 65
Adults - aged 65 and over
Families
Aboriginal and Torres Strait Islander people
People in rural/regional/remote communities
People with chronic illness (including terminal illness)
People with disabilities
Females
Males

Program website:
bluecare.org.au/services/respite

In-Home Care - Aged, Disabled & Vulnerable Persons

Program classification:
In-home aid and personal assistance

Program locations:
Queensland, Australia

Program beneficiaries:
Adults - aged 25 to under 65
Adults - aged 65 and over
Families
Aboriginal and Torres Strait Islander people
People in rural/regional/remote communities
People with chronic illness (including terminal illness)
People with disabilities
Females
Males

Program website:
bluecare.org.au/home-care

Family, Crisis and Community Services

Program classification:
Family services

Program locations:
Queensland, Australia

Program beneficiaries:
Early childhood - aged under 6
Children - aged 6 to under 15
Youth - 15 to under 25
Adults - aged 25 to under 65
Adults - aged 65 and over
Families
Aboriginal and Torres Strait Islander people
People from a culturally and linguistically diverse background
People in rural/regional/remote communities
Financially disadvantaged people
People at risk of homelessness/ people experiencing homelessness
People with disabilities
Females
Males

Program website:
unitingcareqld.com.au/services-and-support

Disability Services

Program classification:
Disability services

Program locations:
Queensland, Australia

Program beneficiaries:
People with disabilities
Females
Males

Program website:
unitingcareqld.com.au/services-and-support/disability

Lifeline, Telephone & Community Crisis Support including 13YARN

Program classification:
Crisis intervention

Program locations:
Queensland, Australia

Program beneficiaries:
Aboriginal and Torres Strait Islander people
Females
Males
General community in Australia

Program website:
unitingcareqld.com.au/lifeline

Aboriginal & Torres Strait Islander Aged Care, Family & Community Services

Program classification:
Healthcare access

Program locations:
Queensland, Australia

Program beneficiaries:
Aboriginal and Torres Strait Islander people
Females
Males

Program website:
unitingcareqld.com.au/services-and-support/people-we-support/aboriginal-and-torres-strait-is...

Child Welfare & Care Services

Program classification:
Out-of-home care

Program locations:
Queensland, Australia

Program beneficiaries:
Early childhood - aged under 6
Children - aged 6 to under 15
Youth - 15 to under 25
Aboriginal and Torres Strait Islander people
Females
Males

Program website:
unitingcareqld.com.au/services-and-support/people-we-support/children-and-families

Hospital in the Home

Program classification:
Home healthcare

Program locations:
Queensland, Australia

Program beneficiaries:
Females
Males
General community in Australia

Program website:
unitingcareqld.com.au/services-and-support/hospitals

Description of the group's activities and outcomes:
The UnitingCare Queensland group, known as UnitingCare, comprises the charities UnitingCare Queensland, UnitingCare Community, Blue Care and UnitingCare Health. As an outreach of the Uniting Church, our mission is to improve the health and wellbeing of individuals, families and communities as we speak out for fairness and justice, and care with compassion, innovation and wisdom. Our charities conduct activities across Queensland. As health and community service providers and one of the largest charity groups in Australia we connect with people in every corner of our community and engage with people from all walks of life. Through our accessible services we re committed to empowering older people, those living with a disability, people requiring healthcare in hospital or at home, Aboriginal and Torres Strait Islander people, children and families. Aged Care and Community Services - UnitingCare is committed to providing support to individuals in need regardless of their circumstances or where they live. For more than 70 years Blue Care has been providing support to empower individuals to live life in all its fullness by providing in-home care, residential aged care, disability services and independent and supported retirement living to Queenslanders. Family and Disability Services UnitingCare is a respected industry leader and one of

Queensland s largest community services. We provide a wide range of services supporting vulnerable individuals, families and communities in metropolitan, regional and remote areas across the State. Every day in the community, we deliver skilled, evidence-based interventions for those facing adversity and utilise our reach and skills to confront injustice. We are leaders in crisis response and community recovery, the protection of vulnerable children, support for people living with disability and their families, financial resilience and family wellbeing. In Queensland we also deliver our 24-hour 13 11 14 Lifeline Crisis Support Line through 10 Lifeline Centres, providing suicide prevention services with a non-judgemental and compassionate ear and raising money to support this service via our Lifeline retail stores and events such as Bookfest. We continue to expand our social impact by delivering high-quality person-centred, culturally inclusive and place-based family and disability services. We are committed to working alongside people living with disability and their families to imagine and build personally meaningful lives. Hospitals UnitingCare is one of the largest private hospital groups in Queensland, providing a comprehensive range of private medical services, and is renowned for its clinical excellence. Our hospitals include; The Wesley Hospital and St Andrew s War Memorial Hospital in Brisbane, Buderim Private Hospital at Buderim and St Stephen s Hospital at Hervey Bay

Human resources

Human resources:
Full time employees: 4598
Part time employees: 8397
Casual employees: 3603
Full-time equivalent staff (FTE): 9386.00
Estimated number of volunteers: 7393

Annual report

Note: If you want to see the financial report or annual report that this group has submitted, go back to Financials & Documents

Financial Reporting

Group's 2023 reporting period:
1 July 2022 to 30 June 2023

Type of financial statement:
General purpose financial statements

Financial report consolidated with more than one entity?:
Yes

Reportable related party transactions in the 2023 reporting period?:
Yes

Types of reportable related party transactions:
Fees paid to a related party for providing goods or services to the charity
Loans from/to a related party
Transfer of charity property or assets to a related party
Investment in a related party

Additional details about reportable related party transactions:
Refer to Page 37 of the UnitingCare Queensland Financial Statements for the year ended 30 June 2023

More than one remunerated key management personnel member:
Yes

Number of remunerated key management personnel:
24

Total amount paid to key management personnel:
$7,095,717

Income and Expenses

Comprehensive Income Statement summary

Gross income

Revenue from government including grants	$809,111,000
Total gross income	$1,833,556,000

Donations and bequests	$11,928,000
Revenue from providing goods or services	$896,429,000
Revenue from investments	$15,018,000
All other revenue	$76,433,000
Total revenue	$1,808,919,000
Other income (for example, gains)	$24,637,000
Total gross income	$1,833,556,000

Expenses

Employee expenses	$1,134,809,000
Interest expenses	$4,365,000
Grants and donations made for use in Australia	$0
Grants and donations made for use outside Australia	$0
All other expenses	$760,949,000
Total expenses	$1,900,123,000

Net income

Net surplus/(deficit)	-$66,567,000
Other comprehensive income	$3,628,000
Total comprehensive income	-$62,939,000

Balance Sheet extract

Assets

Total current assets	$1,414,598,000
Non-current loans receivable	$0
Other non-current assets	$1,670,433,000
Total non-current assets	$1,670,433,000
Total assets	$3,085,031,000

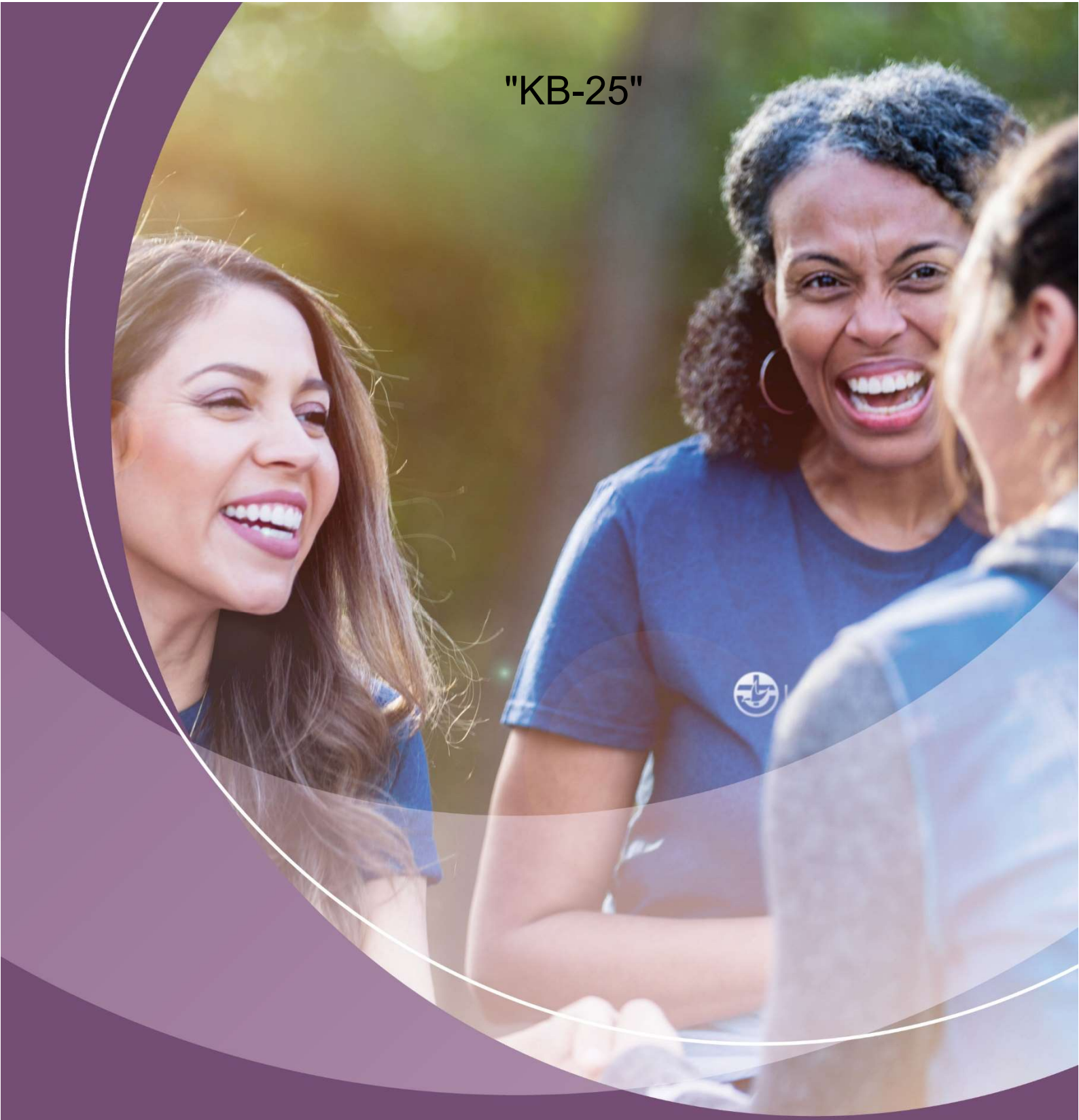
Liabilities

Total current liabilities	$2,157,663,000
Non-current loans payable	$0
Other non-current liabilities	$102,393,000
Total non-current liabilities	$102,393,000
Total liabilities	$2,260,056,000

Net assets/liabilities

Net assets/liabilities	$824,975,000

"KB-25"



Financial Statements
2022 – 2023

UnitingCare

Proudly representing
Blue Care | Lifeline | ARRCS | The Wesley Hospital | Buderim Private Hospital
St Stephen's Hospital | St Andrew's War Memorial Hospital

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Registered address

The registered address and principal office of UnitingCare Queensland is:
Level 5, 192 Ann Street, Brisbane, Queensland 4000

UnitingCare Queensland

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Revenue			
Revenue from contracts with clients	B1	1,856,977	1,703,873
Other income	B1	79,568	56,949
Total revenue		**1,936,545**	**1,760,822**
Share of surplus in joint ventures	F2	929	1,383
Change in fair value of investment properties	C3	10,251	19,576
Expenses			
Salaries and employee expenses		(1,200,375)	(1,083,097)
Supplies and services expenses	B2	(387,409)	(341,704)
Depreciation and amortisation expenses		(119,707)	(109,118)
Property expenses	B2	(144,198)	(131,915)
Other expenses	B2	(149,270)	(95,281)
Finance costs	B2	(4,462)	(3,970)
Total expenses		**(2,005,421)**	**(1,765,085)**
(Deficit)/Surplus for the year		**(57,696)**	**16,696**
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Gains/(losses) on equity instruments measured at FVOCI[1]	D1	3,620	(4,713)
Items that will subsequently be reclassified to profit or loss			
Gains/(losses) on debt instruments measured at FVOCI[1]	D1	8	(617)
Other comprehensive income/(loss) for the year		**3,628**	**(5,330)**
Total comprehensive (loss)/income for the year		**(54,068)**	**11,366**

[1] Fair value through other comprehensive income (FVOCI).

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

UnitingCare Queensland
Consolidated statement of financial position
For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Current assets			
Cash and cash equivalents	B3	360,234	497,626
Trade and other receivables	C1.1	120,090	97,532
Financial assets	D1	37,558	30,572
Inventories	C1.2	21,103	20,263
Other assets	C1.3	39,057	41,958
Assets classified as held for sale		1,491	-
Total current assets		**579,533**	**687,951**
Non-current assets			
Interests in other entities	F2	1,158	229
Property plant and equipment	C2	1,086,329	1,018,345
Investment properties	C3	636,227	613,039
Intangible assets	C4	26,878	38,968
Other assets	C1.3	13,681	2,310
Total non-current assets		**1,764,273**	**1,672,891**
TOTAL ASSETS		**2,343,806**	**2,360,842**
Current liabilities			
Trade and other payables	C1.4	173,832	152,807
Ingoing contributions, RADs[1] and accommodation bonds	C1.5	882,435	853,998
Borrowings	D2	14,615	11,786
Employee benefits	E1	167,150	157,353
Other liabilities	C1.6	67,097	94,396
Other provisions		4,395	4,663
Total current liabilities		**1,309,524**	**1,275,003**
Non-current liabilities			
Trade and other payables	C1.4	6,447	6,979
Borrowings	D2	24,817	28,026
Employee benefits	E1	20,253	14,309
Other liabilities	C1.6	43,572	42,149
Other provisions		8,620	9,735
Total non-current liabilities		**103,709**	**101,198**
TOTAL LIABILITIES		**1,413,233**	**1,376,201**
NET ASSETS		**930,573**	**984,641**
Equity			
Contributed funds		5,234	5,234
Properties revaluation reserve		23,689	23,689
Financial assets at FVOCI reserve		2,077	(1,551)
Accumulated funds		899,573	957,269
TOTAL EQUITY		**930,573**	**984,641**

[1] Refundable Accommodation Deposits (RAD)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

UnitingCare Queensland
Consolidated statement of changes in funds
For the year ended 30 June 2023

	Note	Contributed funds $'000	Properties Revaluation Reserve $'000	FVOCI Reserve $'000	Accumulated funds $'000	Total equity $'000
Balance at 1 July 2021		**5,234**	**23,689**	**3,779**	**940,573**	**973,275**
Surplus for the year		-	-	-	16,696	16,696
Other comprehensive loss	D1	-	-	(5,330)	-	(5,330)
Balance at 30 June 2022		**5,234**	**23,689**	**(1,551)**	**957,269**	**984,641**
Balance at 1 July 2022		**5,234**	**23,689**	**(1,551)**	**957,269**	**984,641**
(Deficit) for the year		-	-	-	(57,696)	(57,696)
Other comprehensive income	D1	-	-	3,628	-	3,628
Balance at 30 June 2023		**5,234**	**23,689**	**2,077**	**899,573**	**930,573**

The above consolidated statement of changes in funds should be read in conjunction with the accompanying notes.

UnitingCare Queensland
Consolidated statement of cash flows
For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from clients, funding and others		1,865,505	1,760,296
Payments to suppliers and employees		(1,886,781)	(1,740,034)
Interest received		14,414	1,681
Interest paid		(3,263)	(2,940)
Net cash (outflow)/inflow from operating activities	B3	**(10,125)**	**19,003**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		9,266	17,468
Payments for property, plant and equipment		(173,349)	(144,253)
Payments for intangible assets		(661)	-
Proceeds from capital grants		18,276	11,067
Dividends received from investments in financial assets		517	870
Proceeds from sale of business		3,900	-
Payments for investment properties		(8,992)	(9,853)
Proceeds from sale of financial assets		9,412	10,205
Payments for purchase of financial assets		(9,727)	(10,649)
Repayment of loans by joint ventures		1,360	1,000
Net cash (outflow) from investing activities		**(149,998)**	**(124,145)**
Cash flows from financing activities			
Net proceeds from ingoing contributions and accommodation bonds	D2.1	37,993	54,232
Repayment of lease liabilities	D2.1	(15,262)	(17,729)
Net cash inflow from financing activities		**22,731**	**36,503**
Net (decrease) in cash and cash equivalents		**(137,392)**	**(68,639)**
Cash and cash equivalents at beginning of year		497,626	566,265
Cash and cash equivalents at end of year	B3	**360,234**	**497,626**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

A About us

A1 Our organisation

These consolidated financial statements comprise UnitingCare Queensland and its controlled entities (the Group). The Group is an unincorporated not for profit organisation established by the Uniting Church in Australia Queensland Synod. The Uniting Church in Australia Queensland Synod has appointed the Board of UnitingCare Queensland to govern its activities. Legal title to all property beneficially utilised in the services provided by the Group is held in trust by the Uniting Church in Australia Property Trust (Q.) (the Property Trust), a body incorporated by statute and domiciled in Australia, or Australian Regional and Remote Community Services Limited (ARRCS).

UnitingCare Queensland's principal continuing activities are delivering quality health, aged care, disability and community services across Queensland and the Northern Territory. The Group provides person-centred care and support services to thousands of people every day of the year, enabling clients to live their best possible lives, whatever their circumstances.

UnitingCare Queensland is domiciled in Australia.

A2 Our Financial Statements – basis of preparation

A2.1 Statement of Compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations (AAS) issued by the Australian Accounting Standards Board. In some circumstances, where permitted under the AAS, the Group has elected to apply certain exemptions available to not-for-profit entities.

The consolidated financial statements were authorised for issue by the Board of Directors on 3 October 2023.

A2.2 Basis of Measurement

The consolidated financial statements have been prepared on an accruals basis and are based on historical cost, except for investment properties and financial assets which are measured at fair value.

A2.3 Functional and Presentation Currency

The consolidated financial statements are presented in Australian dollars, which is the Group's functional currency and have been rounded to the nearest thousand dollars, unless otherwise stated.

A2.4 Use of Estimates and Judgements

In preparing these consolidated financial statements, the Board and management have made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about underlying assumptions and estimation uncertainties are included in the following notes:

Key estimates and judgements	
Deferred management fees (DMF)	B1
Expected credit losses	C1.1
Refundable accommodation deposits (RADs)	C1.5
Estimate useful life of property, plant and equipment	C2
Classification of investment properties	C3
Fair value estimate of investment properties	C3
Determination whether configuration and customisation services are distinct from SaaS access	C4
Capitalisation of configuration and customisation costs in SaaS arrangements	C4
Annual and long service leave assumptions	E1

A2 Our Financial Statements – basis of preparation (continued)

A2.5 Comparatives

Where applicable, comparative balances have been adjusted to conform to changes in presentation for the current year.

A2.6 Going Concern

The consolidated financial statements include the assumption that the Group will continue to operate as a going concern. The following considerations have been taken into account when making this assumption.

Net current asset deficiency

The Group has a net current asset deficiency of $729,991,000 (2022: $587,052,000), a significant portion of which is ingoing contributions, refundable accommodation deposits (RADs) and accommodation bonds of $882,435,000 (2022: $853,998,000), which are disclosed as a current liability. Current liability classification notwithstanding, the Group expects that, of the total ingoing contributions, RADs and accommodation bonds disclosed as a current liability, $721,763,000 (2022: $702,361,000) will not be repaid within 12 months (refer C1.5). Furthermore, the repayment of any ingoing contributions, RADs and accommodation bonds will be offset by incoming ingoing contributions, RADs and accommodation bonds. Additionally, of the total current employee benefits disclosed, $101,867,000 (2022: $58,171,000) are expected to be settled after 12 months (refer E1). The Group's adjusted net current asset position is reflected as follows:

	2023 $'000	2022 $'000
Net current asset deficiency	(729,991)	(587,052)
Add back: Ingoing contributions and accommodation bonds not expected to be repaid within 12 months	721,763	702,361
Add back: Ingoing contributions and accommodation bonds expected to be repaid within 12 months and replaced by new ingoing contributions and accommodation bonds	160,672	151,637
Add back: Current employee benefits not expected to be settled within 12 months	101,867	58,171
Total adjusted net current asset position	**254,311**	**325,117**

A2.7 Economic Dependency

The Group is dependent on both State, Territory and Commonwealth Government funded services to fund its operations. The continued support and funding of community care and aged care program facilities by State, Territory and Commonwealth Governments are subject to regular reviews and accreditation requirements. Refer to section G7.1 for information relating to government-related funding.

A2.8 Impact of COVID-19 on the Group

COVID-19 has continued to impact the service delivery of the Group. This financial year, the Group's response to COVID-19 has changed. The Group's preparedness and planning activities focused around meeting the challenges of the multiple variant waves and outbreaks. During the year, less severe illnesses were reported with each wave.

The ongoing workforce shortages, created by COVID-19, continued across the aged care sector and some other areas including disability. This led to an increase in workforce costs for the Group through agency fees to meet client demand, as well as additional costs in relation to recruitment and onboarding.

A2 Our Financial Statements – basis of preparation (continued)

A2.9 Fair Work Commission Aged Care Sector Wage Increases

As part of the Fair Work Commission's Work Value Case decision in early 2023, an agreement was made to increase the award rates for certain roles working in the aged care sector by 15%. This was applied from the first full pay period after 30 June 2023, and included the following roles:

- Nursing Assistants, Enrolled Nurses, Nurse Practitioners and Registered Nurses working in aged care facilities and in the community;
- Personal Carers and Allied Health Assistants working in aged care facilities and in the community;
- Activities Officers, Diversional Therapists, Leisure and Lifestyle Team Leaders and Co-ordinators working in aged care facilities; and
- The most senior food services employee working at aged care facilities.

The Federal Government has committed to funding these increases and the Group has made a pledge that every additional dollar the Federal Government provides for this purpose will be used to pay for the increase in wages and associated on-costs. In addition to the Work Value Case increases, the Fair Work Commission has decided to increase award rates of pay by 5.75% from the first full pay period after 30 June 2023 as part of its annual minimum award rate review decision. These increases apply across all awards and are not limited to specific roles.

These wage increases have been factored into the Group's annual and long service leave valuation models at 30 June 2023 (refer note E1).

A2.10 Goods and Services Tax (GST)

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the consolidated statement of financial position. Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows within the receipts from clients, funding and others, and payments to suppliers and employees.

A2.11 Income Taxes

No provision for income tax has been made as the Group and each of the not-for-profit entities that comprise the Group is exempt from income tax under Division 50 of the *Income Tax Assessment Act (1997)* and have been so endorsed by the Commissioner of Taxation.

A2.12 Basis of consolidation

(a) Controlled entities

The Group controls an entity when it is exposed to, or has rights to, variable financial or non-financial returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements incorporate the financial statements of the entities controlled by the Group.

The Group controls the following not-for-profit entities by virtue of its governance oversight vested in the Board by the Uniting Church in Australia - Queensland Synod By-laws (section 3.1.1.1):

- UnitingCare Queensland* (ABN 45 414 098 573);
- UnitingCare Community* (ABN 28 728 322 186);
- Blue Care* (NAPS ID 314) (ABN 96 010 643 909);
- UnitingCare Health* (ABN 87 842 457 440);
- Australian Regional & Remote Community Services Limited (NAPS ID 6871) (ABN 88 167 926 132); and
- Regional and Remote Indigenous Services Trust (ABN 12 290 854 684).

** These organisations report to the Australian Charities and Not-for-profits Commission (ACNC) on a group reporting basis, known as the UnitingCare QLD_ACNC Group, refer to G7.*

All of the above entities are endorsed as deductible gift recipients.

(b) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

B Our performance

This section highlights the key drivers of the Group's operations, including revenue, expenses and operating cash flows.

B1 Revenue and other income

	2023 $'000	2022 $'000
Revenue from contracts with clients		
Aged care and community services	807,821	701,041
Hospital patient services	558,206	519,066
Family services (grant funded programs)	143,464	114,020
Recoverable revenue (prosthesis)	117,925	110,945
National Disability Insurance Scheme (NDIS) services	77,208	83,902
Lifeline sales	59,917	51,950
Hospital viability subsidy	13,236	49,917
Daily accommodation payments (DAP)	53,653	48,593
Deferred management fees (DMF)	15,523	16,000
Other hospital revenue	7,666	7,024
Bequests (with performance obligations)	1,858	1,196
Other revenue	500	219
Total revenue from contracts with clients	**1,856,977**	**1,703,873**
Other income		
Other not-for-profit income		
Capital grants	16,634	16,169
Fundraising and donations	5,511	4,477
Bequests	4,601	5,253
Lessor income		
Other lessor income	20,003	19,323
Gain on sale of assets		
Gain on sale of property, plant and equipment	17,744	12,324
Gain on sale of business	-	3,844
Fair value movements		
Fair value (loss) on resident loans	(7,803)	(10,866)
Other income		
Investment income	1,547	2,407
Other income	6,917	2,260
Interest Income		
Uniting Church Investment Services (UCIS)	8,271	906
Other interest	6,143	852
Total other income	**79,568**	**56,949**

[1] During the financial year the Group entered into one sale and leaseback transaction. A net gain of $3,126,000 was recognised, and proceeds of $4,800,000 were received. The Group entered into a concessional lease agreement with the buyer-lessor and did not recognise a right of use asset or lease liability.

[2] Fair value movement on resident loans can fluctuate annually between a gain or loss. For disclosure purposes this item is classified as other income.

Key estimates and judgements	
Deferred management fees (DMF)	A significant source of estimation for the recognition of deferred management fees is the calculation of the expected resident occupancy period. This is calculated with reference to the Australian Bureau of Statistics Life tables and historical resident occupancy trends.

B1 Revenue and other income (continued)

Significant accounting policies

(a) Revenue from contracts with clients

Revenue is measured based on the consideration the entity expects to be entitled to in exchange for transferring promised goods or services as specified in a contract with a client. The Group recognises revenue when it transfers control over a good or provides a service to a client.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with clients, including significant payment terms, and the related revenue recognition policies.

Where an agreement is enforceable and contains sufficiently specific performance obligations for the Group to transfer goods or services to a third-party, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers* (AASB 15). Otherwise, revenue is accounted for under AASB 1058 *Income from Not-for-Profit Entities* (AASB 1058), whereby revenue is recognised upon receipt, except for certain capital grants noted below.

Type of good or service	Revenue recognition policies including nature and timing of satisfaction of performance obligations and significant payment terms
Aged care and community services	This revenue stream includes revenue derived from Home Care Packages (HCP), Aged Care Financial Instrument basic daily fees, aged care supplements and client fees for services relating to aged care and community services. Performance obligations are deemed to be the delivery of the services relevant to the above programs. Services are provided primarily on a daily or monthly basis. Revenue is recognised over time when the services are performed and delivered.
Hospital patient services	Performance obligations are deemed to be the delivery of the hospital patient services. Services are provided daily. Revenue is recognised daily as services are provided to hospital patients. A contract receivable representing the Group's right to consideration for services delivered but not yet invoiced is also recognised, refer C1.1.
Family services (grant funded programs)	Grants are received for the funding of family, aged care and community services programs. Where these specify certain specific performance obligations, the Group recognises revenue from services over time as performance obligations are satisfied. Such services are primarily provided on a daily or monthly basis. Any unused funds are to be returned to the funder unless otherwise agreed, and an associated grant funding liability is recognised, refer C1.6. Cyclic and annual acquittals are required to be submitted to the funder for the majority of funded programs, in addition to output-based performance reporting. Funding is generally received quarterly or biannually in advance.
Recoverable revenue (prosthesis)	The Group performs medical procedures that require prosthesis. Performance obligations for prosthesis revenue are deemed to be the delivery of the contracted prosthesis. The Group is considered the principal in these transactions and therefore recognises revenue on a gross basis. Revenue is recognised on delivery of the goods to the patient.
NDIS services	The Group provides services to clients under the National Disability Insurance Scheme (NDIS) as identified in individual contracts. After the provision of the agreed services, the Group may submit a claim through the National Disability Insurance Agency (NDIA) or invoice a client directly for recoupment of revenue for the service. The Group recognises revenue from services over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily or a monthly basis. There are no related unused funds as claims or invoices for payment are submitted after services are provided.

B1 Revenue and other income (continued)

Significant accounting policies (continued)

(a) Revenue from contracts with clients (continued)

Type of good or service	Revenue recognition policies including nature and timing of satisfaction of performance obligations and significant payment terms
Lifeline sales	The Group sells new and second-hand goods at its network of Lifeline stores, including online. Goods sold come with a 14-day right of return. Revenue is recognised on delivery of the goods to the client. Historically, the amount of returns has not been material. As such, the full selling price is recognised as revenue.
Daily accommodation payments (DAP)	The Group has assessed its resident agreements relating to residential aged care accommodation arrangements to be leases under AASB 16 *Leases* (AASB 16) due to the security of tenure that these offer to its residents. The resident agreement only requires 14 days written notice to vacate. For arrangements where residents have elected to pay a DAP, the associated lessor revenue is accounted for under AASB 16. Where residents have chosen to pay an accommodation bond (refer C1.5), the Group receives a financing benefit in the form of an interest free loan. The interest expense associated with this financing benefit is not material and the Group has elected not to recognise the interest expense and corresponding income associated with the accommodation bonds.
Deferred management fees (DMF)	DMFs are amounts retained as income from ingoing contributions and accommodation bonds and are recognised over the expected period of resident occupancy in line with AASB 16.

(b) Other not-for-profit income

The Group is the recipient of income that is accounted for in accordance with AASB 1058, which covers transactions where the consideration to acquire an asset is significantly less than fair value principally to enable the Group to further its objectives. This includes the following:

(i) Capital grants

AASB 1058 prescribes specific accounting requirements for capital grants. The following criteria must be met for a capital grant to be recorded:

- The Group must use the financial asset to acquire or construct an identified non-financial asset;
- The Group will control the asset post acquisition or construction (i.e. no requirement to transfer asset back to transferor or other parties); and
- The arrangement must occur under an enforceable agreement (but not a contract with a client).

The Group recognises a construction obligation liability when funding is received for the construction of an asset, and subsequently recognised progressively as revenue as the Group satisfies its obligations under the grant through construction of the asset. Refer to note C1.6 for construction obligation liabilities recognised relating to incomplete performance obligations at the end of the period.

(ii) Fundraising, donations and bequests

Income is recognised when received, unless it is required to be accounted for under AASB 15, in which case it is deferred until the relevant performance obligations have been satisfied.

(iii) Volunteering

The Group has elected not to recognise the receipt of volunteer services as income, asset or expense as the fair value of the services cannot be measured reliably.

B1 Revenue and other income (continued)

Significant accounting policies (continued)

(c) Interest Income

Interest income is recognised using the effective interest method. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(d) Lessor income

Other lessor income includes hospital car park and accommodation income and is for operating leases recognised on a straight-line basis over the lease term in accordance with AASB 16.

(e) Sale and leaseback transactions

When the Group sells and leases back the same asset, the accounting treatment depends on whether the control of the asset has been transferred to the buyer and whether the lease is not exempt from the recognition requirements of AASB 16:

- If so, the Group measures the right of use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the rights retained by the Group as a seller-lessee. Accordingly, the Group recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor;
- If not, as a seller-lessee the Group continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds.

B2 Expenses

	2023	2022
Supplies and services expenses	**$'000**	**$'000**
Patient services and supplies	242,057	229,726
Resident services and supplies	82,797	76,116
Cleaning and housekeeping	26,980	22,155
Other supplies and services	35,575	13,707
Total supplies and services expenses	**387,409**	**341,704**
Property expenses		
Repairs and maintenance expense	62,572	55,645
Communications and utilities expense	32,905	32,166
Motor vehicle expense	15,179	13,486
Rates and taxes	9,256	8,873
Property insurance	9,872	7,605
Rental expense	7,279	5,999
Other property expense	6,706	6,613
Impairment expense	429	1,528
Total property expenses	**144,198**	**131,915**
Other expenses		
Consulting and professional fees	59,238	52,462
Software-as-a-service expense	40,564	6,936
Business expenses	24,166	18,240
Administrative and other expenses	15,982	8,323
Stewardship expenses	9,320	9,320
Total other expenses	**149,270**	**95,281**
Finance costs		
Interest expense	3,263	2,940
Bank charges and fees	1,199	1,030
Total finance costs	**4,462**	**3,970**

The Group's major categories of expenses have been disclosed above. We note that:

- Supplies and services expenses include the cost of goods sold and costs incurred in delivering services to patients and residents;
- Property expenses comprise all costs associated with the ownership and maintenance of the Group's property, plant and equipment;
- Other expenses include external contractors, consulting and professional fees, software-as-a-service expenses, stewardship and general business and administrative expenses; and
- Finance costs comprise interest expense on lease liabilities recognised using the effective interest method and bank fees.

Software-as-a-service expenses increased significantly in 2023, driven by the Group's investment in technology projects (Human Resources Information, Care Management, Procure to Pay, and Finance Systems) which provide a platform to support improved and sustainable care delivery now and into the future.

B3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short-term bills and call deposits. Balances are carried at face value of the amounts deposited.

	2023 $'000	2022 $'000
Cash on hand	134	147
Cash at bank	142,607	238,616
Deposits – UCIS	192,493	218,863
Deposits – Other	25,000	40,000
Total cash and cash equivalents	**360,234**	**497,626**
Restricted balances included within cash and cash equivalents		
Grant agreements and donations	29,797	30,590
Funds held in Trust under Retirement Villages Act 1999:		
Capital Replacement Funds	3,603	3,480
Maintenance Reserve Funds	6,347	6,779
General Services Funds	668	799
Total restricted balances	**40,415**	**41,648**

Certain balances are restricted in use for certain purposes defined in either a grant agreement, trust agreement or other externally imposed requirements. In addition, all residential aged care bond deposits received since 1 October 2011, that have been expended on projects, meet the *Aged Care Act 1997* "permitted purposes".

Reconciliation of (deficit)/surplus to net cash flow from operating activities

	2023 $'000	2022 $'000
(Deficit)/Surplus for the year	**(57,696)**	**16,696**
Depreciation and amortisation expense	119,707	109,118
Capital grants from government	(16,634)	(16,169)
Write-offs and impairment expense	429	1,528
Gain on sale of property, plant and equipment	(17,744)	(12,324)
Fair value loss on resident loans	7,803	10,866
Deferred management fee revenue and retentions	(15,523)	(16,000)
Share of profit in joint ventures	(929)	(1,383)
Change in fair value of investment properties	(10,251)	(19,576)
Fair value (gain)/loss on financial assets at Fair Value through Profit or Loss (FVTPL)	(393)	461
Investment income	(517)	(870)
Non-cash transactions included in the surplus for the year	938	1,879
Change in operating assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(22,558)	47,770
(Increase) in prepayments	(2,060)	(8,419)
(Increase)/Decrease in inventories	(840)	321
(Increase) in other assets	(299)	(8,620)
Increase/(Decrease) in trade and other payables	21,025	(37,843)
(Decrease) in other liabilities	(28,941)	(32,868)
Increase/(Decrease) in employee benefits and other provisions	14,358	(15,564)
Net cash (outflow)/inflow from operating activities	**(10,125)**	**19,003**

C Our operating base

This section provides further insight into the Group's operating asset base used to support the provision of health, aged care and community services. This section includes working capital, property, plant and equipment and intangible assets. Working capital includes trade and other receivables, inventories, other assets, trade and other payables, ingoing contributions, RADs and accommodation bonds and other liabilities.

C1 Working Capital

C1.1 Trade and other receivables

	2023 $'000	2022 $'000
Trade receivables	100,727	76,900
Loss allowance	(9,605)	(8,239)
	91,122	68,661
Contract receivables	15,003	19,390
Other receivables	6,210	2,716
GST recoverable	7,755	6,765
Total trade and other receivables	**120,090**	**97,532**

	Current - 90 days past due $'000	90+ days past due $'000
30 June 2023		
Gross carrying amount - trade receivables	76,377	24,350
Loss allowance	(1,881)	(7,724)
	74,496	**16,626**
30 June 2022		
Gross carrying amount - trade receivables	57,676	19,224
Loss allowance	(1,774)	(6,465)
	55,902	**12,759**

The above contract receivables include accrued hospital income for patients not yet invoiced.

The closing loss allowances for trade receivables and contract assets as at 30 June 2023 reconcile to the opening loss allowances as follows:

	2023 $'000	2022 $'000
Opening loss allowance as at 1 July	8,239	11,010
Increase in loss allowance recognised in profit or loss during the year	4,700	1,117
Receivables written off during the year as uncollectible	(2,993)	(1,134)
Unused amount reversed	(341)	(2,754)
Closing loss allowance at 30 June	**9,605**	**8,239**

Key estimates and judgements

Expected credit losses

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the ageing profile. The expected loss rates are based on the historical payment profiles of debtors over a period of up to 12 months before 30 June 2023 and 30 June 2022 respectively. The historical loss rates are adjusted to reflect current and forward-looking information on economic factors affecting the ability of the clients to settle the receivables.

C1 Working Capital (continued)

C1.1 Trade and other receivables (continued)

Significant accounting policies

(a) Trade receivables

Trade receivables are amounts due from clients for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are classified as current. Trade receivables are recognised initially at the transaction price unless they contain significant financing components, then they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and measures them subsequently at amortised cost using the effective interest method.

(b) Credit Risk

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating surplus/deficit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The Group applies the simplified approach to measuring expected credit losses and uses a lifetime expected loss allowance for all trade receivables.

(c) Contract receivables

A contract receivable representing the Group's right to consideration for services delivered but not yet invoiced is recognised as hospital patient services are rendered but not yet invoiced. Refer to B1 for hospital patient services revenue.

C1.2 Inventories

	2023	2022
	$'000	$'000
Medical supplies	17,092	16,835
Other	4,011	3,428
Total current inventories	**21,103**	**20,263**

The cost of inventories recognised as an expense during the year was $223,140,000 (2022: $211,555,000). This predominantly relates to medical items and prosthetics.

Significant accounting policies

Purchased inventories are valued at the lower of weighted average cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Second-hand inventory donations are not recognised.

C1.3 Other assets

	2023	2022
Current	$'000	$'000
Prepayments	21,785	19,725
Accrued income	12,534	16,861
Loans to other entities	-	1,360
Deferred consideration	4,454	-
Other current assets	284	4,012
Total other current assets	**39,057**	**41,958**
Non-current		
Funds held in trust	2,350	2,310
Deferred consideration	11,331	-
Total other non-current assets	**13,681**	**2,310**

C1 Working Capital (continued)

C1.3 Other assets (continued)

Funds held in trust are restricted in use to the purposes intended under the trust agreements. Only interest income earned from investment of the principal amounts is permitted to be used. Permitted uses include the promotion of staff development and training and the support of community care services.

Deferred consideration includes consideration receivable for the sale of 2 properties to the Uniting Church in Australia Property Trust (Q.) of $4,454,000 and $11,331,000 respectively.

C1.4 Trade and other payables

	2023	2022
Current	**$'000**	**$'000**
Trade payables	85,165	68,603
Accrued expenses	84,911	81,257
Other payables	3,756	2,947
Total current trade and other payables	**173,832**	**152,807**
Non-current		
Maintenance reserve funds	6,447	6,979
Total non-current trade and other payables	**6,447**	**6,979**

The Group has financial risk management policies in place to ensure that payables are paid within the credit framework. The credit framework is determined by the terms of the creditors and interest is not payable when paid within trading terms.

Maintenance reserve funds are established under section 97 of the *Retirement Villages Act 1999 (Qld)* for maintaining and repairing retirement villages' capital items. The amounts held in the maintenance reserve funds are solely for the benefit of the residents and the residents are solely responsible for contributing to the funds. The budget of the fund is set annually by an external quantity surveyor and drawn down as the allowed items are incurred.

C1.5 Ingoing contributions, RADs and accommodation bonds

	2023	2022
Expected to be paid within 12 months	**$'000**	**$'000**
Ingoing contributions	37,315	42,956
RADs and accommodation bonds	123,357	108,681
	160,672	151,637
Not expected to be paid within 12 months		
Ingoing contributions	513,061	490,116
RADs and accommodation bonds	208,702	212,245
	721,763	702,361
Total ingoing contributions, RADs and accommodation bonds	**882,435**	**853,998**

Accommodation bonds, including RADs, are held in respect of clients in residential aged care facilities. Ingoing contributions are held for clients of retirement living units covered under the *Retirement Villages Act 1999*.

Key estimates and judgements	
Refundable accommodation deposits (RADs)	Management use historical performance for resident exits and the average value of current RADs held for the basis of estimating the expected payment periods for current RADs.

C1 Working Capital (continued)

C1.5 Ingoing contributions, RADs and accommodation bonds (continued)

Significant accounting policies

(a) Ingoing contributions

Ingoing contributions received from residents represent non-interest-bearing deposits that are refundable in accordance with the relevant legislation and the individual resident agreements in the event the resident leaves a Group facility. As they are considered to be repayable on demand, they are recorded at the amount initially received less any contractually accrued DMF the Group is allowed to deduct and are not discounted.

(b) RADs

RADs are repayable on demand and are classified as current liabilities. They are recorded at the amount initially received less any retention the Group is allowed to deduct in accordance with the relevant legislation and resident agreement in the form of DAPs, and are not discounted. DAPs are accounted for under AASB 16, refer to B1.

The cash required to cover the refund of RADs is subject to a documented liquidity management strategy.

C1.6 Other liabilities

	2023	2022
Current	**$'000**	**$'000**
Grant funding liabilities	31,395	48,694
Contract liabilities	8,096	19,398
Construction obligation	18,523	16,881
Deferred revenue	3,967	4,116
Unearned income	3,573	3,976
Other current liabilities	1,543	1,331
Total other current liabilities	**67,097**	**94,396**
Non-current		
Deferred revenue	35,730	33,745
Fundraising monies held in trust	-	403
Unearned income	7,842	8,001
Total other non-current liabilities	**43,572**	**42,149**

Unearned income includes a lease to Wesley Medical Research for a 99-year period that has been prepaid. This lease does not have an option to renew or purchase the leased asset at the expiry of the lease period.

Deferred revenue relates to the difference between contractually accrued ingoing contributions and DMF revenue recognised based on expected resident occupancy.

Significant accounting policies

(a) Grant funding liabilities

Grant funding liabilities comprise unfulfilled performance obligations for government grants containing a refund obligation. Liabilities are released to the statement of profit or loss and other comprehensive income as performance obligations are satisfied, refer B1, or returned to the funder unless otherwise agreed.

(b) Contract liabilities

Contract liabilities comprise unfulfilled performance obligations for Home Care Packages. Liabilities are released to the statement of profit or loss and other comprehensive income as performance obligations are satisfied, refer B1.

C1 Working Capital (continued)

C1.6 Other liabilities (continued)

Significant accounting policies (continued)

(c) Construction obligation

A construction obligation is recognised for capital grants received for which there is an unfulfilled construction obligation, refer B1.

C2 Property, plant and equipment

	Work in progress	Land and buildings	Plant and equipment	Right of use assets	Total
2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cost	105,686	1,354,831	655,393	83,142	2,199,052
Accumulated Depreciation	-	(628,030)	(431,441)	(53,252)	(1,112,723)
Carrying amount at 30 June 2023	**105,686**	**726,801**	**223,952**	**29,890**	**1,086,329**
Carrying amount at 1 July 2022	91,031	693,319	205,641	28,354	1,018,345
Additions	116,270	29,627	27,806	15,038	188,741
Disposals and derecognitions	-	(6,038)	(1,269)	-	(7,307)
Transfers: from Work in Progress	(101,186)	58,697	23,126	-	(19,363)
Transfers: to Investment Properties	-	(3,945)	-	-	(3,945)
Transfers: to Assets Held for Sale	-	(1,491)	-	-	(1,491)
Transfers: from Intangibles	-	-	22,633	-	22,633
Transfers: between asset classes	-	2,377	(2,377)	-	-
Depreciation	-	(45,745)	(51,608)	(13,502)	(110,855)
Impairment	(429)	-	-	-	(429)
Carrying amount at 30 June 2023	**105,686**	**726,801**	**223,952**	**29,890**	**1,086,329**
2022					
Cost	91,031	1,278,807	594,202	68,666	2,032,706
Accumulated Depreciation	-	(585,488)	(388,561)	(40,312)	(1,014,361)
Carrying amount at 30 June 2022	**91,031**	**693,319**	**205,641**	**28,354**	**1,018,345**
Carrying amount at 1 July 2021	31,391	724,419	209,183	27,841	992,834
Additions	102,817	10,224	39,217	13,916	166,174
Disposals and derecognitions	-	(3,019)	(1,810)	-	(4,829)
Transfers: from Work in Progress	(43,177)	4,402	2,323	-	(36,452)
Depreciation	-	(42,707)	(43,272)	(13,403)	(99,382)
Carrying amount at 30 June 2022	**91,031**	**693,319**	**205,641**	**28,354**	**1,018,345**

Certain transfers out of work in progress have been recognised as additions to investment properties and intangible assets in C3 and C4. Contractual commitments for the acquisition of property plant and equipment are disclosed at note C2.2.

Assets pledged as security

Freehold land and buildings with a carrying amount of $58,941,000 (2022: $61,064,000) have been pledged to secure borrowings of the Property Trust. The freehold land and buildings have been pledged as security for bank loans under a mortgage held. The Property Trust is not allowed to pledge these assets as security for other borrowings or to sell them to another entity without the approval from the Australia and New Zealand Banking Group Limited.

Freehold land with a carrying amount of $3,945,000 (2022: $3,945,000) has been pledged to Lendlease as security for the Blue Care Sunrise Beach Retirement Village Development Management Agreement. The Property Trust is not allowed to pledge these assets as security for other borrowings or to sell them to another entity without the approval from Lendlease. Leased assets with a carrying value of $2,257,000 (2022: $1,973,000) are pledged as security under the terms of the lease.

C2 Property, plant and equipment (continued)

Assets pledged as security (continued)

As at 30 June 2023, freehold land and buildings with a carrying amount of $3,805,000 (2022: $3,999,000) have been pledged to the Queensland Government to secure grant funding under a mortgage. The Group is able to pledge these assets as security for other borrowings provided that the funder remains as a second mortgagee.

In total, property, plant and equipment of $3,805,000 (2022: $3,999,000) which is 0.3% (2022: 0.4%) of total property, plant and equipment, has been or will be pledged to secure government grants.

Key estimates and judgements

Estimated useful life of property, plant and equipment	The estimated useful lives of property, plant and equipment are assessed annually. This assessment takes into consideration legislative and safety requirements and plans to ensure continued compliance therewith. The estimated useful lives reflect existing redevelopment plans which are also subject to review based on requirements and cost. Future changes to the redevelopment program may impact on the assessment of useful lives with a corresponding impact on depreciation expense in future periods.

Significant accounting policies

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the consolidated statement of profit or loss and other comprehensive income.

The cost of capital works in progress includes directly attributable expenditure including the cost of materials, direct labour, an initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located, an appropriate proportion of production overheads and directly attributable borrowing costs.

Assets whose carrying amounts will be recovered principally through a sale transaction rather than through continuing use are classified as assets held for sale. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable. For a sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset, an active program to locate a buyer and complete the plan must have been initiated, and the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

(b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(c) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in the consolidated statement of profit or loss and other comprehensive income. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- Buildings and improvements — Up to 40 years
- Plant and equipment — 3 to 30 years
- Motor vehicles (included in plant and equipment) — 3 to 15 years

C2 Property, plant and equipment (continued)

Significant accounting policies (continued)

(c) Depreciation (continued)

Assets are depreciated on a straight-line basis from the date of acquisition or from the time an asset is completed and held ready for use.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(d) Impairment of assets

The carrying amounts of assets are reviewed annually to determine whether there is any indication of impairment. If any indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Group would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the current replacement cost of the asset.

Impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive income. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

C2.1 Leases

The consolidated statement of financial position shows the following amounts relating to leases:

	2023	2022
Right of use (ROU) assets	**$'000**	**$'000**
Properties	27,599	26,286
Equipment	34	95
Motor vehicles	2,257	1,973
Total ROU assets	**29,890**	**28,354**

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

Depreciation of ROU assets		
Properties	12,109	12,036
Equipment	61	185
Motor vehicles	1,332	1,182
Total depreciation of ROU assets	**13,502**	**13,403**
Interest expense (included in operating cost)	2,098	2,185
Expense relating to short-term leases (included in property expenses)	8,045	7,069

Total cash outflows for leases (excluding short-term leases) for the year ended 30 June 2023 was $17,360,000 (2022: $19,914,000).

The Group leases various properties, equipment and motor vehicles. Rental contracts are made for fixed periods of 1 to 99 years and may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Concessionary leases

The Group has 61 (1 July 2022: 56) below market leases accounting for 17.2% (2022:16.0%) of the total number of leases. The Group is dependent on these leases to further its objectives as it utilises the land and buildings to run its operations and deliver its services. The Group is restricted on the use of the land and buildings subject to these leases as agreed with the respective lessors being local, state or territory governments. This includes 5 leases (2022: 5) of land under deed of grant in trust on which the Group operates aged care facilities.

C2 Property, plant and equipment (continued)

C2.1 Leases (continued)

The following table outlines the nature of the Group's concessionary leases.

Category	Source	Group Objectives	Lease term	Ave payment p.a. ($)
Aged care 13: land and buildings	State/Territory government	Regional and remote high care, hostel and remote accommodation	10 to 99 years Average of 45 years	-
Community services 40: land and buildings	Local government	Respite centres, counselling, charity stores and other community services	3 to 50 years Average of 15 years	-
Housing 3: Dwellings	State government	Crisis accommodation	1 to 2 years Average of 2 years	4
Hospitals 5: Equipment	Commercial suppliers	Health care services	1 to 5 years Average of 3 years	-

Significant accounting policies

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As a lessee

At commencement or modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative standalone prices.

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group uses its incremental borrowing rate as the discount rate.

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in consolidated statement of profit and loss and other comprehensive income if the carrying amount of the ROU asset has been reduced to zero.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of profit or loss and other comprehensive income. Short-term leases are leases with a lease term of 12 months or less, while low-value assets include items such as IT equipment.

C2 Property, plant and equipment (continued)

C2.1 Leases (continued)

(b) Concessionary leases

The Group has applied the option to measure these leases at cost in accordance with AASB 16 and expenses them as incurred.

(c) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies AASB 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as 'other revenue'.

C2.2 Commitments and expenditure

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2023	2022
Not later than 1 year	**$'000**	**$'000**
Buildings	41,443	46,418
Plant and equipment	10,812	8,438
Intangibles	-	1,410
Contractors and consultants	5,132	19,764
	57,387	**76,030**
Between 1 and 5 years		
Buildings	416	25,245
Total commitments and expenditure	**57,803**	**101,275**

C3 Investment properties

	2023	2022
	$'000	**$'000**
At fair value: carrying amount at the beginning of the year	613,039	583,610
Additions	12,937	9,853
Change in fair value of investment properties	10,251	19,576
Carrying amount at the end of the year	**636,227**	**613,039**
Amounts recognised in consolidated statement of profit or loss and other comprehensive income		
Deferred management fees	15,523	16,000
Change in fair value of investment properties	10,251	19,576
Valuation reconciliation:		
Carrying amount of investment properties	636,227	613,039
Less:		
Ingoing contributions	(438,654)	(425,483)
Deferred revenue	(33,483)	(31,700)
Valuation	**164,090**	**155,856**

C3 Investment properties (continued)

In determining market values, the Group obtains independent external valuations for its investment properties on a rolling basis at least every three years. As a result, 2 investment properties have been independently valued during the year ended 30 June 2023 (2022: 2).

Key estimates and judgements

Classification of investment properties

Significant management judgement has been applied to determine the classification of retirement units as investment properties. The Group has assessed the risks and rewards associated with ownership of the retirement units as remaining with the Group and not transferring to the occupier. The Group therefore recognises resident loans in respect of those occupied retirement units. The gross carrying amount of these units is recognised with reference to the relevant resident loan.

Fair value estimate of investment properties

Investment properties are classified as level 3 in the fair value hierarchy as key assumptions used in their valuation are not observable. The following assumptions have been used in calculating the fair values of investment properties:

Unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	2023	2022	
Expected market growth	2.5% to 3.5%	2.5% to 3.5%	Fair value increases with higher expected market growth
Average length of stay	5.0 to 13.7 years	5.0 to 11.8 years	Fair value decreases with higher length of stay
Risk adjusted discount rates	13.0% to 16.5%	13.0% to 16.5%	Fair value increases with lower discount rate

Significant accounting policies

Investment properties comprise the resort style retirement villages of the Group. This includes Independent Living Units, Serviced Apartments, common facilities and integral plant and equipment. Investment properties are initially measured at cost including any acquisition costs, and are held to generate income from deferred management fees and the Group's share of the change in the market value of the investment.

Subsequently, investment property is measured at fair value with any change therein recognised in the consolidated statement of profit or loss and other comprehensive income.

Fair value of investment properties under construction is primarily determined using direct comparison of active market prices, adjusted for any difference in the nature, location or stage of completion of the specific asset. Any gain or loss arising from a change in fair value is recognised in the consolidated statement of profit or loss and other comprehensive income.

If any investment property is disposed, the gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal, and is recognised in the consolidated statement of profit or loss and other comprehensive income in the year of disposal. Any prior year revaluations recognised in the properties revaluation reserve will be reclassified to accumulated funds.

Deferred management fee income from investment property is recognised as revenue on a straight-line basis over the expected period of the resident occupancy in line with AASB 16, refer to B1.

C4 Intangible assets

	2023	2022
Computer software	**$'000**	**$'000**
Cost	166,839	170,077
Accumulated amortisation	(139,961)	(131,109)
Carrying amount at the end of the year	**26,878**	**38,968**
Computer software		
Opening balance	38,968	23,009
Additions	661	-
Transfers: from Work in Progress	18,818	27,171
Transfers: to Property Plant and Equipment	(22,633)	-
Transfers: to Operating Expenses	(84)	-
Amortisation	(8,852)	(9,736)
Impairment	-	(1,476)
Carrying amount at the end of the year	**26,878**	**38,968**

During the year ended 30 June 2023, the Group carried the following significant intangible assets: client management system, and a workforce management system. The carrying value related to these intangible assets at year-end was $7,004,000 and is expected to be amortised between one to seven years.

The Group has intangible assets in the form of residential aged care places which are a right to operate a bed. They are issued by the Commonwealth Government free of charge and have no fixed period once operational. The Group does not assign a value to bed assets due to the lack of a clear market that buys and sells these assets. The Commonwealth Government has discontinued the requirement for aged care providers to hold bed licenses from 1 July 2024 onwards.

Key estimates and judgements	
Determination whether configuration and customisation services are distinct from software as a service (SaaS) access	Implementation costs including costs to configure or customise the cloud provider's application software are recognised when the services are received. Where the software-as-a-service (SaaS) arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software. Distinct configuration and customisation costs are expensed as incurred when the software is configured or customised. Non-distinct configuration and customisation costs are expensed over the SaaS contract term. Non-distinct customisation activities may significantly enhance or modify a SaaS cloud-based application. Judgement has been applied in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not.
Capitalisation of configuration and customisation costs in SaaS arrangements	In implementing SaaS arrangements, the Group has developed software code that either enhances, modifies or creates additional capability to the existing owned software. This software is used to connect with the SaaS arrangement's cloud-based application. Judgement has been applied in determining whether the changes to the owned software meets the definition and recognition criteria for an intangible asset in accordance with AASB 138 *Intangible Assets*.

C4 Intangible assets (continued)

Significant accounting policies

(a) Recognition and measurement

Expenditure on research activities is recognised in the consolidated statement of profit and loss and other comprehensive income when incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development to be able to use or sell the asset. Otherwise, it is recognised in profit and loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

(b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the consolidated statement of profit and loss and other comprehensive income as incurred.

(c) Amortisation

Amortisation is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit and loss.

The estimated useful life for software development costs is 1 to 10 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(d) Impairment

Intangible assets are tested for impairment when an indicator of impairment exists. If the recoverable amount is less than its carrying value, an impairment loss is recorded to adjust the carrying value. The Group does not have intangibles with indefinite lives.

(e) SaaS arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud providers application software, are recognised as operating expenses when the services are received.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability of, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate. Judgement is required to determine whether the additional code meets the definition of an intangible asset.

When the SaaS arrangement supplier provides both the configuration and customisation services, and the SaaS access over the contract term, judgement is required to determine whether these services are distinct or not from each other. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (i.e. upfront). Non-distinct configuration and customisation costs are expensed over the SaaS contract term (i.e. as a prepayment).

Non-distinct customisation activities may significantly enhance or modify a SaaS cloud-based application. Judgement is required in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not.

D Financial Instruments

This section provides information on Group objectives when managing capital. The Group's objectives are to safeguard the Group's ability to continue as a going concern, and to ensure the funding structure enhances, protects and balances financial flexibility against minimising the cost of capital. Given the nature of Group operations, it is also exposed to a number of market risks; this section outlines how these key risks are managed.

D1 Financial assets

	2023 $'000	2022 $'000
Debt instruments at fair value through profit or loss	2,299	1,948
Equity instruments at fair value through other comprehensive income	35,259	28,624
Total financial assets	**37,558**	**30,572**

Amounts recognised in profit or loss and other comprehensive income

During the year, the following gains/(losses) were recognised in profit or loss and other comprehensive income:

Income/(losses) recognised in other comprehensive income		
Related to equity investments	3,620	(4,713)
Related to debt investments	8	(617)
Total income/(losses) recognised in other comprehensive income	**3,628**	**(5,330)**
Income recognised in profit or loss		
Related to debt investments (recognised in other expense)	393	(461)
Dividends from equity investments held at FVOCI recognised in other income	594	956
Total income recognised in profit or loss	**987**	**495**

The Group has established an investment portfolio which is managed in accordance with the Group's Investment Management Strategy (IMS). The IMS provides a framework within which the Group can invest funds in a considered, sustainable and compliant way.

Significant accounting policies

(a) Recognition and initial measurement

Debt and equity instruments are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Debt and equity instruments are initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(b) Classification and subsequent measurement

Classification

On recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

D1 Financial assets (continued)

Significant accounting policies (continued)

(b) Classification and subsequent measurement (continued)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The fair value of financial assets at FVTPL and FVOCI is determined based on current bid prices for all quoted investments at reporting date.

Subsequent measurement, gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains or losses are recognised in OCI. On derecognition, gains or losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

D2 Borrowings

	2023	2022
Current	**$'000**	**$'000**
Lease liabilities	14,615	11,786
Total current borrowings	**14,615**	**11,786**
Non-current		
Lease liabilities	24,817	28,026
Total non-current borrowings	**24,817**	**28,026**

At the end of the reporting period the Group had access to the following facilities:

i. ANZ bank guarantees facility of $11,000,000 (2023: $6,237,000 utilised; 2022: $6,171,000 utilised)

ii. ANZ asset finance facility of $8,900,000 (2023: $95,000 utilised; 2022: $Nil utilised); and

iii. UCIS line of credit facility of $20,000,000 (2023: $Nil utilised; 2022: Nil utilised).

D2 Borrowings (continued)

Significant accounting policies

(a) Borrowings

Borrowings are initially recognised when the Group becomes a party to the contractual provisions of the instrument. They are initially measured at fair value less transaction costs that are directly attributable to their acquisition.

Borrowings are classified and measured at amortised cost using the effective interest method. Any difference between cost and redemption value is recognised in the consolidated statement of profit or loss and other comprehensive income over the entire period of the borrowings on an effective interest basis. Fees paid on the establishment of loan facilities, which are not incremental costs relating to the actual draw-down facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are classified as current liabilities unless there is an unconditional right to defer the settlement of the liability for at least twelve months from the end of each annual reporting period.

(b) Lease liabilities

Refer to accounting policy at C2.1.

D2.1 Movement in liabilities from financing activities

The table below details changes in the Group's liabilities arising from financing activities including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities. Cash flows presented below exclude interest.

	1 July 2022	Cash flows	New leases	Other	30 June 2023
Liabilities	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Lease liabilities	39,812	(15,262)	14,796	86	39,432
Ingoing contributions, RADs and accommodation bonds	853,998	37,993	-	(9,556)	882,435
Total liabilities from financing activities	**893,810**	**22,731**	**14,796**	**(9,470)**	**921,867**

	1 July 2021	Cash flows	New leases	Other	30 June 2022
Liabilities	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Lease liabilities	43,787	(17,729)	13,828	(74)	39,812
Ingoing contributions, RADs and accommodation bonds	805,632	54,232	-	(5,866)	853,998
Total liabilities from financing activities	**849,419**	**36,503**	**13,828**	**(5,940)**	**893,810**

Other changes for ingoing contributions, RADs and accommodation bonds include deferred management fees, movement in deferred revenue liabilities and retention revenue. Other changes for lease liabilities relate to interest costs which is a cash movement included in interest paid in the consolidated statement of cash flows.

D3 Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risks, credit risk, capital risk and liquidity risk. The overall risk management program of the Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance. The Group's current strategy to meet minimum liquidity requirements is to constantly monitor cash flow through the preparation of monthly cash flow statements and cash flow reconciliations and forecasts.

The Group deposits funds with, and borrow funds from, UCIS, the Treasury arm of the Property Trust, ANZ, CBA, NAB, Bank of Queensland, and Bendigo Bank. Risk management is carried out under policies approved by the Queensland Synod Finance, Investment and Property Board and the Group's Board.

D3 Financial risk management objectives (continued)

The fair values of financial assets and financial liabilities approximate carrying amounts as the assets and liabilities are either (i) short-term; (ii) the impact of discounting is not significant; or (iii) any borrowings incur interest at variable rates.

D3.1 Capital risk management

The capital structure consists of cash and cash equivalents, other financial assets and borrowings. Operating cash flows are used to maintain and expand the Group's assets, as well as to meet routine outflows including repayment of borrowings. The policy is to borrow centrally, using a variety of borrowing facilities to meet anticipated funding requirements.

(a) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At the end of the annual reporting period, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(b) Market risk management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: (i) interest rate risk; (ii) foreign currency risk; and (iii) price risk.

(i) Interest rate risk

The Group's main interest rate risk arises from interest bearing cash and cash equivalents and other financial assets. The Group has significant interest-bearing assets and the income and operating cash flows are materially exposed to changes in interest rates. There has been no change to the nature of these risks or the manner in which these risks are managed and measured.

Interest rate risks on borrowings are managed with the aim of reducing the impact of short-term fluctuations in earnings. However, over the longer term, permanent changes in interest rates would have an impact on earnings. At 30 June 2023, it is estimated that a general increase of one percentage point in interest rates on borrowings would not have a material impact on the Group. The undiscounted contractual maturities include interest that will be earned. This information is included as liquidity is managed on a net asset basis.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	30 June 2023		30 June 2022	
	USD	Other	USD	Other
	$'000	$'000	$'000	$'000
Shares (equity instruments)	4,058	687	5,796	1,780

As shown above, the Group is primarily exposed to changes in USD/AUD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from USD denominated shares. The impact of a +/- 12% movement in the AUD/USD exchange rate would result in an increase or decrease of $487,000 (2022: $696,000) on profit or loss. The Group's exposure to other foreign exchange movements is not material.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Group's exposure to price risk arises from financial asset investments held by the Group and classified as either FVOCI or FVTPL, refer D1. To manage its price risk arising from investments in debt and equity instruments, the Group diversifies its portfolio, with limits on asset classes and industries. Diversification of the portfolio is done in accordance with the policies and limits set by the Group, which include expected rates of return and ethical restrictions. Investments are managed at arm's length by an independent and fully qualified investment manager.

D3 Financial risk management objectives (continued)

D3.1 Capital risk management (continued)

(b) Market risk management (continued)

(iii) Price risk (continued)

The investment portfolio includes cash, term deposits, managed funds, exchange trade funds, corporate bonds, Australian equities and international equities, refer D1. If the price of Australian equities classified as FVTPL had been 20% higher or lower, the surplus/(deficit) for the year would have increased or decreased by $460,000 (2022: $390,000) as a result.

(c) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. UCIS maintains flexibility in funding by keeping external credit lines available. The Group has a documented liquidity risk management strategy in compliance with requirements of the *Aged Care Act 1997*.

The following table details the expected maturity for the Group's financial assets and liabilities. The table has been drawn up based on the undiscounted contractual maturities of the financial assets and liabilities, including interest that will be earned or charged on those assets. The inclusion of information on financial assets and liabilities is necessary in order to understand the liquidity risk management as the liquidity is managed on a net asset and liability basis.

D3 Financial risk management objectives (continued)

D3.1 Capital risk management (continued)

(c) Liquidity risk management (continued)

	Effective Interest	MATURING (Years)			
30 June 2023	**Rate**	**< 1**	**1 to 2**	**> 2**	**Total**
Assets	**%**	**$'000**	**$'000**	**$'000**	**$'000**
Non-interest bearing:					
Cash and cash equivalents	-	134	-	-	134
Financial assets	-	22,833	-	-	22,833
Trade and other receivables	-	120,090	-	-	120,090
Deferred consideration[1]	-	4,454	12,000	-	16,454
Floating interest rate:					
Cash and cash equivalents	2.89	360,100	-	-	360,100
Financial assets	2.20	14,725	-	-	14,725
Funds held in trust	2.77	-	-	2,350	2,350
Total financial assets		**522,336**	**12,000**	**2,350**	**536,686**
Liabilities					
Fixed interest rate:					
Lease liabilities	3.92	14,615	12,495	12,322	39,432
Non-interest bearing:					
Ingoing contributions, RADs and accommodation bonds	-	882,435	-	-	882,435
Trade and other payables	-	173,832	-	6,447	180,279
Other liabilities	-	59,557	-	-	59,557
Total financial liabilities		**1,130,439**	**12,495**	**18,769**	**1,161,703**
30 June 2022					
Assets					
Non-interest bearing:					
Cash and cash equivalents	-	147	-	-	147
Financial assets	-	21,577	-	-	21,577
Trade and other receivables	-	97,532	-	-	97,532
Floating interest rate:					
Cash and cash equivalents	0.39	497,479	-	-	497,479
Financial assets	0.48	8,995	-	-	8,995
Loans to other entities	3.70	1,360	-	-	1,360
Funds held in trust	0.12	-	-	2,310	2,310
Total financial assets		**627,090**	**-**	**2,310**	**629,400**
Liabilities					
Fixed interest rate:					
Lease liabilities	3.90	11,786	11,912	16,114	39,812
Non-interest bearing:					
Ingoing contributions, RADs and accommodation bonds	-	853,998	-	-	853,998
Trade and other payables	-	152,807	6,979	-	159,786
Other liabilities	-	86,304	403	-	86,707
Total financial liabilities		**1,104,895**	**19,294**	**16,114**	**1,140,303**

[1] Deferred consideration is presented at its undiscounted value.

E Our People

This section provides further details of the Group's investment in our people, including employee benefits and remuneration of key management personnel.

E1 Employee benefits

	2023	2022
Current	**$'000**	**$'000**
Annual leave	101,213	92,051
Long service leave	62,587	61,912
Accrued day off and other leave	980	1,021
Sick leave	2,370	2,369
Total current employee benefits	**167,150**	**157,353**
Non-current		
Long service leave	20,253	14,309
Total non-current employee benefits	**20,253**	**14,309**

The current portion of employee benefits liability includes all of the employee benefits where employees have completed the required period of service or will complete the required period of service within 12 months from the balance date. The entire annual leave provision is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

The current portion of the long service leave represents the unconditional entitlement where employees have completed the required period of service, or are expected to complete the required period of service within 12 months, and also for those employees that are entitled to pro-rata payments in certain circumstances.

Portable long service leave for community services workers within the community services industry came into effect with the passing of the *Queensland Community Services Industry (Portable Long Service Leave) Act 2020*. The scheme is administered by QLeave. The above long service leave balances contain an estimate for the probable reimbursement to be received from QLeave under the scheme.

The Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Current leave obligations not expected to be settled within 12 months, included in current employee benefits, were $101,867,000 (2022: $58,171,000). Note that during the year, additional information has been made available to management to be able to more accurately estimate the value of leave expected to be taken within 12 months.

Key estimates and judgements

Annual and long service leave assumptions

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been considered. These estimates have also been applied to the calculation for the probable reimbursement from QLeave under the portable long service leave scheme.

Significant accounting policies

(a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

The Group recognises benefits accruing to employees in respect of wages and salaries, annual leave, long service and accumulating sick leave as short-term benefits and measures these at their nominal values using the remuneration rate expected to apply at the time of settlement (including relevant on-costs).

E1 Employee benefits (continued)

Significant accounting policies (continued)

(b) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which they arise.

(c) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted to determine present value.

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructure and has raised a valid expectation that it will carry out the plan through either commencement or announcing its main features to those affected by it. The measurement of the provision includes only the direct expenditures arising from the restructure, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

E2 Key management personnel compensation

In addition to their salaries, the Group provides non-cash benefits to key management personnel. Key management personnel compensation paid to Directors and executives included in salaries and employee expenses in the consolidated statement of profit or loss and other comprehensive income are as follows:

	2023 $'000	2022 $'000
Short-term employee benefits	6,527	6,234
Post-employment benefits	559	294
Termination benefits	77	174
Total key management personnel compensation	**7,163**	**6,702**

No transactions other than those disclosed above were made with key management personnel (2022: Nil).

F Our Structure

This section explains the Group's structure, including entities we control, and our interests in joint ventures.

F1 Joint operations

Blue Care has a 50% interest in a joint operation with Brisbane Housing Company Limited that provides affordable housing under the National Rental Affordability Scheme (NRAS). Financial information relating to this interest is set out below.

	2023	2022
Interest in joint operation	**$'000**	**$'000**
Property, plant and equipment	4,121	4,249
Less: accumulated depreciation	(131)	(128)
Net interest in joint operation	**3,990**	**4,121**
Results		
Lessor income	623	624
Expenses	(267)	(270)
Net contribution to result	**356**	**354**

Significant accounting policies

A joint operation is an arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interests in joint operations are accounted for through the recognition of the proportionate share of the assets, liabilities, revenues and expenses of the joint operation. Classification of these items is consistent within the Group.

F2 Interests in other entities

Interests in equity accounted joint venture

			Ownership Interest		Carrying Amount of Investment	
	Place of Business	Principal Activities	2023 %	2022 %	2023 $'000	2022 $'000
Leap in! Australia Ltd [i]	Australia	Healthcare	50	50	1,158	229
Investments accounted for using the equity method					**1,158**	**229**

[i] Leap in! Australia Ltd is an online portal for national disabilities insurance scheme clients.

F2 Interests in other entities (continued)

Movements during the year for equity accounted investments

	2023 $'000	2022 $'000
At beginning of the year	229	-
Add: Share of joint venture surplus	929	229
Balance at end of the year	**1,158**	**229**
Summarised financial performance:		
Joint ventures surplus for the period of ownership	929	1,383

The Group's share of joint venture surplus in Leap in! Australia Ltd has been offset against previously recognised deficits. The share of surplus is only recognised against the investment where the previously recognised losses have been extinguished. There is no other consideration owing.

Commitments and contingent liabilities in respect of joint venture

There were no commitments or contingent liabilities in respect of the Group's joint venture at 30 June 2023 (2022: Nil).

Significant accounting policies

A joint venture is an arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The Group recognises its share of the profits or losses of the joint venture, and its share of movements in the consolidated statement of profit or loss and other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains and losses on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest. Accounting policies are consistent with the Group's policies.

Interests in joint ventures are tested for impairment when an indicator of impairment exists. If the recoverable amount is less than its' carrying amount an impairment loss is recorded to adjust the carrying amount.

G Other Disclosures

G1 New and amended standards adopted

A number of standards became effective for the Group from 1 July 2022. These are as follows:

- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*
- AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
- AASB 2022-3 Amendments to Australia Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15
- Onerous Contracts – Cost of Fulfilling a Contract

None of the above standards have had a material impact on the Group.

G2 Standards and Interpretations in issue but not yet adopted

Apart from those presented below, there are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(a) AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This standard amends AASB 101 *Presentation of Financial Statements* (AASB 101) to require a liability be classified as current when entities do not have a substantive right to defer settlement at the end of the reporting period. It is effective for annual reporting periods beginning on or after 1 January 2023 and early adoption is permitted.

The Group is currently investigating the impact of this amendment.

(b) AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

This standard amends:

*(i)*AASB 7 *Financial Instruments* (AASB 7) to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;

(ii) AASB 101 *Presentation of Financial Statements* (AASB 101) to require entities to disclose their material accounting policy information rather than their significant accounting policies;

(iii) AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* (AASB 108) to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates; and

(iv) AASB Practice Statement 2 *Making Materiality Judgements* (PS 2) to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

It is effective for annual reporting periods beginning on or after 1 January 2023 and early adoption is permitted.

The Group is currently investigating the impact of this amendment.

(c) AASB 17 Insurance Contracts

This standard supersedes AASB 4 *Insurance Contracts* and similarly applies to insurance contracts. The classification of insurance contracts is similar to AASB 4 however unbundling rule changes may mean some contract components now need to be measured under AASB 17.

It is effective for annual reporting periods beginning on or after 1 January 2023 and early adoption is permitted.

This standard is not expected to have a significant impact on the Group's consolidated financial statements.

G3 Auditor's remuneration

	2023	2022
	$	$
Audit fees	830,000	570,000
Other services	1,174,204	77,100
Total auditor's remuneration	**2,004,204**	**647,100**

The auditor for the Group is Deloitte Touche Tohmatsu. Other services provided relate to consulting and professional fees. Management has an Auditor Independence Policy in place to formally approve the non-audit services provided by Deloitte and is satisfied that the provision of non-audit services during the year ended 30 June 2023 is compatible with the general standard of independence for auditors imposed by the *Australian Charities and Not-for-profits Commission Act 2012*. The Board has reviewed the position on permitted non-audit services and, in accordance with the advice received from the Audit, Risk and Compliance Committee, is satisfied that the nature and scope of the non-audit services provided does not compromise the auditor independence policy.

G4 Other related party disclosures

G4.1 Equity interests in related parties

For details of joint arrangements refer to sections F1 and F2.

G4.2 Transactions with other related parties

UnitingCare Queensland is part of the Uniting Church in Australia - Queensland Synod. The Group has a related party relationship with and undertakes transactions with various agencies and departments of the Property Trust including The Department of Finance and Property Services, Uniting Church Investment Services and Uniting Church Insurance. The Group makes financial contributions to the Uniting Church in Australia – National Assembly which is the national body for the Uniting Church network.

G4 Other related party disclosures (continued)

G4.2 Transactions with other related parties (continued)

(a) Transactions and balances with related parties

The consolidated surplus for the year includes the following amounts arising from transactions and balances with related parties:

	2023 $'000	2022 $'000
Uniting Church in Australia – Queensland Synod		
Chaplaincy services	(4,067)	(3,536)
Insurance premiums expense	(12,999)	(11,396)
Land tax expense	(978)	-
Other expenses	(2)	(57)
Stewardship fee	(9,320)	(9,320)
Redress and sensitive matters contribution	(1,800)	(1,200)
Consideration receivable for transfer of childcare centres	-	3,900
Consideration receivable for sale of properties	15,785	-
Net payables owed	(277)	(190)
Uniting Church Investment Services		
Interest revenue received	8,271	946
Cash on deposit at the end of year	192,540	218,910
Funds held in trust	2,350	2,310
The Uniting Church in Australia – National Assembly		
Contribution paid	(260)	(250)
Leap in! Australia Ltd		
Investment in Leap in! Australia Ltd	1,158	229
Loan receivable	-	1,360
Reversal of impairment of loan receivable	-	384
Share of joint venture surplus	929	1,383
Interest revenue	44	77
Loans repaid	1,404	1,000

G5 Contingent assets and liabilities

National Redress Scheme

Periodically, the organisation is notified of claims from people who have received current and/or previous services from the Uniting Church in Australia, Queensland Synod or its predecessor Denominations. Although the Group and the Uniting Church in Australia, Queensland Synod meet with claimants, payments made to claimants are paid through the Queensland Synod Insurance Managed Fund (including where applicable contributions from insurers and other predecessor Denominations) and not directly by the Group.

The National Redress Scheme was established on 1 July 2018 and the Group is a member of the scheme. The financial responsibility for meeting costs associated with redress and civil litigation will be borne collectively by the Uniting Church in Australia, with UnitingCare Queensland being a responsible body contributing to the recovery of costs. The nature and extent of any claims in any period are not predictable and therefore any amounts levied may vary from year to year.

Legal Claims

From time to time, the services of the Group are named in legal claims of a medical nature. The outcome of these claims is uncertain. The Board is of the opinion that provisions are not required in respect of these matters, as it is not probable that a future outflow of economic benefits will be required or the amount is not capable of reliable measurement and insurance policies are adequate to meet these claims. The maximum exposure to liability for excess payments in respect of these claims is $6,155,000 (2022: $6,777,000).

Capital Funding Grants

The Group has received capital grants from the State and Commonwealth governments. Funding received may be repayable in circumstances where the asset is sold or it ceases to be used for its funded purpose, depending on the specific contractual obligations of each contract. The estimated contingent liability at 30 June 2023 was $82,229,000 (2022: $69,520,000).

Insurance Claims

The Group has suffered financial damages as a result of the significant weather event in February 2022 and the cyber incident in April 2021. The Group has submitted claims to the value of $39.0m and has recovered $8.2m to date. Whilst the outcome of the claims is uncertain, the Group currently estimates the total amount yet to be recovered for these incidents to be in excess of $30.8m.

Other than the above matters, the Board is not aware of any other contingent assets or liabilities at the date of this report.

G6 Events after the reporting period

There were no further matters subsequent to the end of the year that have come to attention that would have a material impact on the consolidated financial statements or disclosures therein.

G7 ACNC disclosure

As per section A2.12, the UCQ ACNC reporting group includes the following entities:

- UnitingCare Queensland;
- UnitingCare Community;
- Blue Care; and
- UnitingCare Health.

However, UnitingCare Queensland also controls and consolidates Australian Regional and Remote Community Services Limited (ARRCS). A reconciliation is included below, with any reclassifications required to comply with ACNC disclosure requirements:

G7 ACNC disclosure (continued)

Consolidated statement of profit or loss and other comprehensive income	UCQ ACNC reporting group $'000	Other controlled entities [i] $'000	Eliminations $'000	UCQ Consolidated Group $'000
Revenue				
Government grants [ii]	630,359	85,247	-	**715,606**
Donations and bequests [iii]	11,928	42	-	**11,970**
Revenue from providing goods or services	1,075,181	11,290	-	**1,086,471**
Revenue from investments	15,018	943	-	**15,961**
Other revenue	76,433	5,443	-	**81,876**
Total revenue	**1,808,919**	**102,965**	**-**	**1,911,884**
Other income	24,637	126	11,078	**35,841**
Total gross income	**1,833,556**	**103,091**	**11,078**	**1,947,725**
Expenses				
Employee expenses	(1,134,809)	(66,934)	1,368	**(1,200,375)**
Interest expenses	(4,365)	(97)	-	**(4,462)**
Other expenses	(760,949)	(27,189)	(12,446)	**(800,584)**
Total expenses	**(1,900,123)**	**(94,220)**	**(11,078)**	**(2,005,421)**
Net surplus	**(66,567)**	**8,871**	**-**	**(57,696)**
Other comprehensive loss	3,628	-	-	**3,628**
Total comprehensive income	**(62,939)**	**8,871**	**-**	**(54,068)**
Consolidated statement of financial position				
Assets				
Total current assets	1,414,598	55,013	(890,078)	**579,533**
Total non-current assets	1,670,433	93,886	(46)	**1,764,273**
Total assets	**3,085,031**	**148,899**	**(890,124)**	**2,343,806**
Liabilities				
Total current liabilities	377,507	41,939	890,078	**1,309,524**
Total non-current liabilities	102,393	1,316	-	**103,709**
Total liabilities	**479,900**	**43,255**	**890,078**	**1,413,233**
Net assets	**2,605,131**	**105,644**	**(1,780,202)**	**930,573**

[i] All other controlled entities are also public benevolent institutions.

[ii] Government grants includes both aged care and community services, family services, capital grants from government and non-recurring revenue and income (refer B1).

[iii] Donations and bequests includes both fundraising, donations, and bequests (refer B1).

G7 ACNC disclosure (continued)

G7.1 Revenue and other income from government

The UCQ ACNC reporting group receives significant funding from government departments and agencies to enable its continued operations. The following table outlines the largest 10 sources of revenue and other income (including grants) received from the respective level of government department or agency. Further information may be obtained from the Group's Annual Information Statement lodged with the ACNC.

	UCQ ACNC reporting group	Other controlled entities	UCQ Consolidated Group
Commonwealth Government	**$'000**	**$'000**	**$'000**
Department of Health and Aged Care	633,892	87,853	721,745
National Disability Insurance Agency	31,624	2,415	34,038
Department of Social Services	17,356	85	17,441
Department of Veterans Affairs	8,555	181	8,737
National Indigenous Australians Agency	3,516	365	3,881
Total income from Commonwealth Government	**694,943**	**90,899**	**785,842**
State Government			
Department of Children, Youth Justice and Multicultural Affairs	53,951	-	53,951
Queensland Health	26,693	-	26,693
Department of Communities, Housing and Digital Economy	14,997	-	14,997
Department of Housing and Public Works	7,614	-	7,614
Department of Justice and Attorney-General	5,344	-	5,344
Total income from State Government	**108,600**	**-**	**108,600**
Other departments and agencies	**5,568**	**616**	**6,184**

G7.2 Related party transactions

For the purpose of the UCQ ACNC reporting group's Annual Information Statement, related party transactions are categorised as follows:

- Fees paid to a related party for providing goods or services to the Group;
- Loans from or to a related party;
- Transfer of charity property or assets to a related party; and
- Investment in a related party.

Declaration by the Board of UnitingCare Queensland

30 June 2023

The Board of UnitingCare Queensland declares that:

(a) the financial statements and notes set out on pages 1 to 41:

i. comply with the *Australian Charities and Not-for-profits Commission Act 2012* including compliance with Australian Accounting Standards and mandatory professional reporting requirements; and

ii. give a true and fair view of the financial position of UnitingCare Queensland as at 30 June 2023 and of its performance as represented by the results of its operations and its cash flows, for the financial year ended on that date; and

(b) there are reasonable grounds to believe that UnitingCare Queensland will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board.

Dated 3 October 2023



Nigel Alexander, Chair
UnitingCare Queensland Board



Susan Rix, Chair
UnitingCare Queensland Audit, Risk and Compliance Committee

Deloitte.

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Australia

Phone: +61 7 3308 7000
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The Chair
UnitingCare Queensland Board
Level 5, 192 Ann Street
Brisbane Qld 4000
Australia

3 October 2023

Dear Nigel,

Auditor's Independence Declaration to The Uniting Church in Australia – Queensland Synod, UnitingCare Queensland

In accordance with Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Board of The Uniting Church in Australia – Queensland Synod, UnitingCare Queensland.

As lead audit partner for the audit of the financial statements of The Uniting Church in Australia – Queensland Synod, UnitingCare Queensland for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; or

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Nathan Furness
Partner
Chartered Accountants

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Independent Auditor's Report to the Board of UnitingCare Queensland acting through The Uniting Church in Australia – Queensland Synod, UnitingCare Queensland

Opinion

We have audited the financial report of The Uniting Church in Australia – Queensland Synod, Uniting Care Queensland (the "Group") which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in funds and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the declaration by the Board of Uniting Care Queensland (the "Board") as set out on pages 1 to 42.

In our opinion, the accompanying financial report of The Uniting Church in Australia – Queensland Synod, Uniting Care Queensland is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the Financial Report

The Board of the Group is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC Act and for such internal control as the Board determine is necessary to enable the preparation of the 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 are responsible for assessing the ability of Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Deloitte.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives 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 our 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, we exercise professional judgement and maintain professional skepticism throughout the audit. We 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with management and 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 we identify during our audit.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Nathan Furness
Partner
Chartered Accountants

Brisbane, 3 October 2023

R G Saayman
Partner
Chartered Accountants

Brisbane, 3 October 2023



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UNITINGCARE QLD_ACNC GROUP

"KB-26"

← Back to Financials & Documents

Annual Information Statement 2024

Legal name:
UnitingCare QLD_ACNC Group

About the group

Website:
unitingcareqld.com.au

Group size:
Large

Group programs

Not-for-profit private hospitals offering specialist health care service with Graduate Nurse Program

Program classification:
Hospital care

Program locations:
The Wesley Hospital, Coronation Drive, Auchenflower QLD, Australia
St Andrew's War Memorial Hospital, Wickham Terrace, Spring Hill QLD, Australia
Buderim Private Hospital, Elsa Wilson Drive, Buderim QLD, Australia
St Stephen's Hospital, Nissen Street, Urraween QLD, Australia

Program beneficiaries:
People with chronic illness (including terminal illness)
General community in Australia

Program website:
unitingcareqld.com.au/services-and-support/hospitals

Residential Aged Care Services in 46 purpose built homes with round the clock assistance

Program classification:
Senior living

Program locations:
Queensland, Australia

Program beneficiaries:
Adults - aged 25 to under 65
Adults - aged 65 and over
Families
Aboriginal and Torres Strait Islander people
People in rural/regional/remote communities
People at risk of homelessness/ people experiencing homelessness
People with chronic illness (including terminal illness)
People with disabilities
Females
Males

Program website:
bluecare.org.au/aged-care-homes

Residential Respite in your own home, in a community environment or in residential aged care

Program classification:
Attendant care

Program locations:
Queensland, Australia

Program beneficiaries:
Adults - aged 25 to under 65
Adults - aged 65 and over
Families
Aboriginal and Torres Strait Islander people
People in rural/regional/remote communities
People with chronic illness (including terminal illness)
People with disabilities
Females
Males

Program website:
bluecare.org.au/services/respite

In-Home Care Services and other assistance for Aged, Disabled & Vulnerable Persons

Program classification:
In-home aid and personal assistance

Program locations:
Queensland, Australia

Program beneficiaries:
Adults - aged 25 to under 65
Adults - aged 65 and over
Families
Aboriginal and Torres Strait Islander people
People in rural/regional/remote communities
People with chronic illness (including terminal illness)
People with disabilities
Females
Males

Program website:
bluecare.org.au/home-care

Family, Crisis and Community Services incl Counselling and Wellbeing, Family Support, Homelessness

Program classification:
Family services

Program locations:
Queensland, Australia

Program beneficiaries:
Early childhood - aged under 6
Children - aged 6 to under 15
Youth - 15 to under 25
Adults - aged 25 to under 65
Adults - aged 65 and over
Families
Aboriginal and Torres Strait Islander people
People from a culturally and linguistically diverse background
People in rural/regional/remote communities
Financially disadvantaged people
People at risk of homelessness/ people experiencing homelessness
People with disabilities
Females
Males

Program website:
unitingcareqld.com.au/services-and-support

Disability Services incl health & daily living, vacation care, holidays, employment services

Program classification:
Disability services

Program locations:
Queensland, Australia

Program beneficiaries:
People with disabilities
Females
Males

Program website:
unitingcareqld.com.au/services-and-support/disability

Lifeline, Telephone & Community Crisis Support including 13YARN & Farmer to Lifeline Farmer support

Program classification:
Crisis intervention

Program locations:
Queensland, Australia

Program beneficiaries:
Aboriginal and Torres Strait Islander people
Females
Males
General community in Australia

Program website:
unitingcareqld.com.au/lifeline

First Nation Peoples Aged Care, Family & Community Services incl the Pinangba Service delivery

Program classification:
Healthcare access

Program locations:
Queensland, Australia
Pinangba Cape York Family Centre, Flaggy Road, Cooktown QLD, Australia
Pinangba Stagpole Street Drug and Alcohol Rehabilitation Unit, Stagpole Street, West End, Townsville QLD, Australia
Pinangba Ny-Ku Byun Elders Village, Fisher Street, Cherbourg QLD, Australia
Pinangba Hollingsworth Elders Village, Hartley Street, Portsmith QLD, Australia
Pinangba Shalom Elders Village, Hervey Range Road, Condon QLD, Australia
Pinangba Star of the Sea Elders Village, Waiben Esplanade, Thursday Island QLD, Australia

Program beneficiaries:
Aboriginal and Torres Strait Islander people

Program website:
unitingcareqld.com.au/services-and-support/people-we-support/aboriginal-and-torres-strait-is...

Child Welfare & Family Care Services incl Foster and Kinship Care, Vacation Care, Outback families

Program classification:
Out-of-home care

Program locations:
Queensland, Australia

Program beneficiaries:
Early childhood - aged under 6
Children - aged 6 to under 15
Youth - 15 to under 25
Aboriginal and Torres Strait Islander people
Females
Males

Program website:
unitingcareqld.com.au/services-and-support/people-we-support/children-and-families

Domestic & Family Violence support through crisis accommodation, counselling & men's behavior change

Program classification:
Domestic and family violence

Program locations:
Queensland, Australia

Program beneficiaries:
Families
Victims of crime (including family violence)

Program website:
unitingcareqld.com.au/services-and-support/family-support/domestic-and-family-violence

Description of the group's activities and outcomes:
The UnitingCare Queensland group, known as UnitingCare, comprises the charities UnitingCare Queensland, UnitingCare Community, Blue Care and UnitingCare Health. As an outreach of the Uniting Church, our mission is to improve the health and well being of individuals, families and communities as we speak out for fairness and justice, and care with compassion, innovation and wisdom. Our charities conduct activities across Queensland. As health and community service providers and one of the largest charity groups in Australia we connect with people in every corner of our community and engage with people from all walks of life. Through our accessible services we are committed to empowering older people, those living with a disability, people requiring

healthcare in hospital or at home, Aboriginal and Torres Strait Islanders, children and families. Aged Care and Community Services - UnitingCare is committed to providing support to individuals in need regardless of their circumstances or where they live. For more than 70 years Blue Care has been providing support to empower individuals to live life in all its fullness by providing in-home care, residential aged care, disability services and independent and supported retirement living to Queenslanders. Family and Disability Services UnitingCare is a respected industry leader and one of Queensland s largest community services. We provide a wide range of services supporting vulnerable individuals, families and communities in metropolitan, regional and remote areas across the State. Every day in the community, we deliver skilled, evidence-based interventions for those facing adversity and utilise our reach and skills to confront injustice. We are leaders in crisis response and community recovery, the protection of vulnerable children, support for people living with disability and their families, financial resilience and family wellbeing. In Queensland we also deliver our 24-hour 13 11 14 Lifeline Crisis Support Line through 10 Lifeline Centres, providing suicide prevention services with a non-judgemental and compassionate ear and raising money to support this service via our Lifeline retail stores and events such as Bookfest. We continue to expand our social impact by delivering high-quality person-centred, culturally inclusive and place-based family and disability services. We are committed to working alongside people living with disability and their families to imagine and build personally meaningful lives. Hospitals UnitingCare is one of the largest private hospital groups in Queensland, providing a comprehensive range of private medical services, and is renowned for its clinical excellence. Our hospitals include The Wesley Hospital and St Andrew s War Memorial Hospital in Brisbane, Buderim Private Hospital at Buderim and St Stephen s Hospital at Hervey Bay.

Human resources

Human resources:
Full time employees: 4479
Part time employees: 8821
Casual employees: 3161
Full-time equivalent staff (FTE): 9477.00
Estimated number of volunteers: 8280

Annual report

Note: If you want to see the financial report or annual report that this group has submitted, go back to Financials & Documents

Financial Reporting

Group's 2024 reporting period:
1 July 2023 to 30 June 2024

Type of financial statement:
General purpose financial statements

Financial report consolidated with more than one entity?:
Yes

Reportable related party transactions in the 2024 reporting period?:
Yes

Types of reportable related party transactions:
Fees paid to a related party for providing goods or services to the charity
Loans from/to a related party
Investment in a related party

Additional details about reportable related party transactions:
Refer to Page 47 of the Consolidated Financial Statements

More than one remunerated key management personnel member:
Yes

Number of remunerated key management personnel:
26

Total amount paid to key management personnel:
$7,414,097

Income and Expenses

Comprehensive Income Statement summary

Gross income

Revenue from government including grants	$934,048,000
Donations and bequests	$12,971,000
Revenue from providing goods or services	$1,044,546,000
Revenue from investments	$24,627,000
All other revenue	$20,921,000
Total revenue	$2,037,113,000
Other income (for example, gains)	$6,202,000
Total gross income	$2,043,315,000

Expenses

Employee expenses	$1,205,463,000
Interest expenses	$26,686,000
Grants and donations made for use in Australia	$0
Grants and donations made for use outside Australia	$0
All other expenses	$912,887,000
Total expenses	$2,145,036,000

Net income

Net surplus/(deficit)	-$101,721,000
Other comprehensive income	$2,819,000
Total comprehensive income	-$98,902,000

Balance Sheet extract

Assets

Total current assets	$1,446,383,000
Non-current loans receivable	$0
Other non-current assets	$1,732,428,000
Total non-current assets	$1,732,428,000
Total assets	$3,178,811,000

Liabilities

Total current liabilities	$2,301,858,000
Non-current loans payable	$0
Other non-current liabilities	$150,926,000
Total non-current liabilities	$150,926,000
Total liabilities	$2,452,784,000

Net assets/liabilities

Net assets/liabilities	$726,027,000

"KB-27"

Financial Report 2024



UnitingCare

Proudly representing
BlueCare | Lifeline | ARRCS | The Wesley Hospital | Buderim Private Hospital
St Stephen's Hospital | St Andrew's War Memorial Hospital

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30 June 2024

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UnitingCare Queensland

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

	Note	2024 $'000	2023[1] $'000
Revenue			
Revenue from contracts with clients	B1	2,083,107	1,855,119
Other income	B1	83,940	97,914
Total revenue		**2,167,047**	**1,953,033**
Share of surplus in joint ventures	F2	655	929
Change in fair value of investment properties	C4	10,338	10,251
Expenses			
Salaries and employee expenses[2]		(1,370,633)	(1,200,375)
Supplies and services expenses	B2	(439,965)	(387,409)
Depreciation and amortisation expenses		(130,937)	(119,707)
Property expenses	B2	(154,198)	(144,198)
Other expenses	B2	(151,212)	(149,270)
Finance costs	B2	(28,848)	(20,950)
Total expenses		**(2,275,793)**	**(2,021,909)**
Deficit for the year		**(97,753)**	**(57,696)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Gains on equity instruments measured at FVOCI[3]	D1	2,702	3,620
Items that will subsequently be reclassified to profit or loss			
Gains on debt instruments measured at FVOCI[3]	D1	117	8
Other comprehensive income for the year		**2,819**	**3,628**
Total comprehensive loss for the year		**(94,934)**	**(54,068)**

[1] The comparative information related to certain revenue and expense items has been reclassified. Refer to Note A2.8 for more information.

[2] Salaries and employee expenses includes agency staffing costs.

[3] Fair value through other comprehensive income (FVOCI).

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

UnitingCare Queensland
Consolidated statement of financial position
For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Current assets			
Cash and cash equivalents	B3	362,466	360,234
Trade and other receivables	C1.1	117,624	120,090
Financial assets	D1	41,426	37,558
Inventories	C1.2	23,092	21,103
Other assets	C1.3	43,526	39,057
Assets classified as held for sale		5,217	1,491
Total current assets		**593,351**	**579,533**
Non-current assets			
Interests in other entities	F2	1,813	1,158
Property plant and equipment	C2	1,049,046	1,053,172
Right of use assets	C3	73,714	33,157
Investment properties	C4	670,355	636,227
Intangible assets	C5	36,729	26,878
Other assets	C1.3	2,446	13,681
Total non-current assets		**1,834,103**	**1,764,273**
TOTAL ASSETS		**2,427,454**	**2,343,806**
Current liabilities			
Trade and other payables	C1.4	167,164	173,832
Ingoing contributions, RADs[1] and accommodation bonds	C1.5	944,326	882,435
Lease liabilities	D2	19,127	14,615
Borrowings	D3	55,000	-
Employee benefits	E1	172,604	167,150
Other liabilities	C1.6	73,555	67,097
Other provisions		5,640	4,395
Total current liabilities		**1,437,416**	**1,309,524**
Non-current liabilities			
Trade and other payables	C1.4	6,547	6,447
Lease liabilities	D2	62,904	24,817
Employee benefits	E1	20,199	20,253
Other liabilities	C1.6	58,417	43,572
Other provisions		6,332	8,620
Total non-current liabilities		**154,399**	**103,709**
TOTAL LIABILITIES		**1,591,815**	**1,413,233**
NET ASSETS		**835,639**	**930,573**
Equity			
Contributed funds		5,234	5,234
Properties revaluation reserve		23,689	23,689
Financial assets at FVOCI reserve		4,896	2,077
Accumulated funds		801,820	899,573
TOTAL EQUITY		**835,639**	**930,573**

[1] Refundable Accommodation Deposits (RAD)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

UnitingCare Queensland
Consolidated statement of changes in funds
For the year ended 30 June 2024

	Note	Contributed funds $'000	Properties revaluation reserve $'000	FVOCI reserve $'000	Accumulated funds $'000	Total equity $'000
Balance at 1 July 2022		**5,234**	**23,689**	**(1,551)**	**957,269**	**984,641**
Deficit for the year		-	-	-	(57,696)	(57,696)
Other comprehensive income	D1	-	-	3,628	-	3,628
Balance at 30 June 2023		**5,234**	**23,689**	**2,077**	**899,573**	**930,573**
Balance at 1 July 2023		**5,234**	**23,689**	**2,077**	**899,573**	**930,573**
Deficit for the year		-	-	-	(97,753)	(97,753)
Other comprehensive income	D1	-	-	2,819	-	2,819
Balance at 30 June 2024		**5,234**	**23,689**	**4,896**	**801,820**	**835,639**

The above consolidated statement of changes in funds should be read in conjunction with the accompanying notes.

UnitingCare Queensland
Consolidated statement of cash flows
For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from clients, funding and others		2,139,234	1,865,505
Payments to suppliers and employees		(2,148,692)	(1,886,781)
Interest received		16,839	14,414
Finance costs paid		(5,928)	(3,263)
Net cash inflow/(outflow) from operating activities	B3	**1,453**	**(10,125)**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		15,370	9,266
Payments for property, plant and equipment		(130,332)	(173,349)
Payments for intangible assets		(225)	(661)
Proceeds from capital grants		22,789	18,276
Dividends received from investments in financial assets		443	517
Proceeds from sale of business		-	3,900
Payments for investment properties		(10,017)	(8,992)
Proceeds from sale of financial assets		2,354	9,412
Payments for purchase of financial assets		(2,571)	(9,727)
Repayment of loans by joint ventures		-	1,360
Net cash outflow from investing activities		**(102,189)**	**(149,998)**
Cash flows from financing activities			
Net proceeds from ingoing contributions and accommodation bonds	D3.1	65,769	37,993
Repayment of lease liabilities	D3.1	(17,801)	(15,262)
Net proceeds from borrowings	D3.1	55,000	-
Net cash inflow from financing activities		**102,968**	**22,731**
Net increase/(decrease) in cash and cash equivalents		**2,232**	**(137,392)**
Cash and cash equivalents at beginning of year		360,234	497,626
Cash and cash equivalents at end of year	B3	**362,466**	**360,234**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

A About Us

A1 Our organisation

These consolidated financial statements comprise UnitingCare Queensland and its controlled entities (the Group). The Group is a not-for-profit organisation established by the Uniting Church in Australia Queensland Synod. The Uniting Church in Australia Queensland Synod has appointed the Board of UnitingCare Queensland to govern its activities in accordance with the *Australian Charities and Not-for-profits Commission Act 2012,* the *Uniting Church in Australia Act 1977* (Qld), the *Uniting Church in Australia Regulations*, the Uniting Church in Australia Queensland Synod By-Laws, and the UnitingCare Queensland Constitution.

Legal title to all real property beneficially utilised in the services provided by the Group is held in trust by the Uniting Church in Australia Property Trust (Q.) (the Property Trust), a body incorporated by statute and domiciled in Australia, or Australian Regional and Remote Community Services Limited (ARRCS).

UnitingCare Queensland's principal continuing activities are delivering quality health, aged care, disability and community services across Queensland and the Northern Territory. The Group provides person-centred care and support services to thousands of people every day of the year, helping people live life in all its fullness.

UnitingCare Queensland is domiciled in Australia.

The consolidated financial statements were authorised for issue by the Board of Directors on 1 October 2024.

The registered address and principal office of UnitingCare Queensland is Level 5, 192 Ann Street, Brisbane, Queensland 4000.

A2 Our Financial Statements

A2.1 Basis of Preparation

These consolidated financial statements:

- are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs), other authoritative pronouncements issued by the Australian Accounting Standards Board, and the *Australian Charities and Not-for-profits Commission Act 2012*. In some circumstances, where permitted under the AASBs, the Group has elected to apply exemptions available to not-for-profit entities such as for volunteer services and concessional leases;
- have been prepared on the basis of historical cost, except for investment properties and financial assets which are measured at fair value;
- present all values in Australian dollars, which is the Group's functional currency, and have been rounded to the nearest thousand dollars, unless otherwise stated;
- adjust comparative balances, where applicable, to conform to changes in presentation for the current year; and
- do not early adopt any Australian Accounting Standards and Interpretations issued or amended but which are not yet effective.

A2.2 Statement of Compliance

The Group does not have 'public accountability' as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards* (AASB 1053) and is therefore eligible to apply the 'Tier 2' reporting framework under the Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements of those standards as modified by AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements of AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

A2 Our Financial Statements (continued)

A2.3 Basis of Consolidation

(a) Controlled entities

The Group controls an entity when it is exposed to, or has rights to, variable financial or non-financial returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements incorporate the financial statements of the entities controlled by the Group.

The Group controls the following not-for-profit entities by virtue of its governance oversight vested in the Board by the Uniting Church in Australia – Queensland Synod By-laws (section 4.3.1.1):

- UnitingCare Queensland* (ABN 45 414 098 573);
- UnitingCare Community* (ABN 28 728 322 186);
- Blue Care* (NAPS ID 314) (ABN 96 010 643 909);
- UnitingCare Health* (ABN 87 842 457 440);
- Australian Regional and Remote Community Services Limited (NAPS ID 6871) (ABN 88 167 926 132); and
- Regional and Remote Indigenous Services Trust (ABN 12 290 854 684)

* These organisations report to the Australian Charities and Not-for-profits Commission (ACNC) on a group reporting basis, known as the UnitingCare QLD_ACNC Group. See Note G7 for ACNC Reporting Group disclosures.

All of the above entities are endorsed as deductible gift recipients.

The Group has incorporated two new companies, UCQ Limited (ABN 74 674 995 076) and UnitingCare Queensland Limited (ABN 84 675 001 493), for the purpose of transitioning the business of UnitingCare Queensland, UnitingCare Community, Blue Care, and UnitingCare Health into an incorporated structure from 1 July 2024. Both companies are registered as members of the UnitingCare QLD_ACNC Group. See Note G6 for information relating to the Group reorganisation.

(b) Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised gains and losses from intra-group transactions, are eliminated in the preparation of the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

A2.4 Going Concern

The consolidated financial statements include the assumption that the Group will continue to operate as a going concern. The following considerations have been taken into account when making this assumption.

Net current asset deficiency

The Group has a net current asset deficiency of $844,065,000 (2023: $729,991,000). This mainly arises because of the requirement to classify ingoing contributions, refundable accommodation deposits (RADs) and accommodation bonds of $944,326,000 (2023: $882,435,000) as current liabilities.

Ingoing contributions, RADS and accommodation bonds are classified as current liabilities because the Group does not have an unconditional right to defer settlement of any specific balance for at least 12 months after the reporting date. The total ingoing contribution, RAD and accommodation bond liability represents the sum of separate payments from individual residents in different locations with differing circumstances, and frequently a departing resident may be replaced quickly by a new ingoing contribution, RAD or accommodation bond paying resident. The Group expects that, of the total ingoing contributions, RADs and accommodation bonds disclosed as a current liability, $774,304,000 (2023: $721,763,000) will not be repaid within 12 months (see Note C1.5).

Additionally, of the total employee benefits classified as a current liability, $103,965,000 (2023: $101,867,000) are expected to be settled after 12 months (see Note E1).

The Group has a cash advance facility of $140,000,000 (2023: $Nil) of which $85,000,000 remains undrawn at 30 June 2024 (2023: $Nil). This facility can be drawn upon to fund ingoing contributions, RADs and accommodation bond refunds should the Group experience significant RADs and bond net outflows. The Group also has a revolving bank guarantee facility of $11,000,000 (2023: $11,000,000) of which $4,824,000 remains unused at 30 June 2024 (2023: $4,763,000) (see Note D3).

A2 Our Financial Statements (continued)

A2.4 Going Concern (continued)

The Group's adjusted net current asset position is reflected as follows:

	2024 $'000	2023 $'000
Net current asset deficiency	(844,065)	(729,991)
Add back: Ingoing contributions and accommodation bonds not expected to be repaid within 12 months	774,304	721,763
Add back: Ingoing contributions and accommodation bonds expected to be repaid within 12 months and replaced by new ingoing contributions and accommodation bonds	170,022	160,672
Add back: Current employee benefits not expected to be settled within 12 months	103,965	101,867
Total adjusted net current asset position	**204,226**	**254,311**

A2.5 Economic Dependency

The Group is dependent on both State, Territory and Commonwealth Government subsidies and grants to fund its operations. The continued support and funding of community care and aged care program facilities by State, Territory and Commonwealth Governments are subject to regular reviews and accreditation requirements. The revenue from these Government entities is expected to continue in the foreseeable future. See Note G7.1 for information relating to government funding.

A2.6 Use of Critical Judgements, Estimates and Assumptions

In preparing these consolidated financial statements, the Board and management have made judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical accounting judgements, estimates and assumptions are included in the following notes:

Accounting judgements, estimates and assumptions	
Deferred management fees	B1
Imputed DAP revenue on RAD and bond balances	B1
Expected credit losses on trade receivables	C1.1
Refundable accommodation deposits	C1.5
Estimated useful life of property, plant and equipment	C2
Classification of investment properties	C4
Fair value estimate of investment properties	C4
Construction work in progress	C4
Determination whether configuration and customisation services are distinct from software-as-a-service access	C5
Capitalisation of configuration and customisation costs in software-as-a-service arrangements	C5
Lease term and option renewals	D2
Incremental borrowing rates	D2
Annual and long service leave assumptions	E1

A2 Our Financial Statements (continued)

A2.7 Current and Non-current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or a cash equivalent unless being restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

A2.8 Comparatives

During the year the Group made the following reclassifications to the financial statements:

i. Bequests (with performance obligations) were reclassified from revenue from contracts with customers to general bequests in other revenue as they do not contain sufficiently specific performance obligations.

ii. Prior year software-as-a-service expense contained unrelated consulting expenses. These costs have been reclassified to the more appropriate expense accounts.

iii. The Group has recognised imputed DAP revenue and interest expense on RAD and bond balances. Initial recognition has had no impact on the Group's net deficit.

Comparative amounts in the consolidated statement or profit or loss and other comprehensive income and in Note B1 and Note B2 were reclassified for consistency. The impact of this reclassification on previously reported comparative numbers is presented below:

	Previously reported	Adjustments	Reclassified
	$'000	$'000	$'000
Bequests (with performance obligations) (i)	1,858	(1,858)	-
All other revenue from contracts with clients	1,855,119	-	1,855,119
Revenue from contracts with clients	**1,856,977**	**(1,858)**	**1,855,119**
Bequests (i)	4,601	1,858	6,459
Imputed DAP revenue on RAD and bond balances under AASB 16 (iii)	-	16,488	16,488
All other income	74,967	-	74,967
Other income	**79,568**	**18,346**	**97,914**
Total revenue	**1,936,545**	**16,488**	**1,953,033**
Consulting and professional fees (ii)	(59,238)	(13,764)	(73,002)
Software-as-a-service expense (ii)	(40,564)	13,764	(26,800)
All other expenses	(49,468)	-	(49,468)
Total other expenses	**(149,270)**	**-**	**(149,270)**
Imputed interest expense on RAD and bond balances under AASB 16 (iii)	-	(16,488)	(16,488)
All other finance costs	(4,462)	-	(4,462)
Total finance costs	**(4,462)**	**(16,488)**	**(20,950)**
All other expenses	(1,851,689)	-	(1,851,689)
Total expenses	**(2,005,421)**	**(16,488)**	**(2,021,909)**

A2 Our Financial Statements (continued)

A2.9 Goods and Services Tax (GST)

The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as a current asset or liability in the consolidated statement of financial position. Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows within the receipts from clients, funding and others, and payments to suppliers and employees.

A2.10 Income Taxes

No provision for income tax has been made as the Group and each of the not-for-profit entities that comprise the Group is exempt from income tax under Division 50 of the *Income Tax Assessment Act (1997)* and have been so endorsed by the Commissioner of Taxation.

A2.11 Fair Work Commission Aged Care Sector Wage Increases

As part of the Fair Work Commission's Aged Care Work Value Case (Stage 2), an agreement was made to increase the award rates for certain roles working in the aged care sector by 15% effective from 30 June 2023 and included the following roles:

- Nursing Assistants, Enrolled Nurses, Nurse Practitioners and Registered Nurses working in aged care facilities and in the community;
- Personal Carers and Allied Health Assistants working in aged care facilities and in the community;
- Activities Officers, Diversional Therapists, Leisure and Lifestyle Team Leaders and Co-ordinators working in aged care facilities; and
- The most senior food services employee working at aged care facilities.

In March 2024, the Fair Work Commission's Aged Care Work Value Case (Stage 3) announced increases to direct care roles of up to 28% (inclusive of the 15% previously awarded through Stage 2), and an increase of 3% for indirect care workers. The date of application of Stage 3 increases differs depending on the role, with indirect care workers receiving 100% of the increase from the first full pay period after 1 January 2025, and others receiving 50% from the first full pay period after 1 January 2025, and the remaining 50% from the first full pay period after 1 January 2026.

The Stage 3 increases apply to the following roles:

- Direct Care roles working in an aged care facility, including Personal Carers and Activities and Lifestyle Officers;
- Nursing Assistants covered by the Nurses Award 2020;
- Certain Personal Care roles working in the community; and
- Indirect care roles working in an aged care facility, including Administration, Maintenance and Gardening.

The Federal Government has committed to funding these increases. In addition to the Work Value Case increases, the Fair Work Commission has decided to increase award rates of pay by 3.75% from the first full pay period after 30 June 2024 as part of its annual minimum award rate review decision. These increases apply across all awards and are not limited to specific roles.

These wage increases have been factored into the Group's annual and long service leave valuation models at 30 June 2024 (see Note E1).

B Our Performance

This section highlights the key drivers of the Group's operations, including revenue, expenses and operating cash flows.

B1 Revenue and other income

	2024 $'000	2023[1] $'000
Revenue from contracts with clients		
Aged care and community services	957,102	807,821
Hospital patient services	598,590	558,206
Family services (grant funded programs)	196,648	143,464
Recoverable revenue (prosthesis)	122,090	117,925
National Disability Insurance Scheme (NDIS) services	60,622	77,208
Lifeline sales	64,358	59,917
Hospital viability subsidy	-	13,236
Daily accommodation payments (DAP)	58,870	53,653
Deferred management fees (DMF)	16,401	15,523
Other hospital revenue	7,846	7,666
Other revenue	580	500
Total revenue from contracts with clients	**2,083,107**	**1,855,119**
Other income		
Other not-for-profit income		
Capital grants	12,706	16,634
Fundraising and donations	5,911	5,511
Bequests	7,086	6,459
Lessor income		
Lessor income	21,821	20,003
Gain on sale of assets		
Gain on sale of property, plant and equipment[2]	6,719	17,744
Fair value movements		
Fair value loss on resident loans[3]	(13,756)	(7,803)
Other income		
Investment income	982	1,547
Impairment reversals	2,246	-
Other income	2,305	6,917
Interest income		
Uniting Church Investment Services (UCIS)	7,904	8,271
Imputed DAP revenue on RAD and bond balances under AASB 16	21,081	16,488
Other interest	8,935	6,143
Total other income	**83,940**	**97,914**

[1] The comparative information related to certain revenue items has been reclassified. Refer to Note A2.8 for more information.

[2] During the financial year the Group entered into one sale and leaseback transaction. A net gain of $6,037,000 was recognised and proceeds of $7,443,000 were received. The Group entered into a short-term lease agreement with the buyer-lessor and did not recognise a right of use asset or lease liability.

[3] Fair value movement on resident loans can fluctuate annually between a gain or loss. For disclosure purposes this item is classified as other income.

B1 Revenue and other income (continued)

Accounting judgements, estimates and assumptions	
Deferred management fees	A significant source of estimation for the recognition of deferred management fees is the calculation of the expected resident occupancy period. This is calculated with reference to the Australian Bureau of Statistics Life tables and historical resident occupancy trends.
Imputed DAP revenue on RAD and bond balances	The Group has determined the use of the Maximum Permissible Interest Rate (MPIR) prevailing at the date of admission as the interest rate to be used in the calculation of the imputed DAP revenue on RAD and bond balances. The MPIR is a rate set by the Government and is used to calculate the DAP to applicable residents.

Material accounting policies

(a) Revenue from contracts with clients

Revenue is measured based on the consideration the entity expects to be entitled to in exchange for transferring promised goods or services as specified in a contract with a client. The Group recognises revenue when it transfers control over a good or provides a service to a client.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with clients, including significant payment terms, and the related revenue recognition policies.

Where an agreement is enforceable and contains sufficiently specific performance obligations for the Group to transfer goods or services to a third-party, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers* (AASB 15). Otherwise, revenue is accounted for under AASB 1058 *Income from Not-for-Profit Entities* (AASB 1058), whereby revenue is recognised upon receipt, except for certain capital grants noted below.

Type of good or service	Revenue recognition policies including nature and timing of satisfaction of performance obligations and significant payment terms
Aged care and community services	This revenue stream includes revenue derived from Home Care Packages (HCP), Commonwealth Home Support Programme (CHSP), residential funding under Australian National Aged Care Classification (AN-ACC), basic daily fees, aged care supplements and client fees for services relating to aged care and community services. Performance obligations are deemed to be the delivery of the services relevant to the above programs. Services are provided primarily on a daily or monthly basis. Revenue is recognised over time when the services are performed and delivered.
Hospital patient services	Performance obligations are deemed to be the delivery of the hospital patient services. Services are provided daily. Revenue is recognised daily as services are provided to hospital patients. A contract receivable representing the Group's right to consideration for services delivered but not yet invoiced is also recognised (see Note C1.1).
Family services (grant funded programs)	Grants are received for the funding of family, aged care and community services programs. Where these specify certain specific performance obligations, the Group recognises revenue from services over time as performance obligations are satisfied. Such services are primarily provided on a daily or monthly basis. Any unused funds are to be returned to the funder unless otherwise agreed, and an associated grant funding liability is recognised (see Note C1.6). Cyclic and annual acquittals are required to be submitted to the funder for the majority of funded programs, in addition to output-based performance reporting. Funding is generally received quarterly or biannually in advance or in arrears.
Recoverable revenue (prosthesis)	The Group performs medical procedures that require prosthesis. Performance obligations for prosthesis revenue are deemed to be the delivery of the contracted prosthesis. The Group is considered the principal in these transactions and therefore recognises revenue on a gross basis. Revenue is recognised on delivery of the goods to the patient.

B1 Revenue and other income (continued)

Material accounting policies (continued)

(a) Revenue from contracts with clients (continued)

Type of good or service	Revenue recognition policies including nature and timing of satisfaction of performance obligations and significant payment terms
NDIS services	The Group provides services to clients under the National Disability Insurance Scheme (NDIS) as identified in individual contracts. After the provision of the agreed services, the Group may submit a claim through the National Disability Insurance Agency (NDIA) or invoice a client directly for recoupment of revenue for the service. The Group recognises revenue from services over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily or a monthly basis. There are no related unused funds as claims or invoices for payment are submitted after services are provided.
Lifeline sales	The Group sells new and second-hand goods at its network of Lifeline stores, including online. Goods sold in store come with a 14-day right of return. Goods sold online come with a 60-day right of return. Revenue is recognised on delivery of the goods to the client. Historically, the amount of returns has not been material. As such, the full selling price is recognised as revenue.
Daily accommodation payments (DAP)	The Group has assessed its resident agreements relating to residential aged care accommodation arrangements to be leases under AASB 16 *Leases* (AASB 16) due to the security of tenure that these offer to its residents. The resident agreement only requires 14 days written notice to vacate. For arrangements where residents have elected to pay a DAP, the associated lessor revenue is accounted for under AASB 16.
Deferred management fees (DMF)	DMFs are amounts retained as income from ingoing contributions and are recognised over the expected period of resident occupancy in line with AASB 16.

(b) Other not-for-profit income

The Group is the recipient of income that is accounted for in accordance with AASB 1058, which covers transactions where the consideration to acquire an asset is significantly less than fair value principally to enable the Group to further its objectives. This includes the following:

(i) Capital grants

For capital grants received under an enforceable agreement where it includes a transfer to enable the Group to acquire or construct a recognisable non-financial asset to identified specifications which will be controlled by the Group when completed, the Group recognises a liability for the excess of the fair value of the transfer over any related amounts recognised, and recognises income as it satisfies its obligations under the transfer (see Note C1.6).

As the capital grants received by the Group are primarily for the construction of buildings, the Group recognises income as the buildings are constructed (when it satisfies its obligations).

(ii) Fundraising, donations and bequests

Income is recognised when received, unless it is required to be accounted for under AASB 15, in which case it is deferred until the relevant performance obligations have been satisfied.

(c) Lessor income

Other lessor income includes lease payments from operating leases recognised on a straight-line basis over the lease term in accordance with AASB 16. Other lessor income also includes hospital car park income.

B1 Revenue and other income (continued)

Material accounting policies (continued)

(d) Interest income

Interest income is recognised using the effective interest method. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(e) Imputed DAP revenue on RAD and bond balances

Accommodation services provided to residents who have chosen to pay a RAD or accommodation bond are accounted for as a lease under AASB 16. The Group has recognised as revenue an imputed non-cash charge for accommodation representing the resident's right to occupy a room under the arrangement. The accounting treatment results in a non-cash increase in revenue for accommodation and a non-cash increase in finance costs on the outstanding RAD and accommodation bond balance, with no net impact on profit and loss for the year.

See Note B2 for imputed interest expense on RAD and bond balances.

(f) Sale and leaseback transactions

When the Group sells and leases back the same asset, the accounting treatment depends on whether the control of the asset has been transferred to the buyer and whether the lease is not exempt from the recognition requirements of AASB 16:

- If so, the Group measures the right of use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the rights retained by the Group as a seller-lessee. Accordingly, the Group recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor;
- If not, as a seller-lessee the Group continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds.

(g) Unrecognised revenue

(i) Volunteer services

The Group regularly receives volunteer services as part of its operations. Under AASB 1058, private sector not-for-profit entities have a policy option to account for donated services at fair value if the fair value can be reliably measured. The Group has elected not to recognise the receipt of volunteer services as revenue as the fair value cannot be measured reliably.

(ii) Donated inventories

As part of its operations, the Group receives donations of second-hand goods which may then be used in its activities. AASB 102 *Inventories* (AASB 102) requires donated inventories to be measured at current replacement cost and any related amounts to be accounted for under AASB 1058.

The Group has decided to make use of the practical expedient under AASB 102 and apply the materiality assessment at the individual item level (instead of the portfolio level) when recognising donated inventories. Based on an assessment, the Group has noted that it only receives individually immaterial donations of inventory and accordingly will not be required to recognise such donated inventories. Accordingly, no amounts are recognised in the financial statements for donated inventories (see Note C1.2).

B2 Expenses

	2024	2023[1]
Supplies and services expenses	**$'000**	**$'000**
Patient services and supplies	256,890	242,057
Resident services and supplies	88,175	82,797
Cleaning and housekeeping	34,249	26,980
Other supplies and services[2]	60,651	35,575
Total supplies and services expenses	**439,965**	**387,409**
Property expenses		
Repairs and maintenance expense	68,689	62,572
Communications and utilities expense	36,223	32,905
Motor vehicle expense	14,738	15,179
Rates and taxes	8,417	9,256
Property insurance	11,528	9,872
Rental expense	9,607	7,279
Other property expense	4,409	6,706
Impairment expense	587	429
Total property expenses	**154,198**	**144,198**
Other expenses		
Consulting and professional fees	78,553	73,002
Software-as-a-service expense	20,981	26,800
Business expenses	20,833	24,166
Administrative and other expenses	21,525	15,982
Stewardship expenses	9,320	9,320
Total other expenses	**151,212**	**149,270**
Finance costs		
Interest expense	1,079	1,163
Bank charges and fees	1,560	1,199
Imputed interest expense on RAD and bond balances under AASB 16[3]	21,081	16,488
Interest expense on leases under AASB 16	3,931	2,100
Interest expense on bank loans	1,197	-
Total finance costs	**28,848**	**20,950**

[1] The comparative information related to certain expense items has been reclassified. Refer to Note A2.8 for more information.

[2] Includes brokerage fees incurred under the Escaping Violence Program of $48,380,000 (2023: $23,407,000).

[3] See Note B1 for accounting policy information relating to imputed interest expense on RAD and bond balances under AASB 16.

The Group's major categories of expenses have been disclosed above. We note that:

- Supplies and services expenses include the cost of goods sold and costs incurred in delivering services to patients and residents;
- Property expenses comprise all costs associated with the ownership and maintenance of the Group's property, plant and equipment;
- Other expenses include external contractors, consulting and professional fees, software-as-a-service expenses, stewardship and general business and administrative expenses; and
- Finance costs comprise interest expense on lease liabilities and bank loans recognised using the effective interest method, imputed interest expense on RAD and bond balances under AASB 16, and bank fees.

B3 Cash and cash equivalents

	2024 $'000	2023 $'000
Cash on hand	132	134
Cash at bank	144,951	142,607
Deposits – UCIS	182,383	192,493
Deposits – other	35,000	25,000
Total cash and cash equivalents	**362,466**	**360,234**
Restricted balances included within cash and cash equivalents		
Grant agreements and donations	25,759	29,797
Restricted funds held under Retirement Villages Act 1999		
Capital replacement funds	13,071	3,603
Maintenance reserve funds	6,275	6,347
General services funds	637	668
Total restricted balances	**45,742**	**40,415**

The above balances are restricted in use for certain purposes defined in either a grant agreement, trust agreement or other externally imposed requirements. The *Retirement Villages Act 1999* imposes statutory restrictions over all amounts held in capital replacement funds, maintenance reserve funds, and general services funds, which restricts the use for which these funds can be applied. These amounts must be held separately. In addition, all residential aged care bond deposits received since 1 October 2011, that have been expended on projects, meet the *Aged Care Act 1997* "permitted purposes".

Material accounting policies

(a) Cash and cash equivalents

Cash and cash equivalents comprise any cash balances, short-term bills and call deposits that are readily convertible to cash. Cash and cash equivalents are carried at the face value of the amounts deposited. For the purposes of the statement of cash flows, cash and cash equivalents are as defined above.

B3 Cash and cash equivalents (continued)

Reconciliation of deficit to net cash flow from operating activities

	2024 $'000	2023 $'000
Deficit for the year	**(97,753)**	**(57,696)**
Depreciation and amortisation expense	130,937	119,707
Capital grants from government	(12,706)	(16,634)
Write-offs and impairment expense	587	429
Impairment reversals	(2,246)	-
Gain on sale of property, plant and equipment	(6,719)	(17,744)
Fair value loss on resident loans	13,756	7,803
Deferred management fee revenue and retentions	(16,401)	(15,523)
Share of profit in joint ventures	(655)	(929)
Change in fair value of investment properties	(10,338)	(10,251)
Fair value gain on financial assets at Fair Value through Profit or Loss (FVTPL)	(514)	(393)
Investment income	(982)	(517)
Non-cash transactions included in the surplus for the year	1,424	938
Change in operating assets and liabilities:		
Decrease/(Increase) in trade and other receivables	2,465	(22,558)
Decrease/(Increase) in prepayments	2,201	(2,060)
(Increase) in inventories	(1,989)	(840)
Decrease/(Increase) in other assets	4,661	(299)
(Decrease)/Increase in trade and other payables	(6,668)	21,025
(Decrease) in other liabilities	(3,625)	(28,941)
Increase in employee benefits and other provisions	6,018	14,358
Net cash inflow/(outflow) from operating activities	**1,453**	**(10,125)**

C Our Operating Base

This section provides further insight into the Group's operating asset base used to support the provision of health, aged care, disability and community services. This section includes working capital, property, plant and equipment, right of use assets, investment properties, and intangible assets. Working capital includes trade and other receivables, inventories, other assets, trade and other payables, ingoing contributions, RADs and accommodation bonds, and other liabilities.

C1 Working Capital

C1.1 Trade and other receivables

	2024 $'000	2023 $'000
Trade receivables	100,118	100,727
Loss allowance	(12,826)	(9,605)
	87,292	91,122
Contract receivables	17,663	15,003
Other receivables	7,822	6,210
GST recoverable	4,847	7,755
Total trade and other receivables	**117,624**	**120,090**

	Current - 90 days past due	90+ days past due
30 June 2024	**$'000**	**$'000**
Gross carrying amount - trade receivables	77,096	23,022
Loss allowance	(2,363)	(10,463)
	74,733	**12,559**
30 June 2023		
Gross carrying amount - trade receivables	76,377	24,350
Loss allowance	(1,881)	(7,724)
	74,496	**16,626**

Contract receivables include accrued hospital income for patients not yet invoiced. It also includes Home Care Package (HCP) funding not yet received for services provided to clients.

The nature of the trade receivables profile is that there is no concentration of credit risk with any single client. The closing loss allowances for trade receivables and contract assets reconcile to the opening loss allowances as follows:

	2024 $'000	2023 $'000
Opening loss allowance at the start of the year	9,605	8,239
Increase in loss allowance recognised in profit or loss during the year	4,091	4,700
Receivables written off during the year as uncollectible	(718)	(2,993)
Unused amount reversed	(152)	(341)
Closing loss allowance at the end of the year	**12,826**	**9,605**

Accounting judgements, estimates and assumptions

Expected credit losses on trade receivables

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the ageing profile. The expected loss rates are based on the historical payment profiles of debtors over a period of up to 12 months before 30 June 2024 and 30 June 2023 respectively. The historical loss rates are adjusted to reflect current and forward-looking information on economic factors affecting the ability of the clients to settle the receivables.

C1 Working Capital (continued)

C1.1 Trade and other receivables (continued)

Material accounting policies

(a) Trade receivables

Trade receivables are amounts due from clients for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are classified as current. Trade receivables are recognised initially at the transaction price unless they contain significant financing components, then they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and measures them subsequently at amortised cost using the effective interest method.

(b) Credit risk

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due. Impairment losses on trade receivables and contract assets are presented as net impairment losses in the statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

The Group applies the simplified approach to measuring expected credit losses and uses a lifetime expected loss allowance for all trade receivables.

(c) Contract receivables

A contract receivable representing the Group's right to consideration for services delivered but not yet invoiced is recognised as hospital patient services are rendered but not yet invoiced, or as Home Care Package (HCP) services are provided to clients but funding has not yet been received (see Note B1).

C1.2 Inventories

	2024 $'000	2023 $'000
Medical supplies	18,250	17,092
Other	4,842	4,011
Total current inventories	**23,092**	**21,103**

The cost of inventories recognised as an expense during the year was $236,235,000 (2023: $223,140,000). This predominantly relates to medical items and prosthetics.

The Group has not recognised any impairment losses in profit or loss on inventories during the year (2023: $Nil).

Material accounting policies

(a) Inventories

Purchased inventories are valued at the lower of weighted average cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Second-hand inventory donations are not recognised as an asset (see Note B1).

C1 Working Capital (continued)

C1.3 Other assets

	2024	2023
Current	**$'000**	**$'000**
Prepayments	19,584	21,785
Accrued income	7,566	12,534
Deferred consideration	16,184	4,454
Other current assets	192	284
Total other current assets	**43,526**	**39,057**
Non-current		
Funds held in trust	2,446	2,350
Deferred consideration	-	11,331
Total other non-current assets	**2,446**	**13,681**

Funds held in trust are restricted in use to the purposes intended under the trust agreements. Only interest income earned from investment of the principal amounts is permitted to be used. Permitted uses include the promotion of staff development and training and the support of community care services.

Deferred consideration includes consideration receivable for the sale of two properties to the Uniting Church in Australia Property Trust (Q.) of $4,454,000 and $11,730,000 respectively. These have been disclosed as related party receivables at G4.2.

Material accounting policies

(a) Deferred consideration

Deferred consideration comprises amounts due for sales of financial or non-financial assets. Deferred consideration expected to be settled within 12 months is recognised initially at the transaction price. Where deferred consideration is expected to be settled after 12 months, the transaction price is discounted. The discount is recognised as other interest income in the statement of profit or loss and other comprehensive income (see Note B1).

C1.4 Trade and other payables

	2024	2023
Current	**$'000**	**$'000**
Trade payables	79,454	85,165
Accrued expenses	84,270	84,911
Other payables	3,440	3,756
Total current trade and other payables	**167,164**	**173,832**
Non-current		
Maintenance reserve funds	6,547	6,447
Total non-current trade and other payables	**6,547**	**6,447**

The Group has financial risk management policies in place to ensure that payables are paid within the credit framework. The credit framework is determined by the terms of the creditors and interest is not payable when paid within trading terms.

Maintenance reserve funds are established under section 97 of the *Retirement Villages Act 1999 (Qld)* for maintaining and repairing retirement villages' capital items. The amounts held in the maintenance reserve funds are solely for the benefit of the residents and the residents are solely responsible for contributing to the funds. The budget of the fund is set annually by an external quantity surveyor and drawn down as the allowed items are incurred.

C1 Working Capital (continued)

C1.5 Ingoing contributions, RADs and accommodation bonds

	2024	2023
Expected to be paid within 12 months	$'000	$'000
Ingoing contributions	37,488	37,315
RADs and accommodation bonds	132,534	123,357
	170,022	160,672
Not expected to be paid within 12 months		
Ingoing contributions	530,219	513,061
RADs and accommodation bonds	244,085	208,702
	774,304	721,763
Total ingoing contributions, RADs and accommodation bonds	**944,326**	**882,435**

Accommodation bonds, including RADs, are held in respect of clients in residential aged care facilities. Ingoing contributions are held for clients of retirement living units covered under the *Retirement Villages Act 1999*.

Accounting judgements, estimates and assumptions	
Refundable accommodation deposits	Management use historical performance for resident exits and the average value of current RADs held for the basis of estimating the expected payment periods for current RADs.

Material accounting policies

(a) Ingoing contributions

Ingoing contributions received from residents represent non-interest-bearing deposits that are refundable in accordance with the relevant legislation and the individual resident agreements in the event the resident leaves a Group facility. They are recognised at fair value with resulting fair value adjustments recognised in profit or loss. Fair value is the amount payable on demand and is measured at the principal amount plus the residents share of any increase in the market value of the occupied unit (for contracts that contain a capital gain share clause) less deferred management fees contractually accruing up to reporting date.

They are repayable on demand and classified as current liabilities because the Group does not have an unconditional right to defer settlement of any specific balance for at least 12 months after the reporting date. As they are considered to be repayable on demand, they are recorded at the amount initially received less any contractually accrued DMF the Group is allowed to deduct and are not discounted.

This classification does not reflect the expected annual net movement of cash received from the receipt and refund of accommodation balances over the normal course of business.

(b) RADs

RADs are repayable on demand and are classified as current liabilities because the Group does not have an unconditional right to defer settlement of any specific balance for at least 12 months after the reporting date. This classification does not reflect the expected annual net movement of cash received from the receipt and refund of accommodation balances over the normal course of business.

RADs are recorded at the amount initially received less any retention the Group is allowed to deduct in accordance with the relevant legislation and resident agreement. Retentions may take the form of DAPs, interest on unpaid amounts, additional service fees, and any other fees drawn from the RAD balances, and are not discounted. DAPs are accounted for under AASB 16 (see Note B1).

Interest is payable to residents on RADS from the date of the resident's death or departure to the date of repayment. Interest is charged on RADS and fees that are received after their due date.

The cash required to cover the refund of RADs is subject to a documented liquidity management strategy.

C1 Working Capital (continued)

C1.6 Other liabilities

	2024	2023
Current	**$'000**	**$'000**
Grant funding liabilities	35,259	31,395
Contract liabilities	-	8,096
Construction obligation	28,606	18,523
Deferred revenue	3,968	3,967
Unearned income	3,556	3,573
Other current liabilities	2,166	1,543
Total other current liabilities	**73,555**	**67,097**
Non-current		
Deferred revenue	36,962	35,730
Construction provision	13,773	-
Unearned income	7,682	7,842
Total other non-current liabilities	**58,417**	**43,572**

Unearned income includes a lease to Wesley Research Institute Limited for a 99-year period that has been prepaid of $8,495,000 (2023: $8,665,000). This lease does not have an option to renew or purchase the underlying asset at the expiry of the lease period. The Group has assessed this as an operating lease as it does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset.

Deferred revenue relates to the difference between contractually accrued ingoing contributions and DMF revenue recognised based on expected resident occupancy.

Material accounting policies

(a) Grant funding liabilities

Grant funding liabilities comprise unfulfilled performance obligations for government grants containing a refund obligation. Liabilities are released to the statement of profit or loss and other comprehensive income as performance obligations are satisfied or returned to the funder unless otherwise agreed (see Note B1).

(b) Contract liabilities

Contract liabilities comprise unfulfilled performance obligations for Home Care Packages (HCP). Liabilities are released to the statement of profit or loss and other comprehensive income as performance obligations are satisfied (see Note B1).

(c) Construction obligation

A construction obligation is recognised for capital grants received for which there is an unfulfilled construction obligation (see Note B1).

(d) Construction provision

Construction has commenced on the Sunrise Beach Retirement Village. The Group has appointed an external development manager who is responsible for funding the development and bears the development and construction risk. In consideration, the development manager will receive a development fee equal to the entry fee paid by each first resident of the completed village. The Group has the right to terminate the development during construction at which point it would become liable for construction costs incurred to date. Whilst it is considered unlikely that any liability will become payable for early termination, the Group has determined that it has an irrevocable obligation for costs incurred at reporting date. A construction provision is recognised for estimated construction costs incurred to date on the Sunrise Beach Retirement Village development (see Note C4).

C2 Property, plant and equipment

2024	Work in progress $'000	Land and buildings $'000	Plant and equipment $'000	Total $'000
Cost	57,332	1,421,833	708,298	2,187,463
Accumulated depreciation	-	(662,383)	(476,034)	(1,138,417)
Carrying amount at 30 June 2024	**57,332**	**759,450**	**232,264**	**1,049,046**
Carrying amount at 1 July 2023	105,686	723,534	223,952	1,053,172
Additions	106,871	7,620	23,811	138,302
Disposals and derecognitions	(3,243)	(1,958)	(1,959)	(7,160)
Transfers: from work in progress	(151,395)	85,531	38,551	(27,313)
Transfers: to assets held for sale	-	(5,217)	-	(5,217)
Transfers: between asset classes	-	(3,094)	3,094	-
Depreciation	-	(46,966)	(55,185)	(102,151)
Impairment	(587)	-	-	(587)
Carrying amount at 30 June 2024	**57,332**	**759,450**	**232,264**	**1,049,046**
2023				
Cost	105,686	1,344,260	655,393	2,105,339
Accumulated depreciation	-	(620,726)	(431,441)	(1,052,167)
Carrying amount at 30 June 2023	**105,686**	**723,534**	**223,952**	**1,053,172**
Carrying amount at 1 July 2022	91,031	690,482	205,641	987,154
Additions	116,270	29,197	27,806	173,273
Disposals and derecognitions	-	(6,038)	(1,269)	(7,307)
Transfers: from work in progress	(101,186)	58,697	23,126	(19,363)
Transfers: to investment properties	-	(3,945)	-	(3,945)
Transfers: to assets held for sale	-	(1,491)	-	(1,491)
Transfers: from intangibles	-	-	22,633	22,633
Transfers: between asset classes	-	2,377	(2,377)	-
Depreciation	-	(45,745)	(51,608)	(97,353)
Impairment	(429)	-	-	(429)
Carrying amount at 30 June 2023	**105,686**	**723,534**	**223,952**	**1,053,172**

Certain transfers out of work in progress have been recognised as additions to investment properties and intangible assets in Note C4 and Note C5. In addition, $5,217,000 (2023: $1,491,000) of land and buildings have been classified as held for sale. The Group expects to complete the sales within the next 12 months. The Group has not recognised any impairment losses in respect of the land and buildings classified as held for sale.

Contractual commitments for the acquisition of property plant and equipment are disclosed at Note C2.1.

Property plant and equipment pledged as security

Freehold land and buildings with a carrying amount of $165,839,000 (2023: $58,941,000) have been pledged as security for the ANZ cash advance facility that was entered into during the year. The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity without the approval from the ANZ Banking Group Limited (see Note D3).

As at 30 June 2024, freehold land and buildings with a carrying amount of $3,631,000 (2023: $3,805,000) have been pledged to the Queensland Government to secure grant funding under a mortgage. The Group is able to pledge these assets as security for other borrowings provided that the funder remains as a second mortgagee. In addition, freehold land and buildings with a carrying amount of $330,000 (2023: $377,000) have been pledged to the Commonwealth Government to secure grant funding under a mortgage.

In total, property, plant and equipment of $3,961,000 (2023: $4,182,000) which is 0.4% (2023: 0.4%) of total property, plant and equipment, has been or will be pledged to secure government grants.

C2 Property, plant and equipment (continued)

Accounting judgements, estimates and assumptions	
Estimated useful life of property, plant and equipment	The estimated useful lives of property, plant and equipment are assessed annually. This assessment takes into consideration legislative and safety requirements and plans to ensure continued compliance therewith. The estimated useful lives reflect existing redevelopment plans which are also subject to review based on requirements and cost. Future changes to the redevelopment program may impact on the assessment of useful lives with a corresponding impact on depreciation expense in future periods.

Material accounting policies

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the consolidated statement of profit or loss and other comprehensive income.

The cost of capital works in progress includes directly attributable expenditure including the cost of materials, direct labour, an initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located, an appropriate proportion of production overheads and directly attributable borrowing costs.

Assets whose carrying amounts will be recovered principally through a sale transaction rather than through continuing use are classified as assets held for sale. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable. For a sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset, an active program to locate a buyer and complete the plan must have been initiated, and the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

(b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(c) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in the consolidated statement of profit or loss and other comprehensive income. Land is not depreciated.

The depreciation expense is recognised in 'depreciation and amortisation expenses' in the statement of profit or loss and other comprehensive income.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- Buildings and improvements — Up to 50 years
- Plant and equipment — 1 to 50 years
- Motor vehicles (included in plant and equipment) — 1 to 10 years

Assets are depreciated on a straight-line basis from the date of acquisition or from the time an asset is completed and held ready for use.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

C2 Property, plant and equipment (continued)

Material accounting policies (continued)

(d) Impairment of assets

The carrying amounts of assets are reviewed annually to determine whether there is any indication of impairment. If any indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Group would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the current replacement cost of the asset.

Impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive income. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

C2.1 Commitments for capital expenditure

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2024	2023
Not later than one year	**$'000**	**$'000**
Buildings	18,604	41,443
Plant and equipment	988	10,812
Contractors and consultants	1,322	5,132
	20,914	**57,387**
Later than one year and not later than five years		
Buildings	974	416
Total capital expenditure commitments	**21,888**	**57,803**

C3 Right of use assets

	Land and buildings	Motor vehicles	Other assets	Total
2024	**$'000**	**$'000**	**$'000**	**$'000**
Cost	125,054	8,134	3,554	136,742
Accumulated depreciation	(56,174)	(3,317)	(3,537)	(63,028)
Carrying amount at 30 June 2024	**68,880**	**4,817**	**17**	**73,714**
Carrying amount at 1 July 2023	30,866	2,257	34	33,157
Additions	10,532	4,619	-	15,151
Depreciation	(16,950)	(2,059)	(17)	(19,026)
Lease modifications	42,186	-	-	42,186
Impairment reversal	2,246	-	-	2,246
Carrying amount at 30 June 2024	**68,880**	**4,817**	**17**	**73,714**
2023				
Cost	85,618	4,541	3,554	93,713
Accumulated depreciation	(54,752)	(2,284)	(3,520)	(60,556)
Carrying amount at 30 June 2023	**30,866**	**2,257**	**34**	**33,157**
Carrying amount at 1 July 2022	29,123	1,973	95	31,191
Additions	13,852	1,616	-	15,468
Depreciation	(12,109)	(1,332)	(61)	(13,502)
Carrying amount at 30 June 2023	**30,866**	**2,257**	**34**	**33,157**

C3 Right of use assets (continued)

During the year the Group implemented a new property lease management system and has remeasured its lease liability (with adjustments to the related right of use asset) to reflect changes to lease terms of individual leases, changes in indexes and rates, and modifications to leases that were not accounted for as separate leases.

Right of use assets pledged as security

Motor vehicle right of use assets with a carrying amount value of $4,817,000 (2023: $2,257,000) are pledged as security under the terms of the lease (see Note D2).

Material accounting policies

(a) Recognition and measurement

The Group recognises right of use assets at the commencement date of the lease which is when the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised (see Note D2), initial direct costs incurred (if any), and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to be able to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight line basis over the shorter of the estimated useful life of the assets and the lease term. The depreciation expense is recognised in the 'Depreciation and amortisation expenses' in the statement of profit or loss and other comprehensive income. Right of use assets are subject to impairment testing.

C4 Investment properties

	Work in progress $'000	Investment properties $'000	Total $'000
Fair value at 1 July 2023	-	636,227	636,227
Additions	13,773	10,396	24,169
Disposals and derecognitions	-	(379)	(379)
Change in fair value of investment properties	-	10,338	10,338
Fair value at 30 June 2024	**13,773**	**656,582**	**670,355**
Fair value at 1 July 2022	-	613,039	613,039
Additions	-	12,937	12,937
Change in fair value of investment properties	-	10,251	10,251
Fair value at 30 June 2023	**-**	**636,227**	**636,227**

Amounts recognised in consolidated statement of profit or loss and other comprehensive income	**2024 $'000**	**2023 $'000**
Deferred management fees	16,401	15,523
Change in fair value of investment properties	10,338	10,251
Valuation reconciliation:		
Fair value of investment properties	656,582	636,227
Less:		
Ingoing contributions	(449,555)	(438,654)
Deferred revenue	(34,010)	(33,483)
Valuation	**173,017**	**164,090**

In determining market values, the Group obtains independent external valuations for its investment properties on a rolling basis at least every three years. As a result, 3 investment properties have been independently valued during the year ended 30 June 2024 (2023: 2). The remainder of the investment property portfolio is measured using the Group's internal valuation model.

C4 Investment properties (continued)

Investment properties pledged as security

Freehold land with a carrying amount of $4,237,000 (2023: $3,945,000) has been pledged to Keyton Retirement Villages as security for the Sunrise Beach Retirement Village development. The Group is not allowed to pledge these assets as security for other borrowings or sell them without the approval from Keyton. See Note G5 for further information relating to the development.

Accounting judgements, estimates and assumptions

Classification of investment properties

Significant management judgement has been applied to determine the classification of retirement units as investment properties. The Group has assessed the risks and rewards associated with ownership of the retirement units as remaining with the Group and not transferring to the occupier. The Group therefore recognises resident loans in respect of those occupied retirement units. The gross carrying amount of these units is recognised with reference to the relevant resident loan.

Fair value estimate of investment properties

Investment properties are classified as level 3 in the fair value hierarchy as key assumptions used in their valuation are not observable. The following assumptions have been used in calculating the fair values of investment properties:

Unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	2024	2023	
Expected market growth	2.6% to 3.5%	2.5% to 3.5%	Fair value increases with higher expected market growth
Average length of stay	3.9 to 13.7 years	5.0 to 13.7 years	Fair value decreases with higher length of stay
Risk adjusted discount rates	13.0% to 16.0%	13.0% to 16.5%	Fair value increases with lower discount rate

Construction work in progress

Management uses an off the plan construction cost estimate performed by an independent valuer, and a stage of completion report provided by the developer, to estimate the value of capital work in progress at reporting date (see Note C1.6).

Material accounting policies

(a) Recognition and measurement

Investment properties comprise the resort style retirement villages of the Group. This includes Independent Living Units, Serviced Apartments, common facilities and integral plant and equipment. Investment properties are initially measured at cost including any acquisition costs and are held to generate income from deferred management fees and the Group's share of the change in the market value of the investment.

Subsequently, investment properties are measured at fair value with any change therein recognised in the consolidated statement of profit or loss and other comprehensive income.

Fair value of investment properties under construction is primarily determined using direct comparison of active market prices, adjusted for any difference in the nature, location or stage of completion of the specific asset. Any gain or loss arising from a change in fair value is recognised in the consolidated statement of profit or loss and other comprehensive income.

On initial valuation of the resort style retirement villages as investment properties on 1 July 2018, the difference at the date of change between carrying value and fair value was recognised in other comprehensive income and created the properties revaluation reserve. On subsequent disposal of an investment property, the properties revaluation reserve relating to that property will be reclassified to accumulated funds. If any investment property is disposed, the gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal and is recognised in the consolidated statement of profit or loss and other comprehensive income in the year of disposal.

Deferred management fee income from investment property is recognised as revenue on a straight-line basis over the expected period of the resident occupancy in line with AASB 16 (see Note B1).

C5 Intangible assets

	2024	2023
Computer software	**$'000**	**$'000**
Cost	184,553	166,839
Accumulated amortisation	(147,824)	(139,961)
Carrying amount at the end of the year	**36,729**	**26,878**

Computer software		
Carrying amount at the start of the year	26,878	38,968
Additions	225	661
Transfers: from work in progress	19,386	18,818
Transfers: to property plant and equipment	-	(22,633)
Transfers: to operating expenses	-	(84)
Amortisation	(9,760)	(8,852)
Carrying amount at the end of the year	**36,729**	**26,878**

During the year ended 30 June 2024, the Group carried the following significant intangible assets: client management systems (myCMS and Alayacare). The carrying value related to these intangible assets at year-end was $7,747,000 and is expected to be amortised between four to eight years.

The Group has intangible assets in the form of residential aged care places which are a right to operate a bed. They are issued by the Commonwealth Government free of charge and have no fixed period once operational. The Group does not assign a value to bed assets due to the lack of a clear market that buys and sells these assets. The Commonwealth Government has discontinued the requirement for aged care providers to hold bed licenses from 1 July 2024 onwards.

Accounting judgements, estimates and assumptions

Determination whether configuration and customisation services are distinct from software-as-a-service access

Implementation costs including costs to configure or customise the cloud provider's application software are recognised when the services are received.

Where the software-as-a-service (SaaS) arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software. Distinct configuration and customisation costs are expensed as incurred when the software is configured or customised. Non-distinct configuration and customisation costs are expensed over the SaaS contract term.

Non-distinct customisation activities may significantly enhance or modify a SaaS cloud-based application. Judgement has been applied in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not.

Capitalisation of configuration and customisation costs in software-as-a-service arrangements

In implementing SaaS arrangements, the Group has developed software code that either enhances, modifies or creates additional capability to the existing owned software. This software is used to connect with the SaaS arrangement's cloud-based application.

Judgement has been applied in determining whether the changes to the owned software meets the definition and recognition criteria for an intangible asset in accordance with AASB 138 *Intangible Assets*.

C5 Intangible assets (continued)

Material accounting policies

(a) Recognition and measurement

Expenditure on research activities is recognised in the consolidated statement of profit and loss and other comprehensive income when incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development to be able to use or sell the asset. Otherwise, it is recognised in profit and loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

(b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the consolidated statement of profit and loss and other comprehensive income as incurred.

(c) Amortisation

Amortisation is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit and loss. The amortisation expense is recognised in 'depreciation and amortisation expenses' in the statement of profit or loss and other comprehensive income.

The estimated useful life for software development costs is 1 to 15 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(d) Impairment

Intangible assets are tested for impairment when an indicator of impairment exists. If the recoverable amount is less than its' carrying value, an impairment loss is recorded to adjust the carrying value. The Group does not have intangibles with indefinite lives.

(e) Software-as-a-service arrangements

Software-as a service (SaaS) arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud providers application software, are recognised as operating expenses when the services are received.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability of, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate. Judgement is required to determine whether the additional code meets the definition of an intangible asset.

When the SaaS arrangement supplier provides both the configuration and customisation services, and the SaaS access over the contract term, judgement is required to determine whether these services are distinct or not from each other. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (i.e. upfront). Non-distinct configuration and customisation costs are expensed over the SaaS contract term (i.e. as a prepayment).

Non-distinct customisation activities may significantly enhance or modify a SaaS cloud-based application. Judgement is required in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not.

D Financial Instruments

This section provides information on Group objectives when managing capital. The Group's objectives are to safeguard the Group's ability to continue as a going concern, and to ensure the funding structure enhances, protects and balances financial flexibility against minimising the cost of capital. Given the nature of Group operations, it is also exposed to a number of market risks; this section outlines how these key risks are managed.

D1 Financial assets

	2024 $'000	2023 $'000
Investments in financial assets measured at fair value through profit or loss (FVTPL)	4,485	2,299
Investments in debt instruments classified as fair value through other comprehensive income (FVOCI)	15,332	14,725
Investments in equity instruments classified as fair value through other comprehensive income (FVOCI)	21,609	20,534
Total financial assets	**41,426**	**37,558**

Amounts recognised in profit or loss and other comprehensive income

During the year, the following gains were recognised in profit or loss and other comprehensive income:

Income recognised in other comprehensive income		
Related to equity investments	2,702	3,620
Related to debt investments	117	8
Total income recognised in other comprehensive income	**2,819**	**3,628**
Income recognised in profit or loss		
Related to debt investments (classified as other expenses)	514	393
Dividends from equity investments held at FVOCI recognised in other income	490	594
Total income recognised in profit or loss	**1,004**	**987**

The Group has established an investment portfolio which is managed in accordance with the Group's Investment Management Strategy (IMS). The IMS provides a framework within which the Group can invest funds in a considered, sustainable and compliant way.

Material accounting policies

(a) Recognition and initial measurement

Debt and equity instruments are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Debt and equity instruments are initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Classification

On recognition, a financial asset is classified as measured at:

- Amortised cost;
- Fair value through profit or loss;
- Debt instruments at fair value through other comprehensive income;
- Equity instruments at fair value through other comprehensive income.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

D1 Financial assets (continued)

Material accounting policies (continued)

(b) Classification and subsequent measurement

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity instrument is measured at FVOCI if on initial recognition it is not held for trading and the Group makes an irrevocable election to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The fair value of financial assets at FVTPL and FVOCI is determined based on current bid prices for all quoted investments at reporting date.

Subsequent measurement, gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains or losses are recognised in OCI. On derecognition, gains or losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

D2 Lease liabilities

	2024	2023
Current	**$'000**	**$'000**
Lease liabilities	19,127	14,615
Total current lease liabilities	**19,127**	**14,615**
Non-current		
Lease liabilities	62,904	24,817
Total non-current lease liabilities	**62,904**	**24,817**
Interest expense (included in finance costs)	3,931	2,100
Expense relating to short-term leases (included in property expenses)	3,560	8,045

Total cash outflows for leases (excluding short-term leases) for the year ended 30 June 2024 was $21,453,000 (2023: $17,360,000). During the year the Group implemented a new property lease management system and has remeasured its lease liability (with adjustments to the related right of use asset) to reflect changes to lease terms of individual leases, changes in indexes and rates, and modifications to leases that were not accounted for as separate leases.

Accounting judgements, estimates and assumptions	
Lease term and option renewals	The lease term is determined to be the non-cancellable term of a lease, together with any periods covered by an option to extend if it is reasonably certain to be exercised. Where the Group has the option to extend a lease for additional terms, judgement is applied in evaluating whether it is reasonably certain to exercise the option to renew, taking into account relevant factors that create an economic incentive to exercise the renewal option. After commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not exercise) the option to renew.
Incremental borrowing rates	Where the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to calculate the present value of future lease payments. The Group estimates the IBR using market interest rates and adjusts these rates to include the effect of its own stand-alone credit rating.

Material accounting policies

(a) Identification of lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

(b) Recognition and measurement

Lease liabilities are initially measured at the present value of the lease payments to be made over the lease term that have not paid at the commencement date, discounted using the Group's incremental borrowing rate (IBR) if the interest rate implicit in the lease cannot be determined. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Variable payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

D2 Lease liabilities (continued)

Material accounting policies (continued)

(b) Recognition and measurement (continued)

After commencement date, the carrying amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments, or a change in the assessment to purchase the underlying asset. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in consolidated statement of profit and loss and other comprehensive income if the carrying amount of the right of use asset has been reduced to zero.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of profit or loss and other comprehensive income. Short-term leases are leases with a lease term of 12 months or less, while low-value assets include items such as IT equipment.

(c) Concessionary leases

The Group has applied the option to measure these leases at cost in accordance with AASB 16 and expenses them on a straight-line basis when incurred.

(d) Lessor accounting

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies AASB 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as 'lessor income' (see Note B1).

Significant leasing arrangements

The Group leases various properties, motor vehicles and equipment. Rental contracts are made for fixed periods of 1 to 99 years and may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Concessionary leases

The Group has 39 (2023: 37) below market leases accounting for 5.8% (2023: 6.4%) of the total number of leases. The Group is dependent on these leases to further its objectives as it utilises the land and buildings to run its operations and deliver its services. The Group is restricted on the use of the land and buildings subject to these leases as agreed with the respective lessors being local, state or territory governments. This includes 5 leases (2023: 5) of land under deed of grant in trust on which the Group operates aged care facilities.

Category	Source	Group Objectives	Lease term	Ave payment p.a. ($)
Aged care 6: land and buildings	State/Territory government	Regional and remote high care, hostel and remote accommodation	1 to 34 years Average of 21 years	83
Community services 7: land and buildings	Local government	Respite centres, counselling, charity stores and other community services	1 to 50 years Average of 20 years	135
Housing 20: Dwellings	State government	Crisis accommodation	1 to 5 years Average of 1 years	1
Hospitals 6: Equipment	Commercial suppliers	Health care services	5 to 7 years Average of 6 years	80

D2 Lease liabilities (continued)

D2.1 Future minimum lease payments

The future minimum lease payments arising under the Group's lease contracts at the end of the reporting period are as follows:

	2024 $'000	2023 $'000
Not more than one year	21,016	21,630
Later than one year and not later than five years	59,440	51,930
Later than five years	9,166	12,620
Total future minimum lease payments	**89,622**	**86,180**

D3 Borrowings

	2024 $'000	2023 $'000
Current		
Secured	55,000	-
Total current borrowings	**55,000**	**-**

At the end of the reporting period the Group had access to the following facilities:

	2024		2023	
	Total $'000	Utilised $'000	Total $'000	Utilised $'000
ANZ Cash Advance Facility	140,000	55,000	-	-
ANZ Bank Guarantee Facility	11,000	6,176	11,000	6,237
ANZ Asset Finance Facility	8,900	66	8,900	95
UCIS Line of Credit Facility	20,000	-	20,000	-
Total	**179,900**	**61,242**	**39,900**	**6,332**

During the year the Group established an ANZ cash advance facility which can only be used for the purpose of funding working capital and liquidity requirements or routine capital expenditure. Each cash advance loan carries an interest rate equal to the margin for the loan plus the Bank Bill Swap Bid Rate (BBSY) applicable to the relevant funding period and can have a maximum funding period of 6 months.

The ANZ cash advance, bank guarantee and asset finance facilities are secured by a mortgage over freehold land and buildings of the Property Trust (see Note C2). In addition, the Group is required to maintain an Interest Cover Ratio of no less than 3 to 1 for the 12-month period ending on each calculation date (being 30 June and 31 December).

Material accounting policies

(a) Recognition and measurement

Borrowings are initially recognised when the Group becomes a party to the contractual provisions of the instrument. They are initially measured at fair value less transaction costs that are directly attributable to their acquisition.

Borrowings are classified and measured at amortised cost using the effective interest method. Any difference between cost and redemption value is recognised in the consolidated statement of profit or loss and other comprehensive income over the entire period of the borrowings on an effective interest basis. Fees paid on the establishment of loan facilities, which are not incremental costs relating to the actual draw-down facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are classified as current liabilities unless there is an unconditional right to defer the settlement of the liability for at least 12 months from the end of each annual reporting period.

D3 Borrowings (continued)

D3.1 Movement in liabilities from financing activities

The table below details changes in the Group's liabilities arising from financing activities including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities. Cash flows presented below exclude interest.

	1 July 2023	Cash flows	New leases	Other	30 June 2024
Liabilities	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Lease liabilities	39,432	(17,801)	13,886	46,514	82,031
Borrowings	-	55,000	-	-	55,000
Ingoing contributions, RADs and accommodation bonds	882,435	65,769	-	(3,878)	944,326
Total liabilities from financing activities	**921,867**	**102,968**	**13,886**	**42,636**	**1,081,357**

	1 July 2022	Cash flows	New leases	Other	30 June 2023
Liabilities	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Lease liabilities	39,812	(15,262)	14,796	86	39,432
Ingoing contributions, RADs and accommodation bonds	853,998	37,993	-	(9,556)	882,435
Total liabilities from financing activities	**893,810**	**22,731**	**14,796**	**(9,470)**	**921,867**

Other changes for ingoing contributions, RADs and accommodation bonds include deferred management fees, movement in deferred revenue liabilities and retention revenue. Other changes for lease liabilities relate primarily to lease modifications, including changes to future lease payments resulting from a reassessment of the likelihood of exercising option renewals, or a change in an index or a rate used to determine those payments, such as a change to reflect market rental rates following a market rent review.

D4 Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risks, credit risk, capital risk and liquidity risk. The overall risk management program of the Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance. The Group's current strategy to meet minimum liquidity requirements is to constantly monitor cash flow through the preparation of monthly cash flow statements and cash flow reconciliations and forecasts.

The Group deposits funds with, and borrows funds from, UCIS, the Treasury arm of the Property Trust, ANZ, CBA, NAB, Bank of Queensland, and Bendigo Bank. Risk management is carried out under policies approved by the Queensland Synod Finance, Investment and Property Board and the Group's Board.

The fair values of financial assets and financial liabilities approximate carrying amounts as the assets and liabilities are either (i) short-term; (ii) the impact of discounting is not significant; or (iii) any borrowings incur interest at variable rates.

D4.1 Capital risk management

The capital structure consists of cash and cash equivalents, other financial assets and borrowings. Operating cash flows are used to maintain and expand the Group's assets, as well as to meet routine outflows including repayment of borrowings. The policy is to borrow centrally, using a variety of borrowing facilities to meet anticipated funding requirements.

(a) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations under a financial instrument or customer contract, resulting in financial loss to the Group. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At the end of the annual reporting period, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

D4 Financial risk management objectives (continued)

D4.1 Capital risk management (continued)

(b) Market risk management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: (i) interest rate risk; (ii) foreign currency risk; and (iii) price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest bearing cash and cash equivalents and other financial assets. The Group has significant interest-bearing assets and the income and operating cash flows are materially exposed to changes in interest rates. There has been no change to the nature of these risks or the manner in which these risks are managed and measured.

The Group's short-term borrowings have fixed interest rates and are not exposed to interest rate risk. Interest rate risks on borrowings are managed with the aim of reducing the impact of short-term fluctuations in earnings. However, over the longer term, permanent changes in interest rates would have an impact on earnings. If the interest rates on short-term borrowings had been 1% higher or lower, the surplus/(deficit) would have decreased or increased by $550,000 (2023: $Nil) as a result.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	30 June 2024		30 June 2023	
	USD	Other	USD	Other
	$'000	$'000	$'000	$'000
Shares (equity instruments)	5,220	697	4,058	687

As shown above, the Group is primarily exposed to changes in USD/AUD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from USD denominated shares. The impact of a 12% movement in the AUD/USD exchange rate would result in an increase or decrease of $626,000 (2023: $487,000) on profit or loss. The Group's exposure to other foreign exchange movements is not material.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Group's exposure to price risk arises from financial asset investments held by the Group and classified as either FVOCI or FVTPL (see Note D1). To manage its price risk arising from investments in debt and equity instruments, the Group diversifies its portfolio, with limits on asset classes and industries. Diversification of the portfolio is done in accordance with the policies and limits set by the Group, which include expected rates of return and ethical restrictions. Investments are managed at arm's length by an independent and fully qualified investment manager.

The investment portfolio includes cash, term deposits, managed funds, exchange trade funds, corporate bonds, Australian equities and international equities (see Note D1). If the price of Australian equities classified as FVTPL had been 20% higher or lower, the surplus/(deficit) for the year would have increased or decreased by $897,000 (2023: $460,000) as a result.

(c) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. UCIS maintains flexibility in funding by keeping external credit lines available. The Group has a documented liquidity risk management strategy in compliance with requirements of the *Aged Care Act 1997*.

D4 Financial risk management objectives (continued)

D4.1 Capital risk management (continued)

(d) Liquidity risk management

The following table details the contractual maturity for the Group's financial assets and liabilities. The table has been drawn up based on the undiscounted contractual maturities of the financial assets and liabilities, including interest that will be earned or charged on those assets. The inclusion of information on financial assets and liabilities is necessary to understand the liquidity risk management as liquidity is managed on a net asset and liability basis.

	Effective Interest	MATURING (Years)			
30 June 2024	**Rate**	**< 1**	**1 to 2**	**> 2**	**Total**
Assets	**%**	**$'000**	**$'000**	**$'000**	**$'000**
Non-interest bearing:					
Cash and cash equivalents	-	132	-	-	132
Financial assets	-	26,095	-	-	26,095
Trade and other receivables	-	117,624	-	-	117,624
Deferred consideration	-	16,454	-	-	16,454
Floating interest rate:					
Cash and cash equivalents	4.73	362,334	-	-	362,334
Financial assets	3.15	15,331	-	-	15,331
Funds held in trust	4.25	-	-	2,446	2,446
Total financial assets		**537,970**	**-**	**2,446**	**540,416**
Liabilities					
Fixed interest rate:					
Lease liabilities	4.34	19,127	13,886	49,018	82,031
Borrowings	5.54	55,000	-	-	55,000
Non-interest bearing:					
Ingoing contributions, RADs and accommodation bonds	-	944,326	-	-	944,326
Trade and other payables	-	167,164	-	6,547	173,711
Other liabilities	-	66,031	-	-	66,031
Total financial liabilities		**1,251,648**	**13,886**	**55,565**	**1,321,099**
30 June 2023					
Assets					
Non-interest bearing:					
Cash and cash equivalents	-	134	-	-	134
Financial assets	-	22,833	-	-	22,833
Trade and other receivables	-	120,090	-	-	120,090
Deferred consideration	-	4,454	12,000	-	16,454
Floating interest rate:					
Cash and cash equivalents	2.89	360,100	-	-	360,100
Financial assets	2.20	14,725	-	-	14,725
Funds held in trust	2.77	-	-	2,350	2,350
Total financial assets		**522,336**	**12,000**	**2,350**	**536,686**
Liabilities					
Fixed interest rate:					
Lease liabilities	3.92	14,615	12,495	12,322	39,432
Non-interest bearing:					
Ingoing contributions, RADs and accommodation bonds	-	882,435	-	-	882,435
Trade and other payables	-	173,832	-	6,447	180,279
Other liabilities	-	59,557	-	-	59,557
Total financial liabilities		**1,130,439**	**12,495**	**18,769**	**1,161,703**

[1] Deferred consideration is presented at its undiscounted value.

E Our People

This section provides further details of the Group's investment in our people, including employee benefits and remuneration of key management personnel.

E1 Employee benefits

	2024	2023
Current	**$'000**	**$'000**
Annual leave	106,467	101,213
Long service leave	63,549	62,587
Accrued day off and other leave	963	980
Sick leave	1,625	2,370
Total current employee benefits	**172,604**	**167,150**
Non-current		
Long service leave	20,199	20,253
Total non-current employee benefits	**20,199**	**20,253**

The current portion of employee benefits liability includes all of the employee benefits where employees have completed the required period of service or will complete the required period of service within 12 months from the balance date. The entire annual leave provision is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

The current portion of the long service leave represents the unconditional entitlement where employees have completed the required period of service, or are expected to complete the required period of service within 12 months, and also for those employees that are entitled to pro-rata payments in certain circumstances.

Portable long service leave for community services workers within the community services industry came into effect with the passing of the *Queensland Community Services Industry (Portable Long Service Leave) Act 2020*. The scheme is administered by QLeave. The above long service leave balances contain an estimate for the probable reimbursement to be received from QLeave under the scheme.

The Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Current leave obligations not expected to be settled within 12 months, included in current employee benefits, were $103,965,000 (2023: $101,867,000).

Accounting judgements, estimates and assumptions

Annual and long service leave assumptions	The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been considered. These estimates have also been applied to the calculation for the probable reimbursement from QLeave under the portable long service leave scheme.

Material accounting policies

(a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

The Group recognises benefits accruing to employees in respect of wages and salaries, annual leave, long service and accumulating sick leave as short-term benefits and measures these at their nominal values using the remuneration rate expected to apply at the time of settlement (including relevant on-costs).

E1 Employee benefits (continued)

Material accounting policies (continued)

(b) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which they arise.

(c) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted to determine present value.

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructure and has raised a valid expectation that it will carry out the plan through either commencement or announcing its main features to those affected by it. The measurement of the provision includes only the direct expenditures arising from the restructure, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

E2 Key management personnel compensation

In addition to their salaries, the Group provides non-cash benefits to key management personnel. Key management personnel compensation paid to Directors and executives included in salaries and employee expenses in the consolidated statement of profit or loss and other comprehensive income are as follows:

	2024 $'000	2023 $'000
Short-term employee benefits	6,898	6,527
Post-employment benefits	353	559
Termination benefits	652	77
Total key management personnel compensation	**7,903**	**7,163**

No transactions other than those disclosed above were made with key management personnel (2023: Nil).

F Our Structure

This section explains the Group's structure, including entities we control, and our interests in joint ventures.

F1 Joint operations

Blue Care has a 50% interest in a joint operation with Brisbane Housing Company Limited that provides affordable housing under the National Rental Affordability Scheme (NRAS). Financial information relating to this interest is set out below.

	2024	2023
Interest in joint operation	**$'000**	**$'000**
Property, plant and equipment	3,990	4,121
Less: accumulated depreciation	(131)	(131)
Net interest in joint operation	**3,859**	**3,990**
Results		
Lessor income	638	623
Expenses	(270)	(267)
Net contribution to result	**368**	**356**

The Group has assessed that the underlying property it has contributed to the joint operation meets the criteria for classification as an asset held for sale at 30 June 2024 (see Note G6).

Material accounting policies

(a) Joint operations

A joint operation is an arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interests in joint operations are accounted for through the recognition of the proportionate share of the assets, liabilities, revenues and expenses of the joint operation. Classification of these items is consistent within the Group.

F2 Interests in other entities

Interests in equity accounted joint venture

			Ownership Interest		Carrying Amount of Investment	
	Place of Business	Principal Activities	2024 %	2023 %	2024 $'000	2023 $'000
LeapIn! Australia Pty Ltd (formerly LeapIn Australia Limited) [i]	Australia	Healthcare	50	50	1,813	1,158
Investments accounted for using the equity method					**1,813**	**1,158**

[i] LeapIn! Australia Pty Ltd is an online portal for national disabilities insurance scheme clients.

F2 Interests in other entities (continued)

Movements during the year for equity accounted investments

	2024 $'000	2023 $'000
At beginning of the year	1,158	229
Add: Share of joint venture surplus	655	929
Balance at end of the year	**1,813**	**1,158**
Summarised financial performance:		
Joint ventures surplus for the period of ownership	655	929

LeapIn! Australia Limited converted into a private company limited by shares in June 2024, and was renamed LeapIn! Australia Pty Ltd. The Group sold its shares in LeapIn! Australia Pty Ltd in July 2024 (see Note G6).

Commitments and contingent liabilities in respect of joint venture

There were no further commitments or contingent liabilities in respect of the Group's joint venture at 30 June 2024 (2023: Nil).

Material accounting policies

(a) Joint ventures

A joint venture is an arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The Group recognises its share of the profits or losses of the joint venture, and its share of movements in the consolidated statement of profit or loss and other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains and losses on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest. Accounting policies are consistent with the Group's policies.

Interests in joint ventures are tested for impairment when an indicator of impairment exists. If the recoverable amount is less than its' carrying amount an impairment loss is recorded to adjust the carrying amount.

G Other Disclosures

G1 New and amended standards adopted

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for accounting periods beginning on or after 1 July 2023. These are as follows:

- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
- AASB 2022-7 *Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*

None of the above standards have had a material impact on the Group.

G2 Standards and Interpretations in issue but not yet adopted

Apart from those presented below, there are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(a)* AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

This Standard clarifies when liabilities should be presented as current or non-current in the statement of financial position, including the impact of covenants on that classification. It is effective for annual reporting periods beginning on or after 1 January 2024.

The amendments may impact classification of the Group's financial liabilities in future periods as certain of these liabilities are subject to covenants (see Note D3).

(b)* AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback

This Standard requires a seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that does not result in recognition of a gain or loss that relates to the right of use it retains. It is effective for annual reporting periods beginning on or after 1 January 2024.

The Group currently has sale and leaseback arrangements (see Note B1) and is investigating the impact of this amendment.

(c)* AASB 2023-1 *Amendments to Australian Accounting Standards – Supplier Finance Arrangements

This Standard requires the disclosure of information about an entity's supplier finance arrangements. It is effective for annual reporting periods beginning on or after 1 January 2024.

The Group does not currently have supplier finance arrangements. The Group will apply the additional disclosures in the financial statements if supplier finance arrangements are entered into in the future.

(d)* AASB 18 *Presentation and Disclosure in Financial Statements

This Standard will not change the recognition and measurement of items in the financial statements, but will affect presentation and disclosure in the financial statements, including introducing new categories and subtotals in the statement of profit or loss and other comprehensive income, requiring the disclosure of management-defined performance measures, and changing the grouping of information in the financial statements. It is effective for annual reporting periods beginning on or after 1 January 2027.

The Group is currently investigating the impact of this amendment.

G3 Auditor's remuneration

	2024 $	2023 $
Audit fees		
Audit fees	980,118	830,000
Other services	208,783	1,174,204
Total auditor's remuneration	**1,188,901**	**2,004,204**

The auditor for the Group is Deloitte Touche Tohmatsu. Other services provided relate to consulting and professional fees. Management has an Auditor Independence Policy in place to formally approve the non-audit services provided by Deloitte and is satisfied that the provision of non-audit services during the year ended 30 June 2024 is compatible with the general standard of independence for auditors imposed by the *Australian Charities and Not-for-profits Commission Act 2012*. The Board has reviewed the position on permitted non-audit services and, in accordance with the advice received from the Audit, Risk and Compliance Committee, is satisfied that the nature and scope of the non-audit services provided does not compromise the Auditor Independence Policy.

G4 Related party disclosures

G4.1 Equity interests in related parties

For details of equity interests in joint arrangements see Note F1 and F2.

G4.2 Transactions and balances with related parties

UnitingCare Queensland is part of the Uniting Church in Australia - Queensland Synod. The Group has a related party relationship with and undertakes transactions with various agencies and departments of the Property Trust including The Department of Finance and Property Services, Uniting Church Investment Services and Uniting Church Insurance. The Group makes financial contributions to the Uniting Church in Australia – National Assembly which is the national body for the Uniting Church network.

Transactions with related parties are on terms and conditions no more favourable than those available to other persons or entities unless otherwise stated.

The Group records and manages all conflicts of interest in accordance with the UnitingCare Queensland Conflict of Interest Policy and good governance principles.

G4 Related party disclosures (continued)

G4.2 Transactions and balances with related parties (continued)

The consolidated surplus for the year includes the following amounts arising from transactions and balances with related parties who are not members of the Group:

	2024 $'000	2023 $'000
(a) Transactions with related parties		
Uniting Church in Australia – Queensland Synod		
Chaplaincy services	(3,970)	(4,067)
Insurance premiums expense	(15,855)	(12,999)
Land tax reimbursement (expense)	778	(978)
Other revenue	27	-
Other expenses	(18)	(2)
Stewardship fee	(9,320)	(9,320)
Redress and sensitive matters contribution	(1,420)	(1,800)
Uniting Church Investment Services		
Interest revenue received	7,904	8,271
The Uniting Church in Australia – National Assembly		
Contribution paid	(500)	(260)
LeapIn! Australia Pty Ltd (formerly LeapIn! Australia Limited)		
Share of joint venture surplus	656	929
Interest revenue	-	44
Loans repaid	-	1,404
(b) Balances with related parties		
Uniting Church in Australia – Queensland Synod		
Consideration receivable for sale of properties	16,184	15,785
Net payables owed	(37)	(277)
Uniting Church Investment Services		
Cash on deposit at the end of year	182,486	192,540
Funds held in trust	2,446	2,350
LeapIn! Australia Pty Ltd (formerly LeapIn! Australia Limited)		
Investment in LeapIn! Australia Pty Ltd	1,813	1,158

G5 Contingent assets and liabilities

(a) National Redress Scheme

Periodically, the Group is notified of claims from people who have received current and/or previous services from the Uniting Church in Australia, Queensland Synod or its predecessor Denominations. Although the Group and the Uniting Church in Australia, Queensland Synod meet with claimants, payments made to claimants are paid through the Queensland Synod Insurance Managed Fund (including where applicable contributions from insurers and other predecessor Denominations) and not directly by the Group.

The National Redress Scheme was established on 1 July 2018 and the Group is a member of the scheme. The financial responsibility for meeting costs associated with redress and civil litigation will be borne collectively by the Uniting Church in Australia, with UnitingCare Queensland being a responsible body contributing to the recovery of costs. The nature and extent of any claims in any period are not predictable and therefore any amounts levied may vary from year to year.

(b) Legal Claims

From time to time, the services of the Group are named in legal claims of a medical nature. The outcome of these claims is uncertain. The Board is of the opinion that provisions are not required in respect of these matters, as it is not probable that a future outflow of economic benefits will be required or the amount is not capable of reliable measurement and insurance policies are adequate to meet these claims. The maximum exposure to liability for excess payments in respect of these claims is $5,216,000 (2023: $6,155,000).

G5 Contingent assets and liabilities (continued)

(c) Capital Funding Grants

The Group has received capital grants from the Commonwealth Government. Funding received may be repayable in circumstances where the asset is sold or it ceases to be used for its funded purpose, depending on the specific contractual obligations of each contract. It is considered unlikely that any liability will become payable for such grants as a result of the continued activities of the Group. The estimated contingent liability at 30 June 2024 was $90,138,000 (2023: $82,229,000).

(d) Insurance Claims

The Group has suffered financial damages as a result of the cyber incident in April 2021 and other events occurring up to reporting date. The Group has submitted claims to the value of $34,800,000 and has recovered $6,600,000 to date. Whilst the outcome of the claims is uncertain, the Group currently estimates the total amount yet to be recovered for these incidents to be in excess of $28,200,000.

(e) Wesley Research Institute Long Term Lease

In June 2009 the Group entered into a 99-year property lease with Wesley Research Institute Limited. After 30 years, the Group has the right to require Wesley Research Institute Limited to surrender the lease and vacate the premises. The Group would be required to refund Wesley Research Institute a proportion of construction costs paid as consideration for the lease if it exercised this right. The maximum exposure to liability is estimated to be $6,036,000 (2023: $6,036,000).

Other than the above matters, the Board is not aware of any other contingent assets or liabilities at the date of this report.

G6 Events after the reporting period

(a) Group Reorganisation

On 1 July 2024 the Group commenced transitioning the businesses of UnitingCare Queensland, UnitingCare Community, Blue Care and UnitingCare Health to UnitingCare Queensland Limited, a public company limited by guarantee. UnitingCare Queensland Limited is registered as a Public Benevolent Institution with the Australian Charities and Not-for-profits Commission and has deductible gift recipient status. The Group has also registered UCQ Limited, a public company limited by guarantee, which will be the ultimate parent in control of all entities within the Group effective 1 July 2024.

The principal activities of the Group remain unchanged as a result of the group reorganisation.

Management has assessed that the group reorganisation does not constitute a business combination and has adopted the predecessor value approach to measuring the assets and liabilities of the businesses that have transitioned to UnitingCare Queensland Limited.

(b) Sale of Investment in LeapIn! Australia Pty Ltd

In July 2024 the Group sold its shares in LeapIn! Australia Pty Ltd for a total consideration of $7,500,000, comprising $3,750,000 cash paid on settlement, and $3,750,000 cash to be paid 12 months from the date of the agreement. The Group generated a $5,618,000 profit on sale.

(c) Interest in Joint Operation with Brisbane Housing Company Limited

The Group has a 50% interest in a joint operation with Brisbane Housing Company Limited that provides affordable housing under the National Rental Affordability Scheme (NRAS). The Group has classified the underlying property asset that it has contributed to the joint operation as an asset held for sale at 30 June 2024. Management expects the joint operation to continue to operate until the property is sold.

There were no further matters subsequent to the end of the year that have come to attention that would have a material impact on the consolidated financial statements or disclosures therein.

G7 ACNC disclosure

As per section A2.3(a), the UCQ ACNC reporting group includes the following entities:

- UnitingCare Queensland;
- UnitingCare Community;
- Blue Care; and
- UnitingCare Health.

However, UnitingCare Queensland also controls and consolidates Australian Regional and Remote Community Services Limited (ARRCS). A reconciliation is included below, with any reclassifications required to comply with ACNC disclosure requirements:

G7 ACNC disclosure (continued)

Consolidated statement of profit or loss and other comprehensive income	UCQ ACNC reporting group $'000	Other controlled entities $'000	Eliminations $'000	UCQ Consolidated Group $'000
Revenue				
Revenue from Government (including grants) [i]	934,048	101,462	-	**1,035,510**
Donations and bequests [ii]	12,971	26	-	**12,997**
Revenue from providing goods or services	1,044,546	12,416	2,761	**1,059,723**
Revenue from investments	24,627	2,349	11,926	**38,902**
Other revenue	20,921	1,078	2,707	**24,706**
Total revenue	**2,037,113**	**117,331**	**17,394**	**2,171,838**
Other income	6,202	-	-	**6,202**
Total gross income	**2,043,315**	**117,331**	**17,394**	**2,178,040**
Expenses				
Employee expenses	(1,205,463)	(63,562)	-	**(1,269,025)**
Interest expenses	(26,686)	(602)	-	**(27,288)**
Other expenses	(912,887)	(49,199)	(17,394)	**(979,480)**
Total expenses	**(2,145,036)**	**(113,363)**	**(17,394)**	**(2,275,793)**
Net (deficit) / surplus for the year	**(101,721)**	**3,968**	**-**	**(97,753)**
Other comprehensive income	2,819	-	-	**2,819**
Total comprehensive (loss) / income for the year	**(98,902)**	**3,968**	**-**	**(94,934)**
Consolidated statement of financial position				
Assets				
Total current assets	1,446,383	70,484	(923,516)	**593,351**
Total non-current assets	1,732,428	101,675	-	**1,834,103**
Total assets	**3,178,811**	**172,159**	**(923,516)**	**2,427,454**
Liabilities				
Total current liabilities	2,301,858	59,074	(923,516)	**1,437,416**
Total non-current liabilities	150,926	3,473	-	**154,399**
Total liabilities	**2,452,784**	**62,547**	**(923,516)**	**1,591,815**
Net assets	**726,027**	**109,612**	**-**	**835,639**

[i] Government revenue includes both aged care and community services, family services, capital grants from government and non-recurring revenue and income (see Note B1).

[ii] Donations and bequests includes both fundraising, donations, and bequests (see Note B1).

G7 ACNC disclosure (continued)

G7.1 Revenue and other income from government

The UCQ ACNC reporting group receives significant funding from government departments and agencies to enable its continued operations. The following table outlines the largest 10 sources of revenue and other income (including grants) received from the respective level of government department or agency.

	UCQ ACNC reporting group	Other controlled entities	UCQ Consolidated Group
Commonwealth Government	**$'000**	**$'000**	**$'000**
Department of Health and Aged Care	760,602	99,804	860,406
National Disability Insurance Agency	18,272	544	18,816
Department of Social Services	18,665	-	18,665
Department of Veterans Affairs	8,514	99	8,613
Department of Infrastructure, Transport, Development, Communication and Arts	6,477	-	6,477
Total income from Commonwealth Government	**812,530**	**100,447**	**912,977**
State Government			
Department of Children, Youth Justice and Multicultural Affairs	59,093	-	59,093
Queensland Health	19,620	-	19,620
Department of Communities, Housing and Digital Economy	14,817	-	14,817
Department of Housing and Public Works	13,851	-	13,851
Department of Justice and Attorney-General	6,295	-	6,295
Total income from State Government	**113,676**	**-**	**113,676**
Other departments and agencies	**7,842**	**1,015**	**8,857**

G7.2 Related party transactions

For the purpose of the UCQ ACNC reporting group's Annual Information Statement, related party transactions are categorised as follows:

- Fees paid to a related party for providing goods or services to the Reporting Group;
- Loans from or to a related party; and
- Investment in a related party.

Declaration by the Board of UnitingCare Queensland

30 June 2024

The Board of UnitingCare Queensland declares that:

(a) the financial statements and notes set out on pages 1 to 47:

i. comply with the *Australian Charities and Not-for-profits Commission Act 2012* including compliance with Australian Accounting Standards and mandatory professional reporting requirements; and

ii. give a true and fair view of the financial position of UnitingCare Queensland as at 30 June 2024 and of its performance as represented by the results of its operations and its cash flows, for the financial year ended on that date; and

(b) there are reasonable grounds to believe that UnitingCare Queensland will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board.

Dated 1 October 2024



Jim Demack, Chair
UnitingCare Queensland Board



Susan Rix AM, Chair
UnitingCare Queensland Audit, Risk and Compliance Committee

Deloitte.

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1 October 2024

The Board of Directors
UnitingCare Queensland
Level 5, 192 Ann Street
Brisbane Qld 4000
Australia

Dear Board Members,

Auditor's Independence Declaration to The Uniting Church in Australia – Queensland Synod, UnitingCare Queensland

In accordance with section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Board of The Uniting Church of Australia – Queensland Synod, UnitingCare Queensland.

As lead audit partner for the audit of the financial report of The Uniting Church in Australia – Queensland Synod, UnitingCare Queensland for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Deloitte Touche Tohmatsu

Nathan Furness
Partner
Chartered Accountants

R G Saayman
Partner
Chartered Accountants

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Independent Auditor's Report to the Board of The Uniting Church in Australia – Queensland Synod, UnitingCare Queensland

Opinion

We have audited the financial report of The Uniting Church in Australia – Queensland Synod, Uniting Care Queensland (the "Group") which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in funds and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the declaration by the Board of Uniting Care Queensland (the "Board") as set out on pages 1 to 48.

In our opinion, the accompanying financial report of the Uniting Church in Australia – Queensland Synod, Uniting Care Queensland is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the Financial Report

The Board of the Group is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC Act. The Board's responsibility also includes such internal control as the Board determine is necessary to enable the preparation of the 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 are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Report

Our objectives 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 our 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Nathan Furness
Partner
Chartered Accountants
Brisbane, 1 October 2024

Deloitte Touche Tohmatsu

R G Saayman
Partner
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Brisbane, 1 October 2024

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UnitingCare

Proudly representing
BlueCare | Lifeline | ARRCS | The Wesley Hospital | Buderim Private Hospital
St Stephen's Hospital | St Andrew's War Memorial Hospital

ST JOHN OF GOD HEALTH CARE INC

"KB-28"

← Back to Financials & Documents

Annual Information Statement 2023

Legal name:
St John Of God Health Care Inc

ABN:
21930207958

About the charity

Website:
sjog.org.au

Charity size:
Large

Is the charity an incorporated association?:
Yes

State/territory incorporated association numbers:
WA incorporated association number: A0824612H

Does the Charity intend to fundraise in the next reporting period?:
Yes

State/territory where the charity intends to fundraise in the 2023 reporting period:
VIC fundraising number: FR0015056
WA fundraising number: CC20574

Charity programs

Not for Profit Hospital Operation

Program classification:
In-patient medical care

Program locations:
Western Australia, Australia
Victoria, Australia
New South Wales, Australia

Program beneficiaries:
General community in Australia

Outpatient Medical Care

Program classification:
Out-patient medical care

Program locations:
Western Australia, Australia
New South Wales, Australia
Victoria, Australia

Program beneficiaries:
General community in Australia

Ambulatory and Home Services

Program classification:
Community nursing

Program locations:
Western Australia, Australia
Victoria, Australia

Program beneficiaries:
General community in Australia

Rehabilitation Programs

Program classification:
Rehabilitation

Program locations:
Victoria, Australia

Program beneficiaries:
General community in Australia

Mental Health Services Programs

Program classification:
Mental healthcare

Program locations:
New South Wales, Australia
Victoria, Australia

Program beneficiaries:
General community in Australia

Research Programs and Initiatives

Program classification:
Health and medical research

Program locations:
Western Australia, Australia
Victoria, Australia

Program beneficiaries:
General community in Australia

Description of the charity's activities and outcomes:
St John of God Health Care (SJGHC) pursued its charitable purpose during the last financial year through the operation of hospitals and home nursing services throughout Australia. As a not-for-profit entity all profits were returned to the general community served by updating and expanding facilities and technology; expanding existing services and developing and acquiring new services. SJGHC currently operates 27 facilities, providing over 3000 patient beds across Western Australia, Victoria and New South Wales. SJGHC hospitals provide acute services, psychiatric services and rehabilitation services to patients. Home nursing services in Victoria and Western Australia delivered over eighty thousand episodes of care for patients. SJGHC also provided early years clinical services to parents and families who are affected by anxiety, stress or depression during pregnancy and following childbirth for up to four years of age as well as provision of mental health and drug/alcohol services to individuals and their families

Human resources

Human resources:
Full time employees: 2903

Part time employees: 8076
Casual employees: 3815
Full-time equivalent staff (FTE): 8405.00
Estimated number of volunteers: 836

Annual report

Note: If you want to see the financial report or annual report that this charity has submitted, go back to Financials & Documents

Financial Reporting

Charity's 2023 reporting period:
1 July 2022 to 30 June 2023

Type of financial statement:
General purpose financial statements simplified disclosure

Financial report consolidated with more than one entity?:
Yes

Reportable related party transactions in the 2023 reporting period?:
Yes

Types of reportable related party transactions:
Fees paid to a related party for providing goods or services to the charity
Loans from/to a related party

More than one remunerated key management personnel member:
Yes

Number of remunerated key management personnel:
47

Total amount paid to key management personnel:
$15,386,000

Income and Expenses

Comprehensive Income Statement summary

Gross income

Revenue from government including grants	$20,030,000
Donations and bequests	$3,311,000
Revenue from providing goods or services	$1,927,136,000
Revenue from investments	$3,894,000
All other revenue	$96,810,000
Total revenue	$2,051,181,000
Other income (for example, gains)	$134,000
Total gross income	$2,051,315,000

Expenses

Employee expenses	$1,288,882,000
Interest expenses	$18,544,000
Grants and donations made for use in Australia	$0
Grants and donations made for use outside Australia	$0
All other expenses	$859,805,000
Total expenses	$2,167,231,000

Net income

Net surplus/(deficit)	-$115,916,000
Other comprehensive income	$5,790,000
Total comprehensive income	-$110,126,000

Balance Sheet extract

Assets

Total current assets	$387,736,000
Non-current loans receivable	$0
Other non-current assets	$1,328,120,000
Total non-current assets	$1,328,120,000
Total assets	$1,715,856,000

Liabilities

Total current liabilities	$495,911,000
Non-current loans payable	$433,760,000
Other non-current liabilities	$109,121,000
Total non-current liabilities	$542,881,000
Total liabilities	$1,038,792,000

Net assets/liabilities

Net assets/liabilities	$677,064,000

"KB-29"

ST JOHN OF GOD
Health Care

ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)

CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2023

ST JOHN OF GOD HEALTH CARE INC.
(Association Not for Profit)
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ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2023

The directors present their report on the consolidated entity consisting of St John of God Health Care Inc. (the Association) and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Directors

The names and details of the Association's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Mr A Arundell, Director

Dr R Capolingua, Director

Mr J Carroll, Director

Mr J de Groot , Director

Dr M Levitt, Director

Mr J McMahon, Director

Dr M O'Brien, Director

Mr P Prendiville, Director

Hon K Sanderson AC, Chair

Dr S Kelly, Director (Resigned: 9 December 2022)

Ms S Park, Director

Association Secretary

The Association Secretary from 1 July 2022 to 30 June 2023 was Ms L Johnstone.

Principal activities

The Association's principal activity is the provision of health care services in Australia, New Zealand and the Asia-Pacific region.

Significant events after the balance date

No matters or circumstances have arisen since the date of this report that have significantly affected the Association's activities, results or state of affairs.

Environmental regulation and performance

The Association provides annual compliance reporting under the National Greenhouse and Energy Reporting Act 2007 (NGER Act). They are not subject to any other significant environmental regulation under either Commonwealth or State legislation.

Indemnification and insurance of directors and officers

Indemnity
In accordance with the Association's Constitution the Association has indemnified every past and present officer of the Association against all liability to another person or company as an officer of the Association unless the liability arises out of conduct involving a lack of good faith.

Insurance
The Association holds an insurance policy under which the insurer has agreed to indemnify the Association's directors and officers against personal liabilities from wrongful acts committed by those directors or officers in connection with their duties and responsibilities. Wrongful acts include breaches of trust, neglect, error, or misstatement. The insurer will reimburse all expenses incurred in defending these actions. The terms of the policy require the Association to keep details of the premium confidential.

Indemnification of auditors

To the extent permitted by law, the Association has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Rounding

The Association has referenced ASIC Legislative Instrument 2016/191, in relation to the 'rounding off' of amounts in the directors' report. The amounts contained in the financial report have been rounded off in accordance with the instrument to the nearest $1,000 (where rounding is applicable), or in certain cases, to the nearest dollar.

Auditor independence declaration

A copy of the independence declaration from the auditor of St John of God Health Care Inc. is set out on page 3.

This report is made in accordance with a resolution of directors.

Hon K Sanderson AC
Chair
Perth, WA

29 September 2023

Ms S Park
Director
Perth, WA

29 September 2023

Ernst & Young
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Perth WA 6000 Australia
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Building a better working world

Auditor's independence declaration to the directors of St John of God Health Care Inc.

In relation to our audit of the financial report of St John of God Health Care Inc. for the financial year ended 30 June 2023, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and

b. No non-audit services provided that contravene any applicable code of professional conduct.

This declaration is in respect of St John of God Health Care Inc. and the entities it controlled during the financial year.

Ernst & Young

Timothy G Dachs
Partner
29 September 2023

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ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 June 2023

	Notes	2023 $000	2022 $000
Continuing operations			
Revenue			
Revenue from ordinary activities	7.1	2,032,960	1,975,331
Other income	7.2	16,561	33,446
Expenses			
Employment costs		(1,288,882)	(1,207,574)
Medical consumables and supply expenses		(456,431)	(446,161)
Contract services cost		(138,893)	(137,209)
Direct operating expenses		(152,737)	(134,569)
Depreciation and amortisation	11, 12, 17	(111,744)	(92,032)
Operating loss		**(99,166)**	**(8,768)**
Finance income		1,794	72
Finance costs	7.3	(18,544)	(11,025)
Finance costs - net		**(16,750)**	**(10,953)**
Income tax expense		-	(637)
Net deficit from continuing operations		**(115,916)**	**(20,358)**
Other comprehensive income			
Exchange differences on translation of foreign operations	20	111	(274)
Net gain on cash flow hedges	20	1,601	21,878
Net unrealised gain/(loss) on financial assets designated at fair value through other comprehensive income	20	3,351	(7,782)
Net gain on sale of equity instruments designated at fair value through other comprehensive income	20	727	-
Net other comprehensive income for the period		**5,790**	**13,822**
Total comprehensive loss for the period		**(110,126)**	**(6,536)**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

ST JOHN OF GOD HEALTH CARE INC.
(Association Not for Profit)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	2023 $000	2022 $000
Current assets			
Cash and cash equivalents	8	33,267	94,955
Trade and other receivables	9	272,329	269,033
Inventories	10	41,613	45,493
Prepayments		16,613	10,724
Other current financial assets	19.1	12,238	7,682
Assets classified as held for sale	13	11,676	3,537
Total current assets		387,736	431,424
Non-current assets			
Financial instruments designated at fair value through OCI	19.1	50,175	44,001
Derivative financial instruments	19.3	20,284	18,683
Property, plant and equipment	11	1,169,535	1,082,360
Intangible assets and goodwill	12	6,660	20,808
Non-current financial assets	19.1	2,798	-
Right-of-use assets	17	78,668	100,341
Total non-current assets		1,328,120	1,266,193
Total assets		**1,715,856**	**1,697,617**
Current liabilities			
Trade and other payables	14	162,989	161,508
Funding received in advance	18	56,836	40,876
Employee benefit liabilities	16	213,700	176,267
Provisions	15	51,582	51,155
Borrowings	19.2	1,573	244
Lease liabilities	17	9,231	11,139
Total current liabilities		495,911	441,189
Non-current liabilities			
Borrowings	19.2	433,760	335,595
Employee benefit liabilities	16	26,986	31,106
Lease liabilities	17	81,778	102,367
Other non-current liabilities		357	170
Total non-current liabilities		542,881	469,238
Total liabilities		**1,038,792**	**910,427**
Net assets		**677,064**	**787,190**
Equity			
Accumulated surplus		626,713	742,629
Reserves	20	50,351	44,561
Total equity		**677,064**	**787,190**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Hedging Reserve	Foreign currency translation reserve	Net Unrealised Gains/(Loss) Reserve	Realised gain on financial assets designated at FVOCI	Accumulated Surplus	Total
	$000	$000	$000	$000	$000	$000
As at 1 July 2022	**18,683**	**340**	**(1,578)**	**27,116**	**742,629**	**787,190**
Net deficit for the year	-	-	-	-	(115,916)	(115,916)
Other comprehensive income for the period	1,601	111	3,351	727	-	5,790
Total comprehensive income/(loss)	1,601	111	3,351	727	(115,916)	(110,126)
As at 30 June 2023	**20,284**	**451**	**1,773**	**27,843**	**626,713**	**677,064**

	Hedging Reserve	Foreign currency translation reserve	Net Unrealised Gains/(Loss) Reserve	Realised gain on financial assets designated at FVOCI	Accumulated Surplus	Total
	$000	$000	$000	$000	$000	$000
As at 1 July 2021	**(3,195)**	**614**	**6,204**	**27,116**	**762,987**	**793,726**
Net deficit for the year	-	-	-	-	(20,358)	(20,358)
Other comprehensive income/(loss)	21,878	(274)	(7,782)	-	-	13,822
Total comprehensive income/(loss)	21,878	(274)	(7,782)	-	(20,358)	(6,536)
As at 30 June 2022	**18,683**	**340**	**(1,578)**	**27,116**	**742,629**	**787,190**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 $000	2022 $000
Operating activities			
Receipts from patients and other customers		2,020,460	1,939,963
Payments to employees and suppliers		(1,976,295)	(1,923,506)
Interest received		1,794	72
Interest paid		(9,411)	(4,302)
Proceeds from government grants and contracts		20,030	22,456
Donations, fundraising and bequests received		3,369	3,003
Net cash flows from operating activities		**59,947**	**37,686**
Investing activities			
Payments for property, plant and equipment		(183,642)	(106,312)
Payments for intangibles		(3,021)	(9,205)
Proceeds from sale of property, plant and equipment		144	12,221
Proceeds from / (payments for) other financial assets		(4,556)	9,880
Payments for financial instruments designated at fair value through OCI		(6,000)	(10,500)
Proceeds from sale of financial instruments designated at fair value through OCI		6,000	8,500
Loans to other entities		(2,798)	-
Net cash flows used in investing activities		**(193,873)**	**(95,416)**
Financing activities			
Proceeds from Group bank and other loans		682,443	420,741
Repayments to Group bank and other loans		(582,443)	(279,973)
Loan establishment fees paid		(1,100)	(1,929)
Repayment of congregational loans		(528)	(492)
Payment of lease liabilities		(26,248)	(18,276)
Net cash flows from financing activities		**72,124**	**120,071**
Net (decrease)/increase in cash and cash equivalents		(61,802)	62,341
Net foreign exchange difference		114	(274)
Cash and cash equivalents at 1 July		94,955	32,888
Cash and cash equivalents at 30 June	8	**33,267**	**94,955**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Corporate information

The consolidated financial report covers St John of God Health Care Inc. (the Association) and its subsidiaries. (Collectively the Group).

St John of God Health Care Inc. is an Association incorporated in Australia under the *Associations Incorporation Act 2015*. The Association is a not-for-profit entity and controls the following entities:

- St John of God Outreach Services
- St John of God Foundation Inc.
- St John of God Foundation Trust
- St John of God Hauora Trust
- St John House Inc.
- ACN 003 667 696 (formerly St John of God Health Services Limited)
- A.C.N 071 236 176 Limited (formerly St John of God Casa Venegas Limited)
- St John of God Berwick Health Campus Ltd
- St John of God Hawkesbury District Health Campus Ltd
- Marillac Ltd
- Dencross Pty Ltd - trading as Murdoch Surgicentre
- St John of God Midland Health Campus Ltd

The consolidated financial statements were approved and authorised for issue by the Director's on 29 September 2023.

The Association's registered office is:
Level 1, 556 Wellington Street, Perth WA 6000 Australia

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Associations Incorporation Act 2015, Australian Charities and Not-for-profits Commission Act 2012* and *Australian Accounting Standards - Simplified Disclosures.*

The Group is a not-for-profit, private sector entity which is not publicly accountable. The Director's of the Association have determined that the Association is permitted to apply Tier 2 reporting requirements as set out in *AASB 1053 Application of Tiers of Australian Accounting Standards.*

The consolidated financial statements are presented in Australian dollars and all values are rounded to the nearest thousand ($000), except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) which are measured at fair value.

Going Concern

At 30 June 2023, the Group has a net current asset deficit, excluding funding received in advance, of $51,339,000 (2022: surplus of $31,111,000) and cash and cash equivalents of $33,267,000 (2022: $94,955,000). For the year ended 30 June 2023 the Group has made a net deficit of $115,916,000 (2022: $20,358,000) and had operating cash inflows of $59,947,000 (2022: $37,686,000). At 30 June 2023 the Group has $625,000,000 (2022: $415,000,000) undrawn on its secured borrowing facilities.

The Directors have reviewed the business outlook, the positive forecast cash flows and forecast operating results for the 2024 financial year and the assets and liabilities of the Group and are of the opinion that the use of the going concern basis of accounting is appropriate.

2. Significant accounting policies (continued)

2.2 Changes in accounting policy, accounting standards and interpretations

There are a number of Australian Accounting Standards and Interpretations that apply for the first time in 2023, but do not have an impact on the Group's consolidated financial statements.

A number of Australian Accounting Standards and Interpretations have been issued or amended but are not yet effective. The impact of these new or amended Accounting Standards and Interpretations are not expected to give rise to material changes in the Group's consolidated financial statements.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Association and its subsidiaries and equity accounted investments (collectively referred to as 'the Group') as at 30 June 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the consolidated statement of comprehensive income. Any investment retained is recognised at fair value.

2.4 Summary of significant accounting policies

a) *Business combinations*

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

2. Significant accounting policies (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of *AASB 9 Financial Instruments*, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with AASB 9. Other contingent consideration that is not within the scope of AASB 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

b) *Goodwill*

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Goodwill has an indefinite useful life, is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

c) *Foreign currencies*

(i) Functional and presentation currency

Both the functional and presentation currency of St John of God Health Care Inc. and its Australian subsidiaries are Australian dollars. The New Zealand subsidiaries' functional currency is New Zealand dollars which is translated to Australian dollars.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2. Significant accounting policies (continued)

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

(iii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Australian Dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

d) *Revenue recognition*

Recognition and measurement

The Group recognises revenue under AASB 15 or AASB 1058 when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

In other cases, AASB 1058 applies when a Not-for-Profit entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives and the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately. The Group recognises revenue from the following major sources:

Patient fees

Revenue is recognised when the service is rendered.

Government grants and subsidies

If conditions are attached to a grant which must be satisfied before the Group is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Donations and bequests

Revenue from donations is recognised when the Trust can demonstrate that the specific performance obligation attached to the Donation has been fulfilled. All charitable collections received have been, or are held to be, used for charitable purposes within the meaning of the Charitable Collections Act (1946).

Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the Group becomes legally entitled to the shares or property.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate.

e) *Contract liability - Deferred revenue*

The liability for funding received in advance is the unutilised amounts of funding received or set aside on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the funding. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

2. Significant accounting policies (continued)

f) *Taxes*

Current income tax

A subsidiary is subject to income tax, whereby income tax expense is recognised in surplus, items recognised directly in equity or other comprehensive income. Current tax expense for the period is the expected tax on the subsidiary's current period's income based on the enacted income tax rate. Except for Dencross Pty Ltd in the prior year up to 25 May 2022, no further provision has been made for income tax as the income of the Association is exempt from income tax under section 50-30 of the Income Tax Assessment Act 1997 as amended.

g) *Non-current assets held for sale and discontinued operations*

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss and other comprehensive income.

h) *Property, plant and equipment*

Property, plant and equipment is initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

Property, plant and equipment are subsequently measured using the cost model, less subsequent depreciation and impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Plant and equipment	3 to 10 years
Buildings and property improvements	Up to 40 years
Motor vehicles	3 to 10 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2. Significant accounting policies (continued)

Construction in progress

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Such cost includes borrowing costs for long-term construction projects if the recognition criteria are met. Depreciation of the asset begins when construction is complete and the asset is available for use.

i) *Leases*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date, and decommissioning obligations, if any less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Property, plant and equipment 3 to 15 years
- Motor vehicles 3 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.4(n) for Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see Note 19.2).

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. Significant accounting policies (continued)

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss and other comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Lease incentives granted are recognised as an integral part of the total rental income.

j) *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

k) *Intangible assets*

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Any gain or loss arising upon derecognition of an intangible asset is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss and other comprehensive income.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in profit or loss. During the period of development, the asset is tested for impairment annually.

2. Significant accounting policies (continued)

Software-as-a-Service arrangements

Where the costs incurred to configure or customise Software-as-a-Service (SaaS) arrangements results in the creation of a resource which is identifiable, and where the Group has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible computer software. Where costs incurred to configure or customise do not result in the recognition of an intangible computer software, then those costs that provide the Group with a distinct service (in addition to the SaaS access) are recognised as expenses when the supplier provides the services.

A summary of the policies applied to the Group's intangible assets is as follows:

Computer Software

Useful life	2 - 5 years
Amortisation method used	Amortisation over the period of expected benefit on a straight line basis
Internally generated or acquired	Acquired
Impairment testing	Assessed for impairment at least annually if circumstances indicate that the carrying value may be impaired.

Development Costs

Mainly relates to internally generated software

Useful life	2 - 5 years
Amortisation method used	Amortisation over the period of expected benefit from the related project on a straight line basis.
Internally generated or acquired	Internally generated
Impairment testing	Assessed for impairment at least annually if circumstances indicate that the carrying value may be impaired.

Service Concessions

Relates to contractual arrangements between the Group and the public sector whereby the Group provides public services on behalf of the public sector for a specified period of time

Useful life	The life of the agreement.
Amortisation method used	Amortisation over the period of expected benefit on a straight line basis.
Internally generated or acquired	Acquired
Impairment testing	Assessed for impairment at least annually if circumstances indicate that the carrying value may be impaired.

l) *Financial instruments*

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.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the original transaction price. Refer to the accounting policies in section (e) Revenue from contracts with customers.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

2. Significant accounting policies (continued)

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

This category generally applies to trade and other receivables, other current financial assets and non-current financial assets. For more information on receivables, refer to Note 9.3 and 19.1.

Financial instruments designated through OCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss and other comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group evaluates whether the ability and intention to sell its financial instruments designated through OCI in the near term is still appropriate.

Derivative financial instruments and hedge accounting

The Group uses interest rate swaps (derivative financial instruments) to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Hedging Reserve, while any ineffective portion is recognised immediately in the statement of profit or loss.

Impairment

Further disclosures relating to impairment of financial assets are also provided in the following notes:

• Disclosures for significant assumptions	Note 3
• Debt instruments at fair value through OCI	Note 19
• Trade receivables including contract assets	Note 19
• Non-current financial assets	Note 19

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2. Significant accounting policies (continued)

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, and loans and borrowings including bank overdrafts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss and other comprehensive income.

This category generally applies to borrowings. For more information, refer to Note 19.

m) *Inventories*

Inventories, comprising medical and laboratory supplies, are valued at the lower of cost or net realisable value. Cost is determined using the latest purchase price.

n) *Impairment of non-financial assets*

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2. Significant accounting policies (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 10 years.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment at least annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment at least annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

o) *Cash and cash equivalents*

Cash and cash equivalents in the consolidated statement of financial position comprise of cash at banks, on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

p) *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Wages, salaries and accumulating annual leave

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave which are expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit and loss.

The obligations are presented as current liabilities in the balance sheet if the Group does not have the unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

2. Significant accounting policies (continued)

Short term incentive plan

Short term incentive plans to be settled within twelve months of the reporting date are recognised as a liability. The quantum of the liabilities are measured based on the requirements of the remuneration policy that has been approved by the Directors.

Short term incentive plans expected to settle after twelve months are recognised as non-current liabilities. Consideration is given to the experience of the employee departures, and periods of service.

WA Workers compensations claims

St John of God Health Care Inc. became a licensed self-insurer under the Workers Compensation and Rehabilitation Act 1984 (WA), as from 1 July 2001.

The liability for outstanding claims is measured at the present value of expected future payments. The estimation of the liability is determined by reference to an actuarial assessment performed by independent experts every six months.

Medical liability

A provision is made based on a schedule of outstanding claims and costs which are estimated based on currently available data as assessed quarterly by independent experts, and having regards to the requirements of the Group's insurance policy.

q) *Fair value measurement*

The Group measures financial instruments such as derivatives and financial assets, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

2. Significant accounting policies (continued)

r) *Amounts payable on congregational loans*

The amounts payable to Sisters of St Joseph of the Apparition Inc. have been classed as borrowings in the consolidated statement of financial position. All of the amounts payable have been measured in accordance with AASB 9.

s) *Reserves*

Accumulated surplus includes all current and prior period retained surpluses.

Other components of equity include the following:

Foreign Currency Translation Reserve	Used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.
Hedging Reserve	Records the portion of the gain or loss on the interest rate swaps in the cash flow hedge that is determined to be an effective hedge. Refer further to Note 19.3
Net Unrealised Gains/(Loss) Reserve	Records the unrealised gain or loss on the financial assets designated at fair value through other comprehensive income
Realised Gain Reserve	Records the realised gain on financial assets designated at FVOCI

t) *Economic dependency*

For the ongoing continuance of some of its programs, the Group is dependent upon the ongoing receipt of Federal and State government grants and community and corporate donations.

The Group maintains a strong relationship with both the Federal and State governments and at the date of this report management has no reason to believe that this financial support will not continue.

u) *Interests in joint operations*

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

In the case of joint operations, the Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the consolidated financial statements under the appropriate headings.

3. Significant accounting judgements, estimates and assumptions

In applying the Group's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these consolidated financial statements are outlined below:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Impairment of non-financial assets

The Group determines whether non-financial assets are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the non-current assets are allocated. The Group's accounting policy with regards to impairment of non-financial assets is discussed in Note 2.4(n).

3. Significant accounting judgements, estimates and assumptions (continued)

Impairment of goodwill and intangibles with indefinite useful lives

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in Note 2.4(b).

WA Workers compensation claims

St John of God Health Care Inc. became a licensed self-insurer under the Workers Compensation and Rehabilitation Act (WA) 1984, as from 1 July 2001. The liability for outstanding claims is measured at the present value of expected future payments. The estimation of the liability is determined by reference to an actuarial assessment performed by independent experts every six months.

Medical liability

A provision is made based on a schedule of outstanding claims and costs which are estimated based on currently available data as assessed quarterly by independent experts, and having regard to the requirements of the Group's insurance policy.

In circumstances where the Group has determined and/or been advised by its legal counsel that it is only possible, but not probable, that a claim will succeed, no provision for any liability is made in the financial statements.

Employee benefit liabilities

Liabilities for annual leave and other benefits expected to be settled within twelve months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is recognised when the leave is taken and measured at the rates paid or payable.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using the maturity rates for 5, 7 and 10 years of Corporate bonds and inflated using a long term rate.

Measurement of Congregational Loan amounts

These amounts due have been measured at their present value pursuant to AASB 9 using the discounted cash flow technique and applying the following assumptions:

Expected future cash flows (i.e. repayments of principal)
The expected future cash flows (i.e. repayments of principal) in relation to the amounts due to the Sisters of St Joseph of the Apparition Inc. (expected to be fully repaid in 2024) is measured under its respective agreement.

Discount Rates
The discount rates applied to expected future cash flows is 6.25%.

Measurement of other loans

These amounts due have been measured at their present value pursuant to AASB 9 using the discounted cash flow technique and applying the following assumptions:

Expected future cash flows (i.e. repayments of principal)
The expected future cash flows (i.e. repayments of principal) in relation to the amounts due to the other loans is measured under its respective agreement.

Discount Rates
The discount rates applied to expected future cash flows ranges from 4.08% to 4.90%.

Lease commitments – Group as lessor

The Group has entered into leases on some of its property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the property and the present value of minimum lease payments not amounting to substantially all of the fair value of the property, that it retains all the significant risks and reward of ownership of these properties and accounts for the contracts as operating leases.

3. Significant accounting judgements, estimates and assumptions (continued)

Health Fund audits

A provision for the outcomes of Health Fund audits is made based on a percentage of revenue using the past 2 years exposure as a guide.

4. Group information

Information relating to subsidiaries

Subsidiaries

Entity	Principal Activities
St John of God Midland Health Campus Ltd	Operate and maintain the Midland Public Hospital
St John of God Outreach Services	Provision of services for the disadvantaged or those with disabilities
St John of God Foundation Inc.	Fundraiser for major capital projects, clinical equipment, medical and health research and social outreach initiatives
St John of God Foundation Trust	Public ancillary fund which can receive and make donations
St John of God Hauora Trust	Provider of health, ability and social services in New Zealand
St John House Inc.	Dormant
A.C.N. 071 236 176 Limited	Community housing
ACN 003 667 696	Dormant
St John of God Berwick Health Campus Ltd	Owning hospitals
St John of God Hawkesbury District Health Campus Ltd	Provider of health, ability and social services in New South Wales
Marillac Limited	Provision of specialist disability accommodation services
Dencross Pty Ltd (trading as Murdoch Surgicentre)	Specialist day surgery

5. Interest in joint arrangements

Joint Operations

Kangan Drive Berwick

Berwick Health Campus Limited (BHC) is a controlled entity of St John of God Health Care Inc.

Certain land and buildings at Kangan Drive Berwick are co-owned by BHC and Perpetual Corporation Trust as trustee for North West Healthcare Properties Management (formerly known as Generation Healthcare Custodian (Casey) Pty Ltd) pursuant to a "Co-ownership Deed" dated 18 December 2015.

6. Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

	Notes	Date of valuation 30 June 2023 $'000	Date of valuation 30 June 2022 $'000
Fair value measurement hierarchy for assets:			
Financial assets designated at fair value through OCI			
Investments in equities funds and shares (Level 1)	19.1	50,175	44,001
Derivative financial instruments			
Cash flow hedges: interest rate swaps (Level 2)	19.3	20,284	18,683
		70,459	**62,684**

7. Revenue and expenses

7.1 Revenue from ordinary activities

	2023 $000	2022 $000
Patient fees	1,927,136	1,825,425
Rental income	17,514	17,031
Government grants and subsidies	20,030	22,456
Donations, fundraising and bequests	3,311	3,688
Other ancillary income	64,969	106,731
	2,032,960	**1,975,331**

Revenue is derived in Australia and New Zealand and recognised over time.

7.2 Other income

	2023 $000	2022 $000
Net gain on disposal of property, plant and equipment	134	731
Net gain on sale of assets classified as held for sale	-	3,480
Recoveries	14,327	24,162
Investment income	2,100	5,073
	16,561	**33,446**

7.3 Finance costs

	Notes	2023 $000	2022 $000
Interest expense - leases	17	3,956	3,574
Interest expense - debt		9,526	4,382
Facility fees		5,062	3,069
		18,544	**11,025**

8. Cash and cash equivalents

	2023 $000	2022 $000
Cash at bank and on hand	17,811	72,340
Restricted cash	15,456	22,615
	33,267	**94,955**

Cash at bank earns interest at floating rates based on daily bank and term deposit rates.

Restricted cash is grant and gift fund monies tied to specific expenditure.

9. Trade and other receivables

	Notes	2023 $000	2022 $000
Current			
Trade receivables	9.1	143,515	135,328
Other receivables	9.2	126,110	135,355
Goods and services tax receivable		3,999	5
		273,624	270,688
Provision for expected credit losses	9.3	(1,295)	(1,655)
		272,329	**269,033**

9.1 Trade Receivables

Trade receivables are non-interest bearing, generally have 14-30 day terms, and are recognised and carried at original invoice amount less an allowance for any uncollectible amounts and expected credit losses.

9.2 Other Receivables

Other receivables includes unbilled revenue of $95,648,000 (2022: $103,848,000). All other receivables are non-interest bearing and have repayment terms between 14 and 30 days.

9.3 Provision for impairment of receivables

The movement in the provision for expected credit losses is shown below:

	2023 $000	2022 $000
As at 1 July	1,655	1,645
Charge for the year	1,287	1,727
Utilised	(1,647)	(1,717)
As at 30 June	**1,295**	**1,655**

10. Inventories

	2023 $000	2022 $000
Medical and general supplies	46,241	48,918
Provision for inventory obsolescence	(4,628)	(3,425)
	41,613	**45,493**

Cost of inventories consumed for the patients amounting to $456,431,000 was recognised as an expense during the year ended 30 June 2023 (2022: $446,161,000).

For the year ended 30 June 2023, $761,000 was recognised as an expense for inventory obsolescence (2022: $981,000 expense).

11. Property, plant and equipment

	Land $000	Buildings $000	Plant and Equipment $000	Work in progress $000	Total $000
30 June 2022					
Carrying value at the beginning of the year	126,991	691,509	185,409	33,877	1,037,786
Additions	-	6,966	-	108,551	115,517
Disposals	-	-	(177)	-	(177)
Transfer	-	15,814	38,780	(63,799)	(9,205)
Depreciation	-	(26,199)	(41,798)	-	(67,997)
Exchange differences	-	(23)	493	(272)	198
Transfer from assets classified as held for sale (note 13)	-	6,238	-	-	6,238
Carrying value at the end of the year	**126,991**	**694,305**	**182,707**	**78,357**	**1,082,360**
30 June 2022					
Cost	126,991	1,034,262	569,824	78,357	1,809,434
Accumulated depreciation and impairment	-	(339,957)	(387,117)	-	(727,074)
Carrying Value	**126,991**	**694,305**	**182,707**	**78,357**	**1,082,360**

	Land $000	Buildings $000	Plant and Equipment $000	Work in Progress $000	Total $000
30 June 2023					
Carrying value at the beginning of the year	126,991	694,304	182,708	78,357	1,082,360
Additions	92	1,471	470	185,251	187,284
Transfer	1,310	2,826	41,891	(49,048)	(3,021)
Exchange and other adjustments	(73)	73	-	(291)	(291)
Depreciation and impairment	-	(27,246)	(40,001)	(16,282)	(83,529)
Disposals	(440)	(1,614)	(3,075)	-	(5,129)
Transfer from assets classified as held for sale (note 13)	(1,555)	(6,158)	(414)	(12)	(8,139)
Carrying value at the end of the year	**126,325**	**663,656**	**181,579**	**197,975**	**1,169,535**

11. Property, plant and equipment (continued)

30 June 2023					
Cost	126,325	1,018,235	473,370	197,976	1,815,906
Accumulated depreciation and impairment	-	(354,579)	(291,792)	-	(646,371)
Carrying Value	**126,325**	**663,656**	**181,578**	**197,976**	**1,169,535**

Impairment

The Group completed the annual impairment test, and it was determined that no impairment charges were to be recognised for the current period against property, plant and equipment (2022: nil impairment against Plant and Equipment).

Joint operation

Included within the total carrying value of property, plant and equipment at 30 June 2023 is an amount of $28,642,000 (2022: $29,603,000) which relates to a joint operation.

Project accruals

Included in additions are $4,061,000 of non-cash accruals in relation to projects under construction (2022: $3,440,000).

12. Intangible assets

	Software $000	Service Concessions $000	Total $000
30 June 2022			
Carrying value at the beginning of the year	22,094	854	22,948
Transfers/Additions	9,205	-	9,205
Exchange and other adjustments	(15)	-	(15)
Amortisation	(10,476)	(854)	(11,330)
Carrying value at the end of the year	**20,808**	**-**	**20,808**
30 June 2022			
At cost	79,401	17,189	96,590
Accumulated amortisation and impairment	(58,593)	(17,189)	(75,782)
Carrying Value	**20,808**	**-**	**20,808**

	Software $000	Total $000
30 June 2023		
Carrying value at the beginning of the year	20,808	20,808
Transfers/Additions	3,021	3,021
Disposals	(14)	(14)
Amortisation and impairment	(17,155)	(17,155)
Carrying value at the end of the year	**6,660**	**6,660**

12. Intangible assets (continued)

30 June 2023		
At cost	59,959	59,959
Accumulated amortisation and impairment	(53,299)	(53,299)
Carrying Value	**6,660**	**6,660**

Impairment

The Group completed the annual impairment test and it was determined that no impairment charges were to be recognised for the current year against intangible assets (2022: nil).

13. Assets classified as held for sale

	2023 $000	2022 $000
Carrying value at the beginning of the year	3,537	17,627
Disposals	-	(7,852)
Assets reclassified (to)/from property, plant and equipment (note 11)	8,139	(6,238)
Carrying value at the end of the year	**11,676**	**3,537**

	2023 $000	2022 $000
Breakdown of assets held for sale as at 30 June is as per below:		
Land	1,825	270
Buildings	9,425	3,267
Plant and equipment	414	-
Work in Progress	12	-
	11,676	**3,537**

No properties were sold during FY23 and the remaining properties are planned to be sold in the next twelve months.

14. Trade and other payables

	2023 $000	2022 $000
Trade payables	42,073	48,957
Accruals and other payables	120,916	112,551
	162,989	**161,508**

Trade payables, accruals and other payables are non-interest bearing and are normally settled on 7 to 30 day terms.

15. Provisions

	2023	2022
	$000	$000
Current		
Health fund audits	18,100	18,028
Medical liability	26,422	20,636
WA workers compensation claims	6,415	6,236
Government agreements	645	6,255
	51,582	**51,155**

Movements in each class of provision during the financial year are set out below:

	Health fund audits	Medical liability	WA workers compensation claims	Government agreements	Total
	$000	$000	$000	$000	$000
As at 1 July 2022	18,028	20,636	6,236	6,255	51,155
Arising during the year	10,293	7,018	2,072	22,312	41,695
Utilised	(10,221)	(1,232)	(1,893)	(27,922)	(41,268)
As at 30 June 2023	**18,100**	**26,422**	**6,415**	**645**	**51,582**

16. Employee benefit liabilities

	2023	2022
	$000	$000
Current		
Annual leave and other benefits	136,973	107,586
Long service leave	76,727	68,681
	213,700	**176,267**
Non-current		
Other benefits	-	1,520
Long service leave	26,986	29,586
	26,986	**31,106**

Defined benefit plan

Five current employees are members of the NSW State Authorities Superannuation Scheme and the State Authorities Non-contributory Superannuation Scheme. These are defined benefit schemes, a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal. The Schemes are closed to new members. Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review. Contribution rates are set after discussions between the employer, SAS Trustee Corporation and NSW Treasury. Contributions to the scheme are expensed as incurred.

17. Leases

Group as a lessee

The Group has lease contracts for various items of equipment, vehicles and certain facilities used in its operations. Leases generally have lease terms between 1 and 20 years and may contain escalation clauses.

The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Property	Equipment	Motor vehicles	Total
	$000	$000	$000	$000
As at 1 July 2022	96,233	1,034	3,074	100,341
Additions	8,818	1	2,138	10,957
Depreciation expense	(8,938)	(1,074)	(1,048)	(11,060)
Amendments and modifications to existing contracts	(21,501)	1,100	(1,169)	(21,570)
As at 30 June 2023	**74,612**	**1,061**	**2,995**	**78,668**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2023 $000	2022 $000
As at 1 July	**113,506**	**115,424**
Additions	10,958	11,489
Accretion of interest	3,956	3,574
Payments	(26,248)	(18,276)
Terminations	(11,211)	-
Amendments and modifications to existing contracts	(634)	608
Provision for make good restoration	682	687
At 30 June	**91,009**	**113,506**
Current	9,231	11,139
Non-current	81,778	102,367

The maturity analysis of lease payments as at 30 June are as follows:

	2023 $000	2022 $000
Within one year	10,837	11,498
After one year but not more than five years	49,014	47,975
More than five years	19,828	40,435
	79,679	**99,908**

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 3).

17. Leases (continued)

Group as a lessee (continued)

Payments associated with short-term leases of property, equipment and motor vehicles are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Lease payments for short-term leases amounting to $3,569,000 for the year ended 30 June 2023 are recognised as direct operating expenses in consolidated statement of profit or loss (2022: $3,735,000).

Group as a lessor

The Group has entered into operating leases on certain medical suites and rooms.

All non-cancellable leases have remaining terms of between 1 and 10 years and may contain escalation clauses.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

	2023 $000	2022 $000
Within one year	14,525	13,429
After one year but not more than five years	21,292	24,551
More than five years	1,700	2,119
	37,517	**40,099**

18. Funding received in advance

	2023 $000	2022 $000
Funding received in advance	29,131	15,336
Public assets replacement funds	12,519	11,074
Deferred revenue - Gifts and Donations	15,186	14,466
	56,836	**40,876**

The majority of funding received in advance is in the form of grant and state funding. This includes grants to which conditions of use of the funds may be attached.

Public assets replacement funds represents specific funding received by the Group and amounts of public service revenue received set aside by the Group to expend on the replacement of public assets.

Deferred revenue represents funds from special purpose fundraising and donations, where the related performance obligation is not yet fulfilled.

19. Financial assets and financial liabilities

19.1 Financial assets

	Notes	2023 $000	2022 $000
Other financial assets at amortised cost			
Current			
Term deposits	19.1(a)	**12,238**	**7,682**
Financial instruments designated at fair value through OCI			
Investments in equities funds and shares	19.1(b)	**50,175**	**44,001**
Non-current financial assets			
Loans to other entities	19.1(c)	**2,798**	-
Receivables at amortised cost			
Current			
Trade and other receivables	9	**272,329**	**269,033**

a) *Other financial assets*

Other financial assets consist of term deposits with original maturity greater than three months and less than twelve months. The term deposits are restricted cash and tied to specific expenditure.

b) *Investments in equities funds and shares*

The unrealised gain on the Group's investments in equities funds and shares during the year was $3,351,000 (2022: $7,782,000 loss). This amount has been recognised in the Net Unrealised Gains/(Loss) Reserve in equity. The Group recognised $727,000 realised gains on the Group's investments in equities funds and shares through Other Comprehensive Income for the period (2022: Nil).

c) *Non-current financial assets*

During the year the Group as Lender executed a Facility Agreement (the Facility) with MHKP Asset 120 Pty Ltd (the Borrower) for a cash advanced facility of up to $4,000,000 in order to fund the approved expenses of the Borrower. The Facility has been executed with an interest rate of nil and a latest repayment date being 10 business days after 30th June 2025. Included within the agreement is an election for the Lender to convert the secured monies into units, by issuing a conversion notice on or before 31 December 2023, subject to certain events occurring. As at 30 June 2023, $2,798,000 had been drawn as secured monies under the Facility. The Facility is secured.

19. Financial assets and financial liabilities (continued)

19.2 Financial liabilities: borrowings

	2023 $000	2022 $000
Current		
Congregational loans	244	244
Other loans	1,329	-
	1,573	**244**
Non-current		
Congregational loans	438	910
Other loans	3,938	-
Bank loans and borrowings	429,384	334,685
	433,760	**335,595**

a) *Congregational Loans*

	Notes	2023 $000	2022 $000
Current			
Sisters of St Joseph of the Apparition Inc.	(i)	244	244
		244	**244**
Non-Current			
Sisters of St Joseph of the Apparition Inc.	(i)	438	910
		438	**910**

(i) Sisters of St Joseph of the Apparition Inc.

The nominal value of the amount payable to the Sisters of St Joseph of the Apparition Inc. is $740,778 (2022: $1,237,000). The amount has been reflected at its present value pursuant to AASB 9 using a 6.25% discount factor. Payments are made quarterly with a component of the repayment amount adjusted annually for movements in the Consumer Price Index. The amount payable to the Sisters of St Joseph of the Apparition Inc. is unsecured.

b) *Other Loans*

	Notes	2023 $000	2022 $000
Current			
Cisco Systems Capital (Australia) Pty Limited	(i)	1,329	-
		1,329	**-**
Non-Current			
Cisco Systems Capital (Australia) Pty Limited	(i)	3,938	-
		3,938	**-**

19. Financial assets and financial liabilities (continued)

19.2 Financial liabilities: borrowings (continued)

b) *Other Loans (continued)*

(i) Cisco Systems Capital (Australia) Pty Limited

During the year the Group entered into various payment agreements with Cisco Systems Capital (Australia) Pty Ltd ("Cisco") to fund the acquisition of plant and equipment. The nominal value of the amount payable to Cisco is $5,700,000 at 30 June 2023 (2022: Nil). The amounts have been reflected at their present values pursuant to AASB 9 using discount factors ranging between 4.08% - 4.90%. Repayments are made quarterly. The amount payable to Cisco is secured by plant and equipment amounting to $6,196,000 as at 30 June 2023 (2022: Nil).

c) *Bank loans and borrowings*

	Notes	Facility $	Maturity	2023 utilised $000
Non-current borrowings				
Group Bank Loan (Lender A): Secured [Tranche A]	19.2(d)	75M	Apr 2028	-
Group Bank Loan (Lender A): Secured [Tranche B]	19.2(d)	125M	Dec 2028	70,000
Group Bank Loan (Lender A): Secured [Tranche C]	19.2(d)	75M	Apr 2030	-
Group Bank Loan (Lender A): Secured [Tranche D]	19.2(d)	25M	Apr 2029	-
Group Bank Loan (Lender A): Secured [Tranche E]	19.2(d)	100M	Apr 2028	-
Group Bank Loan (Lender B): Secured [Tranche A]	19.2(e)	100M	Jun 2029	-
Group Bank Loan (Lender C): Secured [Tranche A]	19.2(f)	75M	Jun 2026	75,000
Group Bank Loan (Lender D): Secured [Tranche A]	19.2(g)	25M	Jun 2025	25,000
Group Bank Loan (Lender D): Secured [Tranche B]	19.2(g)	75M	Jun 2028	-
Group Bank Loan (Lender D): Secured [Tranche C]	19.2(g)	25M	Jun 2028	-
Group Bank Loan (Lender E): Secured [Tranche A]	19.2(h)	200M	Apr 2033	200,000
Group Bank Loan (Lender F): Secured [Tranche A]	19.2(i)	50M	Jun 2025	50,000
Group Bank Loan (Lender F): Secured [Tranche B]	19.2(i)	25M	Jun 2028	5,000
Group Bank Loan (Lender F): Secured [Tranche C]	19.2(i)	80M	Apr 2028	5,000
		1.055B		430,000
Less: Establishment Fees	19.2(j)			(2,814)
Group Bank Loans				**427,186**
NZ Bank Loan: Secured	19.2(k)		Jul 2024	2,198
				429,384

19. Financial assets and financial liabilities (continued)

19.2 Financial liabilities: borrowings (continued)

c) *Bank loans and borrowings (continued)*

	Notes	Facility	Maturity	2022 utilised $000
Group Bank Loan (Lender A): Secured [Tranche A]	19.2(d)	75M	Jun 2025	75,000
Group Bank Loan (Lender A): Secured [Tranche B]	19.2(d)	125M	Dec 2028	-
Group Bank Loan (Lender A): Secured [Tranche C]	19.2(d)	75M	Dec 2027	40,000
Group Bank Loan (Lender A): Secured [Tranche D]		25M	Jun 2026	25,000
Group Bank Loan (Lender B): Secured [Tranche A]	19.2(e)	100M	Jun 2027	-
Group Bank Loan (Lender C): Secured [Tranche A]	19.2(f)	75M	Jun 2026	45,000
Group Bank Loan (Lender D): Secured [Tranche A]	19.2(g)	25M	Jun 2025	25,000
Group Bank Loan (Lender D): Secured [Tranche B]	19.2(g)	75M	Jun 2026	55,000
Group Bank Loan (Lender D): Secured [Tranche C]	19.2(g)	25M	Jun 2027	-
Group Bank Loan (Lender E): Secured [Tranche A]	19.2(h)	50M	Jun 2025	50,000
Group Bank Loan (Lender E): Secured [Tranche B]	19.2(h)	25M	Jun 2027	-
Group Bank Loan (Lender F): Secured [Tranche A]	19.2(i)	25M	Jun 2026	20,000
Group Bank Loan (Lender F): Secured [Tranche B]	19.2(i)	25M	Jun 2028	-
Total		750M		335,000
Less: Establishment Fees	19.2(j)			(2,592)
Group Bank Loans				**332,408**
NZ Bank Loan: Secured	19.2(k)		Jul 2024	2,276
				334,685

Review of Group Secured Borrowing Facilities
The Group's Secured Borrowing Facilities were reviewed during the financial year and the facility was increased to $1,055,000,000 (2022: $750,000,000). The first facility tranche maturity is June 2025.

d) *Group Bank Loan (Lender A): Secured*

The bank loan from Lender A of $70,000,000 (2022: $140,000,000) is a series of rolling loans expiring at various times.
The undrawn portion of the bank facility is $330,000,000 as at 30 June 2023 (2022: $160,000,000).

e) *Group Bank Loan (Lender B): Secured*

The bank loan from Lender B had a balance of $Nil at the end of the period (2022: $Nil).
The undrawn portion of the bank facility is $100,000,000 as at 30 June 2023 (2022: $100,000,000).

f) *Group Bank Loan (Lender C): Secured*

The bank loan from Lender C of $75,000,000 (2022: $45,000,000) is a series of rolling loans expiring at various times. The undrawn portion of the bank facility is $Nil as at 30 June 2023 (2022: $30,000,000).

19. Financial assets and financial liabilities (continued)

19.2 Financial liabilities: borrowings (continued)

g) *Group Bank Loan (Lender D): Secured*

The bank loan from Lender D of $25,000,000 (2022: $80,000,000) is a series of rolling loans expiring at various times. The undrawn portion of the bank facility is $100,000,000 as at 30 June 2023 (2022: $45,000,000).

h) *Group Bank Loan (Lender E): Secured*

The bank loan from Lender E of $200,000,000 (2022: $50,000,000) is a series of rolling loans expiring at various times.
The undrawn portion of the bank facility is $Nil as at 30 June 2023 (2022: $25,000,000).

i) *Group Bank Loan (Lender F): Secured*

The bank loan from Lender F of $60,000,000 (2022: $20,000,000) is a series of rolling loans expiring at various times. The undrawn portion of the bank facility is $95,000,000 as at 30 June 2023 (2022: $30,000,000).

j) *Establishment fees*

Establishment fees capitalised are the costs associated with debt facility negotiations and are amortised on a weighted basis over the period of the debt facility.

k) *NZ Bank Loan: Secured*

The NZ Bank Loan of $2,198,000 (2022: $2,276,000) is secured over the land and buildings in Wellington New Zealand as a registered first ranking mortgage.

There is no undrawn portion of the bank facility as at 30 June 2023. The facility was drawn in full at the commencement date with monthly repayments due over a period of 60 months until the facility is repaid in full. Attached to the facility is an additional commercial credit card facility for $70,000 of which $52,000 remains undrawn as at 30 June 2023.

Security

On 12 August 2011, St John of God Health Care Inc. changed its security arrangements such that Perpetual (on behalf of the Financiers), Hospitaller Order of St John of God and Sisters of St John of God Inc. each hold security over separate portfolios of assets. Following repayment of the loan to Hospitaller Order of St John of God, the security held is in the process of being released.

On 14 June 2012, St John of God Health Care Inc. provided the State of Western Australia with a charge over the Association's interest as a member in St John of God Midland Health Campus Ltd.

On 2 July 2014, St John of God Health Care Inc. provided a real property mortgage over any new titles created as a result of the amalgamation of existing titles and new subdivisions at St John of God Geelong Hospital that would be granted to Perpetual Trustees Consolidated Limited (Perpetual) as trustee of the St John of God Security Trust.

	Carrying value of assets	
	2023	2022
	$000	$000
Security Holder		
Perpetual	1,574,078	1,354,632
Hospitaller Order of St John of God	10,788	11,021
	1,584,866	1,365,653

19. Financial assets and financial liabilities (continued)

19.3 Derivative financial instruments

	2023 $000	2022 $000
Non- current financial assets		
Interest rate swap contracts - cash flow hedges	20,284	18,683
Non- current financial liabilities		
	20,284	**18,683**

Cash flow hedges

Interest Rate Swaps

The Group has entered into interest rate swap contracts under which it has rights to receive interest at variable rates and to pay interest at fixed rates.

Interest rate swap contracts in place cover 37% (2022: 19%) of the drawn portion of the bank facilities as at 30 June 2023.

The fair value of the interest swap contracts at 30 June 2023 is an asset of $20,284,000 (2022: $18,683,000).

Details of the interest rate swap contracts are shown below:

30 Jun 2023

Start Date	Maturity Date	Notional Amount $'000	Interest Rate Fixed %	Fair Value $'000
03/08/2021	01/07/2025	27,819	0.5	439
03/08/2021	01/07/2025	27,819	0.5	436
01/07/2023	01/07/2025	10,500	3.3	199
03/07/2023	01/07/2025	12,600	3.3	240
03/07/2023	01/07/2025	6,300	3.3	118
03/07/2023	01/07/2025	12,600	3.3	240
03/01/2023	02/01/2026	35,000	3.7	573
01/07/2022	01/07/2026	29,500	0.9	2,192
01/07/2022	01/07/2026	29,500	0.9	2,214
01/07/2024	03/07/2028	28,116	2.1	1,764
01/07/2024	03/07/2028	28,116	2.1	1,712
01/07/2024	03/07/2028	28,116	2.1	1,754
01/07/2023	01/06/2029	792	2.1	2,407
01/07/2023	02/07/2029	792	2.1	2,441
03/07/2023	02/07/2029	792	2.1	2,444
30/06/2023	28/06/2030	22,000	3.7	622
30/06/2023	28/06/2030	4,000	3.7	112
30/06/2023	28/06/2030	4,000	3.7	115
30/06/2023	30/06/2030	6,000	3.7	139
30/06/2023	30/06/2030	4,000	3.7	123
				20,284

19. Financial assets and financial liabilities (continued)

19.3 Derivative financial instruments (continued)

30 Jun 2022

Start Date	Maturity Date	Notional Amount $'000	Interest Rate Fixed %	Fair Value $'000
01/06/2018	01/06/2023	15,000	2.4	(18)
01/06/2018	01/06/2023	5,000	2.4	(11)
01/06/2018	01/06/2023	25,000	2.4	(36)
03/08/2012	01/07/2025	6,183	0.5	753
03/08/2021	01/07/2025	6,183	0.5	762
03/07/2023	01/07/2025	12,600	3.3	121
03/07/2023	02/07/2029	792	2.1	2,486
03/07/2023	01/07/2026	6,300	3.3	65
03/07/2023	01/07/2025	12,600	3.3	115
01/07/2022	01/07/2026	10,000	0.9	2,181
01/07/2022	01/07/2026	10,000	0.9	2,217
01/07/2024	03/07/2028	28,116	2.1	1,637
01/07/2024	03/07/2028	28,116	2.1	1,724
01/07/2023	01/07/2023	792	2.1	2,458
01/07/2024	01/07/2024	28,116	2.1	1,694
01/07/2023	01/07/2025	10,500	3.3	100
01/07/2023	01/06/2029	792	2.1	2,435
				18,683

The variable rates average 1.8% above (2022: 2.3% below) the fixed interest rate, which at 30 June 2023 was 2.1% (2022: 2.4%).

Refer Note 20 for movement in cash flow hedge reserve.

19.4 Financial instruments risk management objectives and policies

Interest rate risk

The Association manages its interest rate risk by hedging at a minimum of 25% of its bank debt (target 50%). Such hedging is currently achieved by taking out interest rate swap agreements.

19.5 Changes in liabilities arising from financing activities

	1 July 2022 $000	Cash flows $000	Other $000	30 June 2023 $000
Congregational loans: Current	244	-	-	244
Congregational loans: Non-Current	910	(529)	57	438
Other loans: Current	-	(521)	1,850	1,329
Other loans: Non-Current	-	-	3,938	3,938
Group bank loans: Non-Current	335,000	95,000	-	430,000
Establishment fees	(2,592)	(1,100)	878	(2,814)
Other bank loans: Non-Current	2,276	(78)	-	2,198
Lease liabilities	113,506	(26,248)	3,751	91,009
	449,344	**66,524**	**10,474**	**526,342**
Cash flow hedge: Non-Current	(18,683)	-	(1,601)	(20,284)

20. Reserves

	Hedging reserve $000	Realised gain on Financial assets designated at FVOCI $000	Foreign currency translation reserve $000	Net unrealised gains/(loss) reserve $000	Total $000
As at 1 July 2022	18,683	27,116	340	(1,578)	44,561
Movement	1,601	727	111	3,351	5,790
As at 30 June 2023	**20,284**	**27,843**	**451**	**1,773**	**50,351**

21. Commitments and contingencies

Lease commitments

The Group has various lease contracts that have not yet commenced as at 30 June 2023. The future lease payments for these non-cancellable lease contracts are $103,000 within one year and $310,000 within five years.

Refer to note 17 for all other Lease commitments.

Plant and equipment commitments

The Group entered into a finance agreement that has not yet commenced as at 30 June 2023 with Cisco Systems Capital (Australia) Pty Ltd to fund the acquisition of plant and equipment.

The Group's fair value of future repayments under the agreement are $1,874,000 within one year and $6,637,000 within five years.

Capital commitments

At 30 June 2023 the Group has commitments of $144,957,000 (2022: $193,253,000). Commitments for property, plant and equipment contracted for at reporting date but not recognised as liabilities are as follows:

	2023 $000	2022 $000
Within one year	143,251	138,969
After one year	1,706	54,284
	144,957	193,253

The capital commitments relate principally to completion of building contracts at:

- St John of God Subiaco Hospital
- St John of God Ballarat Hospital
- St John of God Richmond Hospital
- St John of God Murdoch Hospital; and
- Digital technology enhancement projects across the Group.

21. Commitments and contingencies (continued)

Commitment to Manage and operate St John of God Midland Public Hospital

On 14 June 2012, St John of God Midland Health Campus (SJGMHC) entered into a number of agreements (Transaction Documents) with the State of Western Australia (State) to design, construct, operate and maintain the St John of God Midland Public Hospital (Hospital).

The two primary contracts are the:

(1) Design & Construct (D&C) Agreement governing the design and construction of the St John of God Public Hospital

(2) Services Agreement governing the operation and maintenance of the St John of God Public Hospital during the Operational Phase

SJGMHC passed through (without release from the primary obligation to perform) its obligations under the D&C Agreement to Brookfield Multiplex Constructions Pty Ltd (BMC) under the terms of a D&C Subcontract. Construction of the Hospital was completed in November 2015.

SJGMHC passed through (without release from the primary obligation to perform) its obligations under the Services Agreement to St John of God Health Care Inc (SJGHC) under the terms of a Key Services Subcontract. The term of the Services Agreement commenced on 24 November 2015 and terminates 20 years thereafter. The State has the option to extend the term of the Services Agreement for a further period of two years.

As part of the transaction, the State requires SJGMHC to provide security for its obligations to the State under the Transaction Documents. The State also requires SJGHC to provide security to further secure SJGMHC's obligations.

In summary the security consists of:

- SJGMHC providing a fixed and floating charge over its assets and undertakings (General Security Agreement).
- In respect of the Services Agreement, SJGMHC providing the State with performance bonds initially in the amount of $40,000,000 reducing to $25,000,000 after 12 months of operation and increasing back to $40,000,000 two years before the 20 year term of the Services Agreement expires (all amounts CPI indexed). SJGHC provided the original $40,000,000 performance bond to the State on behalf of SJGMHC on 24 November 2015 which was subsequently replaced by a $25,000,000 performance bond. SJGHC provided the $25,000,000 performance bond to the State on 10 November 2016.
- A parent guarantee provided by SJGHC in favour of the State securing SJGMHC's obligations under the D&C Agreement and the Services Agreement. This parent guarantee is limited to 50% of the Contract Sum during the D&C Phase and to the equivalent of one year's revenue during Operational Phase (currently approximately $260,000,000).
- The Australian holding company of BMC, Brookfield Australia Investments Ltd provide a parent company guarantee to SJGMHC securing BMC's obligations to the Company under the D&C Subcontract noting that BMC's liability to the Company under this sub-contract will be limited to 50% of the contract sums under the D&C Subcontract.
- SJGHC providing the State with a charge over SJGHC's interest as a member in SJGMHC (Specific Security Deed).

Sale Commitment: Private Patient Facility at St John of God Midland Public Hospital

During the year the Group received notice that the State Government of Western Australia (State) is exercising its right to acquire 60 private beds, two operating theatres and a procedures room within the Midland Health Campus. The State will take possession of these on 1 July 2026, at which point Midland Health Campus will have transitioned to a fully public hospital. The Group is reviewing options to build a new private hospital near the existing hospital.

21. Commitments and contingencies (continued)

Commitment to Manage and operate Hawkesbury District Health Service

Capital commitments

The Group's capital commitments as at 30 June 2023 was $625,000 (2022: $760,000).

Commitment to manage and operate Hawkesbury District Health Service

On 4 November 2015, the Services Agreement with the Nepean Blue Mountains Local Health District to operate and manage Hawkesbury District Health Service was novated from Hawkesbury District Health Service Limited to St John of God Hawkesbury District Health Campus Ltd. The original term of the Services Agreement ended on 30 June 2022, and its extension was due to end on 31 December 2023. During the year ended 30 June 2023, the Services Agreement was extended for the period from 1 January 2024 to 31 March 2024.

Guarantees

St John of God Health Care Inc. has provided the following guarantees at 30 June 2023:

- Guarantee of $10,100,000 (2022: $6,000,000) to WorkCover WA as a condition of workers compensation self-insurance.
- Various other guarantees provided during the year total to $730,000 (2022: $1,078,000).

St John of God Health Care Inc. has provided a parent company guarantee and indemnity to the Nepean Blue Mountains Local Health District in respect of moneys payable and the performance of obligations by St John of God Hawkesbury District Health Campus Ltd. The maximum amount payable under the parent company guarantee and indemnity is $10,000,000 indexed annually on 4 November to reflect relative CPI since November 2015.

22. Events after the reporting period

There have been no significant events occurring after the balance date which may affect either the Group's operations or results of those operations or the Group's state of affairs.

23. Auditors' remuneration

The auditor of St John of God Health Care Inc. is Ernst & Young Australia.

	2023 $	2022 $
Amounts received or due and receivable by Ernst & Young Australia for:		
Audit - Australia	430,600	385,229
Audit - NZ	17,368	15,759
Other services in relation to the entity and any other entity in the consolidated group:		
Other assurance related services	-	27,040
Other non-assurance services	363,510	42,500
	811,478	**470,528**

24. Related parties

Board members

Mr A Arundell	
Dr R Capolingua	
Mr J Carroll	
Mr J de Groot	
Dr M Levitt	
Mr J McMahon	
Dr M O'Brien	
Mr P Prendiville	
Hon K Sanderson AC	
Dr S Kelly	(Resigned: 9 December 2022)
Ms S Park	

Trustees

Ms E Skira AM	(Resigned: 31 December 2022)
Rev Dr J Parkinson	
Mr F Cooper AO	
Mr M Murphy	
Ms D Cronin	
Hon N Owen AO	
Ms S Pascoe AM	
Ms C Hammond	(Appointed: 1 January 2023)
Mr F Moore	(Appointed: 1 July 2023)

Compensation of key management personnel of the Group

	2023 $000	2022 $000
Short term benefits	12,817	13,465
Long term benefits	1,302	205
Termination benefits	1,267	81
Total compensation paid to key management personnel	**15,386**	**13,751**

ST JOHN OF GOD HEALTH CARE INC.
(Association Not for Profit)
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of St John of God Health Care Inc. (the Group) we state that:

1. In the opinion of the directors:

   (a) the financial statements and notes of St John of God Health Care Inc. for the financial year ended 30 June 2023 are in accordance with the *Associations Incorporations Act 2015* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:

      (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the year ended on that date; and

      (ii) Complying with *Australian Accounting Standards and Australian Charities and Not-for Profits Commission Regulations 2022*; and

   (b) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

On behalf of the board

Hon K Sanderson AC
Chair
Perth, WA
29 September 2023

Ms S Park
Director
Perth, WA
29 September 2023

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Perth WA 6000 Australia
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Independent auditor's report to the members of St John of God Health Care Inc.

Opinion

We have audited the financial report of St John of God Health Care Inc. (the Association) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporation Act 2015*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures, *Australian Charities and Not-for-Profits Commission Act 2012* and the *Associations Incorporation Act 2015* and for such internal control as the directors determine is necessary to enable the preparation of the 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 directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives 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 our 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, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Timothy G Dachs
Partner
Perth
29 September 2023

ST JOHN OF GOD HEALTH CARE INC

"KB-30"

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Annual Information Statement 2022

Legal name:
St John Of God Health Care Inc

ABN:
21930207958

About the charity

Website:
sjog.org.au

Charity size:
Large

Is the charity an incorporated association?:
Yes

State/territory incorporated association numbers:
WA incorporated association number: A0824612H

Does the Charity intend to fundraise in the next reporting period?:
Yes

State/territory where the charity intends to fundraise in the 2022 reporting period:
VIC fundraising number: 12155
WA fundraising number: CC20574

Charity programs

Not for Profit Hospital Operation

Program classification:
In-patient medical care

Program locations:
Western Australia, Australia
Victoria, Australia
New South Wales, Australia

Program beneficiaries:
General community in Australia

Outpatient Medical Care

Program classification:
Out-patient medical care

Program locations:
Western Australia, Australia
New South Wales, Australia
Victoria, Australia

Program beneficiaries:
General community in Australia

Ambulatory and Home Services

Program classification:
Community nursing

Program locations:
Western Australia, Australia
Victoria, Australia

Program beneficiaries:
General community in Australia

Rehabilitation Programs

Program classification:
Rehabilitation

Program locations:
Frankston VIC, Australia
St John of God Pinelodge Clinic, Heatherton Road, Dandenong North VIC, Australia

Program beneficiaries:
General community in Australia

Mental Health Services Programs

Program classification:
Mental healthcare

Program locations:
Burwood NSW, Australia
Richmond NSW, Australia

Program beneficiaries:
General community in Australia

Research Programs and Initiatives

Program classification:
Health and medical research

Program locations:
Western Australia, Australia
Victoria, Australia

Program beneficiaries:
General community in Australia

Description of the charity's activities and outcomes:
St John of God Health Care (SJGHC) pursued its charitable purpose during the last financial year via the operation of hospitals and home nursing services through Australia. As a not-for-profit entity all profits were returned to the general community served by updating and expanding facilities and technology; expanding existing services and developing and acquiring new services. SJGHC currently operates 15 hospitals across Australia, providing over 3000 patient beds across Western Australia, Victoria and New South Wales. SJGHC hospitals provide acute services, psychiatric services and rehabilitation services to patients. Home nursing services in Victoria and Western Australia delivered over seventy eight thousand episodes of care for patients. SJGHC also provided early years clinical services to parents and families who are affected by anxiety, stress or depression during pregnancy and following childbirth for up to four years of age as well as provision of mental health and drug/alcohol services to individuals and their families.

Human resources

Human resources:

Full time employees: 2481
Part time employees: 7494
Casual employees: 3205
Full-time equivalent staff (FTE): 7347.00
Estimated number of volunteers: 875

Annual report

Note: If you want to see the financial report or annual report that this charity has submitted, go back to Financials & Documents

Financial Reporting

Charity's 2022 reporting period:
1 July 2021 to 30 June 2022

Type of financial statement:
General purpose financial statements simplified disclosure

Financial report consolidated with more than one entity?:
Yes

Did your charity have any related party transactions:
Yes

Does your charity have documented policies or processes about related party transactions?:
Yes

More than one remunerated key management personnel member:
Yes

Number of remunerated key management personnel:
26

Total amount paid to key management personnel:
$11,753,000

Financial report submitted to a state/territory regulator?:
No

Income and Expenses

Comprehensive Income Statement summary

Gross income

Revenue from government including grants	$22,456,000
Donations and bequests	$3,688,000
Revenue from providing goods or services	$1,825,425,000
Revenue from investments	$5,145,000
All other revenue	$147,924,000
Total revenue	$2,004,638,000
Other income (for example, gains)	$4,211,000
Total gross income	$2,008,849,000

Expenses

Employee expenses	$1,207,574,000
Interest expenses	$11,025,000
Grants and donations made for use in Australia	$0
Grants and donations made for use outside Australia	$0
All other expenses	$810,608,000
Total expenses	$2,029,207,000

Net income

Net surplus/(deficit)	-$20,358,000
Other comprehensive income	$13,822,000
Total comprehensive income	-$6,536,000

Balance Sheet extract

Assets

Total current assets	$431,424,000
Non-current loans receivable	$0
Other non-current assets	$1,266,193,000
Total non-current assets	$1,266,193,000
Total assets	$1,697,617,000

Liabilities

Total current liabilities	$441,189,000
Non-current loans payable	$335,595,000
Other non-current liabilities	$133,643,000
Total non-current liabilities	$469,238,000
Total liabilities	$910,427,000

Net assets/liabilities

Net assets/liabilities	$787,190,000

"KB-31"



ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)

CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2022

ST JOHN OF GOD HEALTH CARE INC.
(Association Not for Profit)
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ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022

The directors present their report on the consolidated entity consisting of St John of God Health Care Inc. (the Association) and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

The names and details of the Association's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Mr A Arundell, Director

Dr J Caldecott, Director **(Term of appointment expired: 31 December 2021)**

Dr R Capolingua, Director

Mr J Carroll, Director

Mr J de Groot , Director

Dr M Levitt, Director

Mr J McMahon, Director

Dr M O'Brien, Director

Mr P Prendiville, Director

Hon K Sanderson AC, Chair

Dr S Kelly, Group CEO & Managing Director

Ms S Park, Director **(Appointed: 1 January 2022)**

Association Secretary

The Association Secretary from 1 July 2021 to 30 June 2022 was Ms L Johnstone.

Principal activities

The Association's principal activity is the provision of health care services in Australia, New Zealand and the Asia-Pacific region.

Since 2020, COVID-19 has severely impacted many local economies around the globe. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in economic uncertainty. Governments and banks have responded with monetary and fiscal interventions to stabilise economic conditions.

The Group's result for the year reflects the disruption caused by continued outbreaks of COVID-19 across Australia in 2022. All States continued to be affected by the outbreaks, and agreements continued to be offered to private and not-for-profit hospitals to ensure viability during the COVID-19 response. The Group remained on the Victoria and New South Wales State agreement throughout the financial year, and the Western Australia State agreement was also renegotiated and restated during the financial year. The Group's primary focus continues to be protecting the safety and well-being of patients and caregivers during this extremely challenging environment. The result reflects the operational and financial resilience of the business despite the disruption caused by the pandemic. COVID-19 is expected to continue to pose ongoing challenges in the healthcare industry which includes workforce shortages and supply chain disruptions in the FY23 year.

Significant events after the balance date

The COVID-19 viability agreement with the State of Victoria has been reinstated for the July to September 2023 financial period.

No other matters or circumstances have arisen since the date of this report that has significantly affected the Association’s activities, results or state of affairs.

Environmental regulation and performance

The Association provides annual compliance reporting under the National Greenhouse and Energy Reporting Act 2007 (NGER Act). They are not subject to any other significant environmental regulation under either Commonwealth or State legislation.

Indemnification and insurance of directors and officers

Indemnity

In accordance with the Association's Constitution the Association has indemnified every past and present officer of the Association against all liability to another person or company as an officer of the Association unless the liability arises out of conduct involving a lack of good faith.

Insurance

The Association holds an insurance policy under which the insurer has agreed to indemnify the Association's directors and officers against personal liabilities from wrongful acts committed by those directors or officers in connection with their duties and responsibilities. Wrongful acts include breaches of trust, neglect, error, or misstatement. The insurer will reimburse all expenses incurred in defending these actions. The terms of the policy require the Association to keep details of the premium confidential.

Indemnification of auditors

To the extent permitted by law, the Association has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Rounding

The Association has referenced ASIC Legislative Instrument 2016/191, in relation to the 'rounding off' of amounts in the directors' report. The amounts contained in the financial report have been rounded off in accordance with the instrument to the nearest $1,000 (where rounding is applicable), or in certain cases, to the nearest dollar.

Auditor independence declaration

A copy of the independence declaration from the auditor of St John of God Health Care Inc. is set out on page 4.

ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022

This report is made in accordance with a resolution of directors.

Mr A Arundell
Director
Perth, WA

30 September 2022

Hon K Sanderson AC
Chair
Perth, WA

30 September 2022

Ernst & Young
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Perth WA 6000 Australia
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Building a better working world

Auditor's Independence Declaration to the Directors of St John of God Health Care Inc.

In relation to our audit of the financial report of St John of God Health Care Inc. for the financial year ended 30 June 2022, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* or any applicable code of professional conduct; and

b. No non-audit services provided that contravene any applicable code of professional conduct.



Ernst & Young



Timothy G Dachs
Partner
30 September 2022

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 June 2022

	Notes	2022 $000	2021 $000
Continuing operations			
Revenue			
Revenue from ordinary activities	8.1	1,975,331	2,003,441
Other income	8.2	33,446	16,534
Expenses			
Employment costs		(1,207,574)	(1,165,153)
Medical consumables and supply expenses		(446,161)	(465,614)
Contract services cost		(137,209)	(126,255)
Direct operating expenses		(134,569)	(129,132)
Depreciation and amortisation	12, 13, 18	(92,032)	(94,070)
Operating (loss) / profit		(8,768)	39,751
Finance income		72	123
Finance costs	8.3	(11,025)	(12,511)
Finance costs - net		(10,953)	(12,388)
Share of net loss of joint ventures accounted for using the equity method	6	-	(60)
Income tax expense		(637)	(127)
Net (deficit) / surplus from continuing operations		(20,358)	27,176
Other comprehensive income			
Exchange differences on translation of foreign operations	21	(274)	50
Net gain on cash flow hedges	21	21,878	2,384
Net (loss)/gain on financial assets designated at fair value through other comprehensive income	21	(7,782)	7,274
Net gain on sale of equity instruments designated at fair value through other comprehensive income		-	27,116
Net other comprehensive income for the period		13,822	36,824
Total comprehensive (loss) / income for the period		(6,536)	64,000

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

ST JOHN OF GOD HEALTH CARE INC.
(Association Not for Profit)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Notes	2022 $000	2021 $000
Current assets			
Cash and cash equivalents	9	94,955	32,888
Trade and other receivables	10	269,033	232,857
Inventories	11	45,493	35,675
Prepayments		10,724	7,581
Other current financial assets	20.1	7,682	17,562
Assets classified as held for sale	14	3,537	17,627
Total current assets		431,424	344,190
Non-current assets			
Financial instruments designated at fair value through OCI	20.1	44,001	45,916
Derivative financial instruments	20.3	18,683	-
Property, plant and equipment	12	1,082,360	1,037,786
Intangible assets	13	20,808	22,948
Right-of-use assets	18	100,341	105,909
Total non-current assets		1,266,193	1,212,559
Total assets		1,697,617	1,556,749
Current liabilities			
Trade and other payables	15	161,508	153,657
Funding received in advance	19	40,876	49,243
Employee benefit liabilities	17	176,267	166,706
Provisions	16	51,155	46,295
Borrowings	20.2	244	244
Lease liabilities	18	11,139	9,939
Total current liabilities		441,189	426,084
Non-current liabilities			
Borrowings	20.2	335,595	196,458
Derivative financial instruments	20.3	-	3,195
Employee benefit liabilities	17	31,106	31,410
Lease liabilities	18	102,367	105,485
Other non-current liabilities		170	391
Total non-current liabilities		469,238	336,939
Total liabilities		910,427	763,023
Net assets		787,190	793,726
Equity			
Accumulated surplus		742,629	762,987
Reserves	21	44,561	30,739
Total equity		787,190	793,726

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Hedging Reserve	Foreign currency translation reserve	Net Unrealised Gains / (Loss) Reserve	Realised gain on financial assets designated at FVOCI	Accumulated Surplus	Total
	$000	$000	$000	$000	$000	$000
As at 1 July 2021	(3,195)	614	6,204	27,116	762,987	793,726
Other comprehensive income/loss (Note 21)	21,878	(274)	(7,782)	-	(20,358)	(6,536)
Total comprehensive income/loss	21,878	(274)	(7,782)	-	(20,358)	(6,536)
As at 30 June 2022	18,683	340	(1,578)	27,116	742,629	787,190

	Hedging Reserve	Foreign currency translation reserve	Net Unrealised Gains / (Loss) Reserve	Realised gain on financial assets designated at FVOCI	Accumulated Surplus	Total
	$000	$000	$000	$000	$000	$000
As at 1 July 2020	(5,579)	564	(1,070)	-	735,811	729,726
Net surplus for the year	-	-	-	-	27,176	27,176
Other comprehensive income	2,384	50	7,274	27,116	-	36,824
Total comprehensive income	2,384	50	7,274	27,116	27,176	64,000
As at 30 June 2021	(3,195)	614	6,204	27,116	762,987	793,726

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 $000	2021 $000
Operating activities			
Receipts from patients and other customers		1,939,963	1,921,279
Payments to employees and suppliers		(1,923,506)	(1,901,298)
Interest received		72	123
Interest paid		(4,302)	(5,027)
Proceeds from government grants and contracts		22,456	21,859
Donations, fundraising and bequests received		3,003	4,378
Net cash flows from operating activities		37,686	41,314
Investing activities			
Payments for property, plant and equipment		(106,312)	(41,519)
Payments for intangibles		(9,205)	(19,254)
Proceeds from sale of property, plant and equipment		12,221	2,572
Distribution received from joint venture / partnership		-	670
Proceeds from (payments) for other financial assets		9,880	(8,276)
Payments for financial instruments designated at fair value through OCI		(10,500)	(164)
Proceeds from sale of financial instruments designated at fair value through OCI		8,500	-
Distribution received from equity investments		-	2,350
Payments for acquisition of a subsidiary		-	(1,000)
Collection of receivable from private company		-	8,032
Proceeds from sale of investments		-	42,633
Net cash flows used in investing activities		(95,416)	(13,956)
Financing activities			
Proceeds from group bank loans		420,741	508,843
Repayment of group bank loans		(279,973)	(562,000)
Loan establishment fees paid		(1,929)	(524)
Repayment of congregational loans		(492)	(12,740)
Payment of lease liabilities		(18,276)	(14,053)
Net cash flows from / (used in) financing activities		120,071	(80,474)
Net increase/(decrease) in cash and cash equivalents		62,341	(53,116)
Net foreign exchange difference		(274)	50
Cash and cash equivalents at 1 July		32,888	85,954
Cash and cash equivalents at 30 June	9	94,955	32,888

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Corporate information

The consolidated financial report covers St John of God Health Care Inc. (the Association), its subsidiaries and equity accounted investments (collectively, the Group).

St John of God Health Care Inc. is an Association incorporated in Australia under the *Associations Incorporation Act 2015*. The Association is a not-for-profit entity and controls the following entities:

- **St John of God Outreach Services**
- **St John of God Foundation Inc.**
- **St John of God Foundation Trust**
- **St John of God Hauora Trust**
- **St John House Inc.**
- **ACN 003 667 696 (formerly St John of God Health Services Limited)**
- **A.C.N. 071 236 176 Limited (formerly St John of God Casa Venegas Limited)**
- **St John of God Berwick Health Campus Ltd**
- **St John of God Hawkesbury District Health Campus Ltd**
- **Marillac Limited**
- **Dencross Pty Ltd - trading as Murdoch Surgicentre**
- **St John of God Midland Health Campus Ltd**

The consolidated financial statements were approved and authorised for issue by the Director's on 30 September 2022.

The Association's registered office is:
Level 1, 556 Wellington Street, Perth WA 6000 Australia

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Associations Incorporation Act 2015, Australian Charities and Not-for-profits Commission Act 2012* and *Australian Accounting Standards - Simplified Disclosures.*

The Group is a not-for-profit, private sector entity which is not publicly accountable. The Director's of the Association have determined that the Association is permitted to apply Tier 2 reporting requirements as set out in *AASB 1053 Application of Tiers of Australian Accounting Standards.*

The consolidated financial statements are presented in Australian dollars and all values are rounded to the nearest thousand ($000), except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) which are measured at fair value.

Going Concern

At 30 June 2022, the Group has a net current asset surplus, excluding funding received in advance, of $31,111,000 (2021: $32,651,000 deficiency) and cash and cash equivalents of $94,955,000 (2021: $32,888,000). For the year ended 30 June 2022 the Group has made a net deficit of $20,358,000 (2021: surplus of $27,176,000) and had operating cash inflows of $37,686,000 (2021: $41,314,000).

The Directors have reviewed the business outlook, the positive forecast cash flows and forecast operating results for the 2023 financial year and the assets and liabilities of the Group and are of the opinion that the use of the going concern basis of accounting is appropriate.

2. Significant accounting policies (continued)

2.2 Changes in accounting policy, accounting standards and interpretations

There are a number of Australian Accounting Standards and Interpretations apply for the first time in 2022, but do not have an impact on the Group's consolidated financial statements.

A number of Australian Accounting Standards and Interpretations have been issued or amended but are not yet effective. The impact of these new or amended Accounting Standards and Interpretations are not expected to give rise to material changes in the Group's consolidated financial statements.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Association and its subsidiaries and equity accounted investments (collectively referred to as 'the Group') as at 30 June 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- **Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)**
- **Exposure, or rights, to variable returns from its involvement with the investee**
- **The ability to use its power over the investee to affect its returns**

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- **The contractual arrangement(s) with the other vote holders of the investee**
- **Rights arising from other contractual arrangements**
- **The Group's voting rights and potential voting rights**

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the consolidated statement of comprehensive income. Any investment retained is recognised at fair value.

2.4 Summary of significant accounting policies

a) *Business combinations*

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

2. Significant accounting policies (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of *AASB 9*, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with AASB 9. Other contingent consideration that is not within the scope of AASB 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

b) *Goodwill*

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Goodwill has an indefinite useful life, is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

c) *Foreign currencies*

(i) Functional and presentation currency

Both the functional and presentation currency of St John of God Health Care Inc. and its Australian subsidiaries are Australian dollars. The New Zealand subsidiaries' functional currency is New Zealand dollars which is translated to Australian dollars.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2. Significant accounting policies (continued)

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

(iii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

d) *Revenue recognition*

Recognition and measurement

The Group recognises revenue under AASB 15 or AASB 1058 when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

In other cases, AASB 1058 applies when a Not-for-Profit entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives and the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately. The Group recognises revenue from the following major sources:

Patient fees

Revenue is recognised when the service is rendered.

Government grants and subsidies

If conditions are attached to a grant which must be satisfied before the Group is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Donations and bequests

Revenue from donations is recognised when the Trust can demonstrate that the specific performance obligation attached to the Donation has been fulfilled. All charitable collections received have been, or are held to be, used for charitable purposes within the meaning of the Charitable Collections Act (1946).

Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the Group becomes legally entitled to the shares or property.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate.

e) *Contract liability - Deferred revenue*

The liability for funding received in advance is the unutilised amounts of funding received or set aside on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the funding. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

2. Significant accounting policies (continued)

f) *Taxes*

Current income tax

A subsidiary is subject to income tax, whereby income tax expense is recognised in surplus, items recognised directly in equity or other comprehensive income. Current tax expense for the period is the expected tax on the subsidiary's current period's income based on the enacted income tax rate. Except for the subsidiary, no further provision has been made for income tax as the income of the Association is exempt from income tax under section 50-30 of the Income Tax Assessment Act 1997 as amended.

g) *Non-current assets held for sale and discontinued operations*

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- **Represents a separate major line of business or geographical area of operations**
- **Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or**
- **Is a subsidiary acquired exclusively with a view to resale**

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss and other comprehensive income.

h) *Property, plant and equipment*

Property, plant and equipment is initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

Property, plant and equipment are subsequently measured using the cost model, less subsequent depreciation and impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Plant and equipment	**3 to 10 years**
Buildings and property improvements	**Up to 40 years**
Motor vehicles	**3 to 10 years**

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2. Significant accounting policies (continued)

Construction in progress

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Such cost includes borrowing costs for long-term construction projects if the recognition criteria are met. Depreciation of the asset begins when construction is complete and the asset is available for use.

i) *Leases*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- **Property, plant and equipment** — **3 to 15 years**
- **Motor vehicles** — **3 to 5 years**

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.4(n) for Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see Note 20.2).

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. Significant accounting policies (continued)

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss and other comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Lease incentives granted are recognised as an integral part of the total rental income.

j) *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

k) *Intangible assets*

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Any gain or loss arising upon derecognition of an intangible asset is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss and other comprehensive income.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- **The technical feasibility of completing the intangible asset so that the asset will be available for use or sale**
- **Its intention to complete and its ability and intention to use or sell the asset**
- **How the asset will generate future economic benefits**
- **The availability of resources to complete the asset**
- **The ability to measure reliably the expenditure during development**

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in profit or loss. During the period of development, the asset is tested for impairment annually.

2. Significant accounting policies (continued)

A summary of the policies applied to the Group's intangible assets is as follows:

Computer Software	
Useful life	**2 - 5 years**
Amortisation method used	**Amortisation over the period of expected benefit on a straight line basis**
Internally generated or acquired	**Acquired**
Impairment testing	**Assessed for impairment at least annually if circumstances indicate that the carrying value may be impaired.**

Development Costs	
Mainly relates to internally generated software	
Useful life	**2 - 5 years**
Amortisation method used	**Amortisation over the period of expected benefit from the related project on a straight line basis.**
Internally generated or acquired	**Internally generated**
Impairment testing	**Assessed for impairment at least annually if circumstances indicate that the carrying value may be impaired.**

Service Concessions	
Relates to contractual arrangements between the Group and the public sector whereby the Group provides public services on behalf of the public sector for a specified period of time	
Useful life	**The life of the agreement.**
Amortisation method used	**Amortisation over the period of expected benefit on a straight line basis.**
Internally generated or acquired	**Acquired**
Impairment testing	**Assessed for impairment at least annually if circumstances indicate that the carrying value may be impaired.**

l) *Financial instruments*

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.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the original transaction price. Refer to the accounting policies in section (e) Revenue from contracts with customers.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- **Financial assets at amortised cost (debt instruments)**
- **Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)**
- **Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)**

2. Significant accounting policies (continued)

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- **The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and**
- **The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.**

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

This category generally applies to trade and other receivables. For more information on receivables, refer to Note 10.

Financial instruments designated through OCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss and other comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group evaluates whether the ability and intention to sell its financial instruments designated through OCI in the near term is still appropriate.

Derivative financial instruments and hedge accounting

The Group uses interest rate swaps (derivative financial instruments) to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Hedging Reserve, while any ineffective portion is recognised immediately in the statement of profit or loss.

Impairment

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- **Disclosures for significant assumptions — Note 3**
- **Debt instruments at fair value through OCI — Note 20**
- **Trade receivables including contract assets — Note 20**

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2. Significant accounting policies (continued)

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- **Financial liabilities at fair value through profit or loss**
- **Financial liabilities at amortised cost (loans and borrowings)**

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss and other comprehensive income.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 20.

m) *Inventories*

Inventories, comprising medical and laboratory supplies, are valued at the lower of cost or net realisable value. Cost is determined using the latest purchase price.

n) *Impairment of non-financial assets*

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2. Significant accounting policies (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 10 years.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment at least annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment at least annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

o) *Cash and cash equivalents*

Cash and cash equivalents in the consolidated statement of financial position comprise of cash at banks, on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

p) *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Wages, salaries and accumulating annual leave

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave which are expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit and loss.

The obligations are presented as current liabilities in the balance sheet if the Group does not have the unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

2. Significant accounting policies (continued)

Short term incentive plan

Short term incentive plans to be settled within twelve months of the reporting date are recognised as a liability. The quantum of the liabilities are measured based on the requirements of the remuneration policy that has been approved by the Directors.

Short term incentive plans expected to settle after twelve months are recognised as non-current liabilities. Consideration is given to the experience of the employee departures, and periods of service.

WA Workers compensations claims

St John of God Health Care Inc. became a licensed self-insurer under the Workers Compensation and Rehabilitation Act 1984 (WA), as from 1 July 2001.

The liability for outstanding claims is measured at the present value of expected future payments. The estimation of the liability is determined by reference to an actuarial assessment performed by independent experts every six months.

Medical liability

A provision is made based on a schedule of outstanding claims and costs which are estimated based on currently available data as assessed quarterly by independent experts, and having regards to the requirements of the Group's insurance policy.

q) ***Fair value measurement***

The Group measures financial instruments such as derivatives and financial assets, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- **In the principal market for the asset or liability, or**
- **In the absence of a principal market, in the most advantageous market for the asset or liability**

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. Significant accounting policies (continued)

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**

r) *Amounts payable on congregational loans*

The amounts payable to Sisters of St Joseph of the Apparition Inc. have been classed as borrowings in the consolidated statement of financial position. All of the amounts payable have been measured in accordance with *AASB 9 Financial Instruments*.

s) *Reserves*

Accumulated surplus includes all current and prior period retained surpluses.

Other components of equity include the following:

Foreign Currency Translation Reserve	**Used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.**
Hedging Reserve	**Records the portion of the gain or loss on the interest rate swaps in the cash flow hedge that is determined to be an effective hedge. Refer further to Note 20.3**
Net Unrealised Gains/(Loss) Reserve	**Records the unrealised gain or loss on the financial assets designated at fair value through other comprehensive income**
Realised Gain Reserve	**Records the realised gain on financial assets designated at FVOCI**

t) *Economic dependency*

For the ongoing continuance of some of its programs, the Group is dependent upon the ongoing receipt of Federal and State government grants and community and corporate donations.

The Group maintains a strong relationship with both the Federal and State governments and at the date of this report management has no reason to believe that this financial support will not continue.

u) *Interests in joint operations*

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

In the case of joint operations, the Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the consolidated financial statements under the appropriate headings.

Details of joint operations are set out in Note 5.

3. Significant accounting judgements, estimates and assumptions

In applying the Group's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these consolidated financial statements are outlined below:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

3. Significant accounting judgements, estimates and assumptions (continued)

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Impairment of non-financial assets

The Group determines whether non-financial assets are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the non-current assets are allocated. The Group's accounting policy with regards to impairment of non-financial assets is discussed in Note 2.4(n).

Impairment of goodwill and intangibles with indefinite useful lives

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in Note 2.4(b).

WA Workers compensation claims

St John of God Health Care Inc. became a licensed self-insurer under the Workers Compensation and Rehabilitation Act (WA) 1984, as from 1 July 2001. The liability for outstanding claims is measured at the present value of expected future payments. The estimation of the liability is determined by reference to an actuarial assessment performed by independent experts every six months.

Medical liability

A provision is made based on a schedule of outstanding claims and costs which are estimated based on currently available data as assessed quarterly by independent experts, and having regard to the requirements of the Group's insurance policy.

In circumstances where the Group has determined and/or been advised by its legal counsel that it is only possible, but not probable, that a claim will succeed, no provision for any liability is made in the financial statements.

Annual leave

Liabilities for annual leave expected to be settled within twelve months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is recognised when the leave is taken and measured at the rates paid or payable.

Long service leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using the maturity rates for 5, 7 and 10 years of Corporate bonds and inflated using a long term rate.

Measurement of Congregational Loan amounts

These amounts due have been measured at their present value pursuant to AASB 9 using the discounted cash flow technique and applying the following assumptions:

Expected future cash flows (i.e. repayments of principal)
The expected future cash flows (i.e. repayments of principal) in relation to the amounts due to the Sisters of St Joseph of the Apparition Inc. (expected to be fully repaid in 2024) is measured under its respective agreement.

Discount Rates
The discount rates applied to expected future cash flows is 6.25%.

3. Significant accounting judgements, estimates and assumptions (continued)

Lease commitments – Group as lessor

The Group has entered into leases on some of its property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the property and the present value of minimum lease payments not amounting to substantially all of the fair value of the property, that it retains all the significant risks and reward of ownership of these properties and accounts for the contracts as operating leases.

Health Fund audits

A provision for the outcomes of Health Fund audits is made based on a percentage of revenue using the past 2 years exposure as a guide.

4. Group information

Information relating to subsidiaries

Subsidiaries

Entity	Principal Activities
St John of God Midland Health Campus Ltd	Operate and maintain the Midland Public Hospital
St John of God Outreach Services	Provision of services for the disadvantaged or those with disabilities
St John of God Foundation Inc.	Fundraiser for major capital projects, clinical equipment, medical and health research and social outreach initiatives
St John of God Foundation Trust	Public ancillary fund which can receive and make donations
St John of God Hauora Trust	Provider of health, ability and social services in New Zealand
St John House Inc.	Dormant
A.C.N. 071 236 176 Limited	Community housing
ACN 003 667 696	Dormant
St John of God Berwick Health Campus Ltd	Owning hospitals
St John of God Hawkesbury District Health Campus Ltd	Provider of health, ability and social services in New South Wales
Marillac Limited	Provision of specialist disability accommodation services
Dencross Pty Ltd (trading as Murdoch Surgicentre)	Specialist day surgery

5. Interest in joint arrangements

Joint Operations

Kangan Drive Berwick

Berwick Health Campus Limited (BHC) is a controlled entity of St John of God Health Care Inc.

Certain land and buildings at Kangan Drive Berwick are co-owned by BHC and Perpetual Corporation Trust as trustee for North West Healthcare Properties Management (formerly known as Generation Healthcare Custodian (Casey) Pty Ltd) pursuant to a "Co-ownership Deed" dated 18 December 2015.

6. Investment in a partnership

Investment in partnership pertains to the Group's 50% interest in St John of God Sleep Centre, which was sold during the year ended 30 June 2021 and the Group recognised its share in the profit and loss of the partnership amounting to a loss of $60,000.

7. Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

	Notes	Date of valuation 30 June 2022 $'000	Date of valuation 30 June 2021 $'000
Fair value measurement hierarchy for assets:			
Financial assets designated at fair value through OCI			
Investments in equities funds and shares (Level 1)	**20.1**	**43,983**	**45,897**
Derivative financial instruments			
Cash flow hedges: interest rate swaps (Level 2)	**20.3**	**18,683**	**-**
		62,666	**45,897**
Fair value measurement hierarchy for liabilities:			
Derivative financial instruments			
Cash flow hedges: interest rate swaps (Level 2)	**20.3**	**-**	**3,195**

8. Revenue and expenses

8.1 Revenue from ordinary activities

	2022 $000	2021 $000
Patient fees	**1,825,425**	**1,864,881**
Rental income	**17,031**	**16,427**
Government grants and subsidies	**22,456**	**21,859**
Donations, fundraising and bequests	**3,688**	**7,860**
Other ancillary income	**106,731**	**92,414**
	1,975,331	**2,003,441**

Revenue is derived in Australia and New Zealand and recognised over time.

8.2 Other income

	2022 $000	2021 $000
Net gain on disposal of property, plant and equipment	**731**	**135**
Net gain on sale of assets classified as held for sale	**3,480**	**17**
Recoveries	**24,162**	**11,268**
Investment income	**5,073**	**5,114**
	33,446	**16,534**

8. Revenue and expenses (continued)

8.3 Finance costs

	Notes	2022 $000	2021 $000
Interest expense - leases	18	3,574	3,744
Interest expense - debt		4,382	5,436
Facility fees		3,069	3,331
		11,025	12,511

9. Cash and cash equivalents

	2022 $000	2021 $000
Cash at bank and on hand	72,340	20,813
Restricted cash	22,615	12,075
	94,955	32,888

Cash at bank earns interest at floating rates based on daily bank and term deposit rates.

Restricted cash is grant and gift fund monies tied to specific expenditure.

10. Trade and other receivables

	Notes	2022 $000	2021 $000
Current			
Trade receivables	10.1	135,328	124,310
Other receivables	10.2	135,355	108,612
Goods and services tax receivable		5	1,580
		270,688	234,502
Provision for expected credit losses		(1,655)	(1,645)
		269,033	232,857
Non-current			
		-	-

10.1 Trade Receivables

Trade receivables are non-interest bearing, generally have 14-30 day terms, and are recognised and carried at original invoice amount less an allowance for any uncollectible amounts and expected credit losses.

10.2 Other Receivables

Other receivables includes unbilled revenue of $103,848,000 (2021: $78,614,000). All other receivables are non-interest bearing and have repayment terms between 14 and 30 days.

10. Trade and other receivables (continued)

10.3 Provision for impairment of receivables

The movement in the provision for expected credit losses is shown below:

	2022 $000	2021 $000
As at 1 July	1,645	1,738
Charge for the year	1,727	697
Utilised	(1,717)	(790)
As at 30 June	1,655	1,645

11. Inventories

	2022 $000	2021 $000
Medical and general supplies	48,918	38,119
Provision for inventory obsolescence	(3,425)	(2,444)
	45,493	35,675

Cost of inventories consumed for the patients amounting to $446,161,000 was recognised as an expense during the year ended 30 June 2022 (2021: $465,614,000).

For the year ended 30 June 2022, $981,000 was recognised as an expense for inventory obsolescence (2021: $2,113,000).

12. Property, plant and equipment

	Land $000	Buildings $000	Plant and Equipment $000	Work in progress $000	Total $000
30 June 2021					
Carrying value at the beginning of the year	131,651	704,228	198,908	33,473	1,068,260
Additions	-	139	-	64,709	64,848
Disposals	(2,340)	-	(80)	-	(2,420)
Transfer	-	13,875	31,176	(64,305)	(19,254)
Depreciation	-	(25,550)	(43,420)	-	(68,970)
Transfer from assets classified as held for sale (note 14)	(2,320)	(1,183)	(1,175)	-	(4,678)
Carrying value at the end of the year	126,991	691,509	185,409	33,877	1,037,786
30 June 2021					
Cost	126,991	1,004,284	534,399	33,877	1,699,551
Accumulated depreciation and impairment	-	(312,775)	(348,990)	-	(661,765)
Carrying Value	126,991	691,509	185,409	33,877	1,037,786

12. Property, plant and equipment (continued)

	Land $000	Buildings $000	Plant and Equipment $000	Work in Progress $000	Total $000
30 June 2022					
Carrying value at the beginning of the year	126,991	691,509	185,409	33,877	1,037,786
Additions	-	6,966	-	108,551	115,517
Disposals	-	-	(177)	-	(177)
Transfer	-	15,814	38,780	(63,799)	(9,205)
Exchange and other adjustments	-	(23)	493	(272)	198
Depreciation	-	(26,199)	(41,798)	-	(67,997)
Transfer from assets classified as held for sale (note 14)	-	6,238	-	-	6,238
Carrying value at the end of the year	126,991	694,305	182,707	78,357	1,082,360
30 June 2022					
Cost	126,991	1,034,262	569,824	78,357	1,809,434
Accumulated depreciation and impairment	-	(339,957)	(387,117)	-	(727,074)
Carrying Value	126,991	694,305	182,707	78,357	1,082,360

Impairment

The Group completed the annual impairment test, and it was determined that no impairment charges were to be recognised for the current period against property, plant and equipment (2021: nil impairment against Plant and Equipment).

Joint operation

Included within the total carrying value of property, plant and equipment at 30 June 2022 is an amount of $29,603,000 (2021: $30,547,000) which relates to a joint operation.

Project accruals

Included in additions are $3,440,000 of non-cash accruals in relation to projects under construction (2021: $4,075,000).

13. Intangible assets

	Software $000	Service Concessions $000	Total $000
30 June 2021			
Carrying value at the beginning of the year	15,209	1,713	16,922
Transfers/Additions	19,254	-	19,254
Amortisation	(12,369)	(859)	(13,228)
Carrying value at the end of the year	22,094	854	22,948
30 June 2021			
At cost	70,196	15,689	85,885
Accumulated amortisation and impairment	(48,102)	(14,835)	(62,937)
Carrying Value	22,094	854	22,948

13. Intangible assets (continued)

	Software $000	Service Concessions $000	Total $000
30 June 2022			
Carrying value at the beginning of the year	22,094	854	22,948
Transfers/Additions	9,205	-	9,205
Exchange and other adjustments	(15)	-	(15)
Amortisation	(10,476)	(854)	(11,330)
Carrying value at the end of the year	20,808	-	20,808
30 June 2022			
At cost	79,401	17,189	96,590
Accumulated amortisation and impairment	(58,593)	(17,189)	(75,782)
Carrying Value	20,808	-	20,808

Impairment

The Group completed the annual impairment test and it was determined that no impairment charges were to be recognised for the current year against intangible assets (2021: nil).

14. Assets classified as held for sale

	2022 $000	2021 $000
Carrying value at the beginning of the year	17,627	12,949
Disposals	(7,852)	(2,361)
Assets reclassified (to)/from property, plant and equipment (Note 12)	(6,238)	7,039
Carrying value at the end of the year	3,537	17,627

	2022 $000	2021 $000
Breakdown of assets held for sale as at 30 June is as per below:		
Land	270	5,170
Buildings	3,267	11,282
Plant and equipment	-	1,175
	3,537	17,627

As a result of management's review of the Group's properties, certain properties are no longer held for sale due to strategic and operational reasons. One property was sold during FY22 and the remaining properties are planned to be sold in the next twelve months.

15. Trade and other payables

	2022 $000	2021 $000
Trade payables	48,957	55,809
Accruals and other payables	112,551	97,848
	161,508	153,657

Trade payables, accruals and other payables are non-interest bearing and are normally settled on 7 to 30 day terms.

16. Provisions

	2022 $000	2021 $000
Current		
Health fund audits	18,028	15,868
Medical liability	20,636	19,022
WA workers compensation claims	6,236	5,580
Government agreements	6,255	5,825
	51,155	46,295

Movements in each class of provision during the financial year are set out below:

	Health fund audits	Medical liability	WA workers compensation claims	Government agreements	Total
	$000	$000	$000	$000	$000
As at 1 July 2021	15,868	19,022	5,580	5,825	46,295
Arising during the year	9,617	2,242	2,975	67,277	82,111
Utilised	(7,457)	(628)	(2,319)	(66,847)	(77,251)
As at 30 June 2022	18,028	20,636	6,236	6,255	51,155

17. Employee benefit liabilities

	2022 $000	2021 $000
Current		
Annual leave and other benefits	107,586	100,507
Long service leave	68,681	66,199
	176,267	166,706
Non-current		
Other benefits	1,520	1,608
Long service leave	29,586	29,802
	31,106	31,410

17. Employee benefit liabilities (continued)

Defined benefit plan

Seven current employees are members of the NSW State Authorities Superannuation Scheme and the State Authorities Non-contributory Superannuation Scheme. These are defined benefit schemes, a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal. The Schemes are closed to new members. Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review. Contribution rates are set after discussions between the employer, SAS Trustee Corporation and NSW Treasury. Contributions to the scheme are expensed as incurred.

18. Leases

Group as a lessee

The Group has lease contracts for various items of equipment, vehicles and certain facilities used in its operations. Leases generally have lease terms between 1 and 20 years and may contain escalation clauses.

The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Property	Equipment	Motor vehicles	Total
	$000	$000	$000	$000
As at 1 July	102,382	2,206	1,321	105,909
Additions	8,485	3	3,001	11,489
Depreciation expense	(10,694)	(1,276)	(735)	(12,705)
Amendments and modifications to existing contracts	(3,941)	101	(512)	(4,352)
As at 30 June 2022	96,232	1,034	3,075	100,341

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2022 $000	2021 $000
As at 1 July	115,424	110,376
Additions	11,489	13,824
Accretion of interest	3,574	3,744
Payments	(18,276)	(14,053)
Amendments and modifications to existing contracts	608	619
Provision for make good restoration	687	914
At 30 June	113,506	115,424
Current	11,139	9,939
Non-current	102,367	105,485

18. Leases (continued)

Group as a lessee (continued)

The maturity analysis of lease payments as at 30 June are as follows:

	2022 $000	2021 $000
Within one year	11,498	10,578
After one year but not more than five years	47,975	43,564
More than five years	40,435	84,536
	99,908	138,678

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 3).

Payments associated with short-term leases of property, equipment and motor vehicles are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Lease payments for short-term leases amounting to $3,735,000 for the year ended 30 June 2022 are recognised as direct operating expenses in consolidated statement of profit or loss (2021: $3,410,000).

Group as a lessor

The Group has entered into operating leases on certain medical suites and rooms.

All non-cancellable leases have remaining terms of between 1 and 10 years and may contain escalation clauses.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

	2022 $000	2021 $000
Within one year	13,429	11,248
After one year but not more than five years	24,551	21,271
More than five years	2,119	2,272
	40,099	34,791

19. Funding received in advance

	2022 $000	2021 $000
Funding received in advance	15,336	23,423
Public assets replacement funds	11,074	10,345
Deferred revenue - Gifts and Donations	14,466	15,475
	40,876	49,243

The majority of funding received in advance is in the form of grant and state funding. This includes grants to which conditions of use of the funds may be attached.

Public assets replacement funds represents specific funding received by the Group and amounts of public service revenue received set aside by the Group to expend on the replacement of public assets.

Deferred revenue represents funds from special purpose fundraising and donations, where the related performance obligation is not yet fulfilled.

20. Financial assets and financial liabilities

20.1 Financial assets

	Notes	2022 $000	2021 $000
Other financial assets at amortised cost			
Current			
Term deposits	20.1(a)	7,682	17,562
Financial instruments designated at fair value through OCI			
Investments in equities funds and shares	20.1(b)	44,001	45,916
		44,001	45,916
Receivables at amortised cost			
Current			
Trade and other receivables	10	269,033	232,857

a) ***Other financial assets***

Other financial assets consist of term deposits with original maturity greater than three months and less than twelve months. The term deposits are restricted cash and tied to specific expenditure.

b) ***Investments in equities funds and shares***

During the year the Group invested a further $13,176,000 (2021: $3,652,000) in equities funds. Fair values of these investments are determined by reference to published prices of the respective funds. The unrealised loss on the Group's investments in equities funds and shares during the year was $7,782,000 (2021: $7,274,000 gain). This amount has been recognised in the Net Unrealised Gains/(Loss) Reserve in equity. The Group recognised $nil realised gains on the Group's investments in equities funds and shares through Other Comprehensive Income for the period (2021: $27,116,000).

20.2 Financial liabilities: borrowings

	2022 $000	2021 $000
Current		
Congregational loans	244	244
	244	244
Non-current		
Congregational loans	910	1,322
Other loans and borrowings	334,685	195,136
	335,595	196,458

20. Financial assets and financial liabilities (continued)

20.2 Financial liabilities: borrowings (continued)

a) *Congregational Loans*

	Notes	2022 $000	2021 $000
Current			
Sisters of St Joseph of the Apparition Inc.	(i)	244	244
		244	244
Non-Current			
Sisters of St Joseph of the Apparition Inc.	(i)	910	1,322
		910	1,322

(i) Sisters of St Joseph of the Apparition Inc.

The nominal value of the amount payable to the Sisters of St Joseph of the Apparition Inc. is $1,237,000 (2021: $1,721,000). The amount has been reflected at its present value pursuant to AASB 9 using a 6.25% discount factor. Payments are made quarterly with a component of the repayment amount adjusted annually for movements in the Consumer Price Index. The amount payable to the Sisters of St Joseph of the Apparition Inc. is unsecured.

20. Financial assets and financial liabilities (continued)

20.2 Financial liabilities: borrowings (continued)

b) ***Other loans and borrowings***

	Notes	Facility $	Maturity	2022 utilised $000
Non-current borrowings				
Group Bank Loan (Lender A): Secured [Tranche A]	20.2(c)	75M	Jun 2025	75,000
Group Bank Loan (Lender A): Secured [Tranche B]	20.2(c)	125M	Dec 2028	-
Group Bank Loan (Lender A): Secured [Tranche C]	20.2(c)	75M	Dec 2027	40,000
Group Bank Loan (Lender A): Secured [Tranche D]	20.2(c)	25M	Jun 2026	25,000
Group Bank Loan (Lender B): Secured [Tranche A]	20.2(d)	100M	Jun 2027	-
Group Bank Loan (Lender C): Secured [Tranche A]	20.2(e)	75M	Jun 2026	45,000
Group Bank Loan (Lender D): Secured [Tranche A]	20.2(f)	25M	Jun 2025	25,000
Group Bank Loan (Lender D): Secured [Tranche B]	20.2(f)	75M	Jun 2026	55,000
Group Bank Loan (Lender D): Secured [Tranche C]	20.2(f)	25M	Jun 2027	-
Group Bank Loan (Lender E): Secured [Tranche A]	20.2(g)	50M	Jun 2025	50,000
Group Bank Loan (Lender E): Secured [Tranche B]	20.2(g)	25M	Jun 2027	-
Group Bank Loan (Lender F): Secured [Tranche A]	20.2(h)	50M	Jun 2026	20,000
Group Bank Loan (Lender F): Secured [Tranche B]	20.2(h)	25M	Jun 2028	-
		750M		335,000
Less: Establishment Fees	20.2(i)			(2,592)
Group Bank Loans				332,408
NZ Bank Loan: Secured	20.2(j)		Jul 2024	2,276
				334,684

20. Financial assets and financial liabilities (continued)

20.2 Financial liabilities: borrowings (continued)

b) ***Other loans and borrowings (continued)***

	Notes	Facility	Maturity	2021 utilised $000
Group Bank Loan (Lender A): Secured [Tranche A]	20.2(c)	75M	Jun 2025	-
Group Bank Loan (Lender A): Secured [Tranche B]	20.2(c)	25M	Jun 2023	-
Group Bank Loan (Lender A): Secured [Tranche C]	20.2(c)	75M	Jun 2024	-
Group Bank Loan (Lender A): Secured [Tranche D]	20.2(c)	25M	Jun 2026	-
Group Bank Loan (Lender B): Secured [Tranche A]	20.2(d)	25M	Jun 2023	-
Group Bank Loan (Lender C): Secured [Tranche A]	20.2(e)	75M	Jun 2024	74,000
Group Bank Loan (Lender D): Secured [Tranche A]	20.2(f)	25M	Jun 2025	-
Group Bank Loan (Lender D): Secured [Tranche B]	20.2(f)	75M	Jun 2023	75,000
Group Bank Loan (Lender D): Secured [Tranche C]	20.2(f)	25M	Jun 2024	25,000
Group Bank Loan (Lender E): Secured [Tranche A]	20.2(g)	50M	Jun 2025	-
Group Bank Loan (Lender E): Secured [Tranche B]	20.2(g)	25M	Jun 2024	-
Group Bank Loan (Lender F): Secured [Tranche A]	20.2(h)	50M	Jun 2026	20,000
Total		550M		194,000
Less: Establishment Fees	20.2(i)			(1,372)
Group Bank Loans				192,628
NZ Bank Loan: Secured	20.2(j)		Jul 2024	2,508
				195,136

Review of Group Secured Borrowing Facilities

The Group's Secured Borrowing Facilities were reviewed during the financial year and the facility was increased to $750,000,000 (2021: $550,000,000). The first facility tranche maturity is June 2025.

c) ***Group Bank Loan (Lender A): Secured***

The bank loan from Lender A of $140,000,000 (2021: $nil) is a series of rolling loans expiring at various times. The undrawn portion of the bank facility is $160,000,000 as at 30 June 2022 (2021: $200,000,000).

d) ***Group Bank Loan (Lender B): Secured***

The bank loan from Lender B had a balance of $nil at the end of the period (2021: $nil). The undrawn portion of the bank facility is $100,000,000 as at 30 June 2022 (2021: $25,000,000).

e) ***Group Bank Loan (Lender C): Secured***

The bank loan from Lender C of $45,000,000 (2021: $74,000,000) is a series of rolling loans expiring at various times. The undrawn portion of the bank facility is $30,000,000 as at 30 June 2022 (2021: $1,000,000).

20. Financial assets and financial liabilities (continued)

20.2 Financial liabilities: borrowings (continued)

f) *Group Bank Loan (Lender D): Secured*

The bank loan from Lender D of $80,000,000 (2021: $100,000,000) is a series of rolling loans expiring at various times. The undrawn portion of the bank facility is $45,000,000 as at 30 June 2022 (2021: $25,000,000).

g) *Group Bank Loan (Lender E): Secured*

The bank loan from Lender E of $50,000,000 (2021: $ nil) is a series of rolling loans expiring at various times. The undrawn portion of the bank facility is $25,000,000 as at 30 June 2022 (2021: $75,000,000).

h) *Group Bank Loan (Lender F): Secured*

The bank loan from Lender F of $20,000,000 (2021: $20,000,000) is a series of rolling loans expiring at various times. The undrawn portion of the bank facility is $55,000,000 as at 30 June 2022 (2021: $30,000,000).

i) *Establishment fees*

Establishment fees capitalised are the costs associated with debt facility negotiations and are amortised on a weighted basis over the period of the debt facility.

j) *NZ Bank Loan: Secured*

The NZ Bank Loan of $2,276,000 (2021: $2,508,000) is secured over the land and buildings in Wellington New Zealand as a registered first ranking mortgage.
The undrawn portion of the bank facility is $515,000 as at 30 June 2022 (2021: $283,000).

Security

On 12 August 2011, St John of God Health Care Inc. changed its security arrangements such that Perpetual (on behalf of the Financiers), Hospitaller Order of St John of God and Sisters of St John of God Inc. each hold security over separate portfolios of assets. Following repayment of the loan to Hospitaller Order of St John of God, the security held is in the process of being released.

On 14 June 2012, St John of God Health Care Inc. provided the State of Western Australia with a charge over the Association's interest as a member in St John of God Midland Health Campus Ltd.

On 2 July 2014, St John of God Health Care Inc. provided a real property mortgage over any new titles created as a result of the amalgamation of existing titles and new subdivisions at St John of God Geelong Hospital that would be granted to Perpetual Trustees Consolidated Limited (Perpetual) as trustee of the St John of God Security Trust.

	Carrying value of assets	
	2022	2021
	$000	$000
Security Holder		
Perpetual	1,354,632	1,446,816
Hospitaller Order of St John of God	11,021	11,021
	1,365,653	1,457,837

20. Financial assets and financial liabilities (continued)

20.3 Derivative financial instruments

	2022	2021
	$000	$000
Non- current financial assets		
Interest rate swap contracts - cash flow hedges	18,683	-
Non- current financial liabilities		
Interest rate swap contracts - cash flow hedges	-	3,195
	18,683	3,195

Cash flow hedges

Interest Rate Swaps

The Group has entered into interest rate swap contracts under which it has rights to receive interest at variable rates and to pay interest at fixed rates.

Interest rate swap contracts in place cover 19% (2021: 46%) of the drawn portion of the bank facilities as at 30 June 2022.

The fair value of the interest swap contracts at 30 June 2022 is an asset of $18,683,000 (2021: $3,195,000 liability).

Details of the interest rate swap contracts are shown below:

Start Date	Maturity Date	Principal Range $'000	Interest Rate Fixed %	Fair Value $'000
01/06/2018	01/05/2023	3,600 - 24,000	2.4	(18)
01/06/2018	01/05/2023	6,000 - 40,000	2.4	(36)
01/06/2018	01/05/2023	2,400 - 16,000	2.4	(11)
01/07/2023	01/06/2025	6,000 - 10,500	3.3	100
01/07/2023	01/06/2025	3,600 - 6,300	3.3	65
01/07/2023	01/06/2025	7,200 - 12,600	3.3	121
01/07/2023	01/06/2025	7,200 - 12,600	3.3	116
01/08/2021	01/06/2025	1,300 - 27,800	0.5	754
01/08/2021	01/06/2025	1,300 - 27,800	0.5	762
01/07/2022	01/06/2026	4,000 - 38,500	0.9	2,458
01/07/2022	01/06/2026	4,000 - 38,500	0.9	2,181
01/07/2023	01/06/2029	1,000 - 40,700	2.1	2,217
01/07/2023	01/06/2029	1,000 - 40,700	2.1	2,486
01/07/2023	01/06/2029	1,000 - 40,700	2.1	2,434
01/07/2024	01/06/2028	20,800 - 29,600	2.1	1,637
01/07/2024	01/06/2028	20,800 - 29,600	2.1	1,694
01/07/2024	01/06/2028	20,800 - 29,600	2.1	1,723
				18,683

The variable rates average 2.2% below (2021: 2.3% below) the fixed interest rate, which at 30 June 2022 was 2.4% (2021: 2.4%).

Refer Note 21 for movement in cash flow hedge reserve.

20.4 Financial instruments risk management objectives and policies

Interest rate risk

The Association manages its interest rate risk by hedging at a minimum of 25% of its bank debt (target 50%). Such hedging is currently achieved by taking out interest rate swap agreements.

20. Financial assets and financial liabilities (continued)

20.5 Changes in liabilities arising from financing activities

	1 July 2021 $000	Cash flows $000	Other $000	30 June 2022 $000
Congregational loans: Current	244	(244)	244	244
Congregational loans: Non-Current	1,322	(248)	(164)	910
Group bank loans: Non-Current	194,000	141,000	-	335,000
Establishment fees	(1,372)	(1,929)	709	(2,592)
Other bank loans: Non-Current	2,508	(232)	-	2,276
Lease liabilities	115,424	(18,278)	16,360	113,506
	312,126	120,069	17,149	449,344
Cash flow hedge: Non-Current	3,195	-	(21,878)	(18,683)

21. Reserves

	Hedging reserve $000	Realised gain on Financial assets designated at FVOCI $000	Foreign currency translation reserve $000	Net unrealised gains / (loss) reserve $000	Total $000
As at 1 July 2021	(3,195)	27,116	614	6,204	30,739
Movement	21,878	-	(274)	(7,782)	13,822
As at 30 June 2022	18,683	27,116	340	(1,578)	44,561

22. Commitments and contingencies

Lease commitments

The Group has various lease contracts that have not yet commenced as at 30 June 2022. The future lease payments for these non-cancellable lease contracts are $31,000 within one year and $14,000 within five years.

Refer to note 18 for all other Lease commitments.

Capital commitments

At 30 June 2022 the Group has commitments of $193,253,000 (2021: $38,340,000). Commitments for property, plant and equipment contracted for at reporting date but not recognised as liabilities are as follows:

	2022 $000	2021 $000
Within one year	138,969	38,340
After one year	54,284	-
	193,253	38,340

22. Commitments and contingencies (continued)

Capital commitments (continued)

The capital commitments relate principally to completion of building contracts at:

- **St John of God Subiaco Hospital**
- **St John of God Ballarat Hospital**
- **St John of God Richmond Hospital**
- **St John of God Murdoch Hospital**
- **St John of God Accord; and**
- **Digital technology enhancement projects across the Group.**

Commitment to Manage and operate St John of God Midland Public Hospital

On 14 June 2012, St John of God Midland Health Campus (SJGMHC) entered into a number of agreements (Transaction Documents) with the State of Western Australia (State) to design, construct, operate and maintain the St John of God Midland Public Hospital (Hospital).

The two primary contracts are the:

(1) Design & Construct (D&C) Agreement governing the design and construction of the St John of God Public Hospital

(2) Services Agreement governing the operation and maintenance of the St John of God Public Hospital during the Operational Phase

SJGMHC passed through (without release from the primary obligation to perform) its obligations under the D&C Agreement to Brookfield Multiplex Constructions Pty Ltd (BMC) under the terms of a D&C Subcontract. Construction of the Hospital was completed in November 2015.

SJGMHC passed through (without release from the primary obligation to perform) its obligations under the Services Agreement to St John of God Health Care Inc (SJGHC) under the terms of a Key Services Subcontract. The term of the Services Agreement commenced on 24 November 2015 and terminates 20 years thereafter. The State has the option to extend the term of the Services Agreement for a further period of two years.

As part of the transaction, the State requires SJGMHC to provide security for its obligations to the State under the Transaction Documents. The State also requires SJGHC to provide security to further secure SJGMHC's obligations.

In summary the security consists of:

- **SJGMHC providing a fixed and floating charge over its assets and undertakings (General Security Agreement).**
- **In respect of the Services Agreement, SJGMHC providing the State with performance bonds initially in the amount of $40,000,000 reducing to $25,000,000 after 12 months of operation and increasing back to $40,000,000 two years before the 20 year term of the Services Agreement expires (all amounts CPI indexed). SJGHC provided the original $40,000,000 performance bond to the State on behalf of SJGMHC on 24 November 2015 which was subsequently replaced by a $25,000,000 performance bond. SJGHC provided the $25,000,000 performance bond to the State on 10 November 2016.**
- **A parent guarantee provided by SJGHC in favour of the State securing SJGMHC's obligations under the D&C Agreement and the Services Agreement. This parent guarantee is limited to 50% of the Contract Sum during the D&C Phase and to the equivalent of one year's revenue during Operational Phase (currently approximately $260,000,000).**
- **The Australian holding company of BMC, Brookfield Australia Investments Ltd provide a parent company guarantee to SJGMHC securing BMC's obligations to the Company under the D&C Subcontract noting that BMC's liability to the Company under this sub-contract will be limited to 50% of the contract sums under the D&C Subcontract.**
- **SJGHC providing the State with a charge over SJGHC's interest as a member in SJGMHC (Specific Security Deed).**

22. Commitments and contingencies (continued)

Commitment to Manage and operate Hawkesbury District Health Service

On 4 November 2015, the Services Agreement with the Nepean Blue Mountains Local Health District to operate and manage Hawkesbury District Health Service was novated from Hawkesbury District Health Service Limited to St John of God Hawkesbury District Health Campus Ltd. The original term of the Services Agreement ended on 30 June 2022.

During the year ended 30 June 2022, the Services Agreement was extended for the period from 1 July 2022 to 31 December 2023. As a result of the extension, SJGHC is required to pay an amount (Extension Payment) to Hawkesbury District Health Service Limited in accordance with the original business sale and purchase agreement. The Extension Payment of $263,000 has been recognised in the 30 June 2022 financial statements.

Guarantees

St John of God Health Care Inc. has provided the following guarantees at 30 June 2022:

- **Guarantee of $6,000,000 (2021: $6,000,000) to WorkCover WA as a condition of workers compensation self-insurance.**
- **As set out previously, a parent guarantee in favour of the State securing SJGMHC's obligations under the D&C Agreement and the Services Agreement. This parent guarantee is limited to 50% of the Contract Sum during the D&C Phase and to the equivalent of one year's revenue during Operational Phase (currently approximately $260,000,000).**
- **The Australian holding company of BMC, Brookfield Australia Investments Ltd provided a parent company guarantee to SJGMHC securing BMC's obligations to the Company under the D&C Subcontract noting that BMC's liability to the Company under this sub-contract will be limited to 50% of the contract sums under the D&C Subcontract.**
- **Various other guarantees provided during the year total to $1,078,000.**

St John of God Health Care Inc. has provided a parent company guarantee and indemnity to the Nepean Blue Mountains Local Health District in respect of moneys payable and the performance of obligations by St John of God Hawkesbury District Health Campus Ltd. The maximum amount payable under the parent company guarantee and indemnity is $10,000,000 indexed annually on 4 November to reflect relative CPI since November 2015.

23. Events after the reporting period

The COVID-19 viability agreement with the State of Victoria has been resinstated for the July to September period in the 2023 financial period.

There have been no further significant events occurring after the balance date which may affect either the Group's operations or results of those operations or the Group's state of affairs.

24. Auditors' remuneration

The auditor of St John of God Health Care Inc. is Ernst & Young Australia.

	2022 $	2021 $
Amounts received or due and receivable by Ernst & Young Australia for:		
Audit - Australia	**385,229**	**386,250**
Audit - NZ	**15,759**	**15,759**
Other services in relation to the entity and any other entity in the consolidated group		
Assurance related	**69,540**	**97,084**
	470,528	**499,093**

25. Related parties

The related parties of the Group are:

Board members

Mr A Arundell	
Dr J Caldecott	**(Term of appointment expired: 31 December 2021)**
Dr R Capolingua	
Mr J Carroll	
Mr J de Groot	
Dr M Levitt	
Mr J McMahon	
Dr M O'Brien	
Mr P Prendiville	
Hon K Sanderson AC	
Dr S Kelly	
Ms S Park	**(Appointed: 1 January 2022)**

Trustees

Ms E Skira AM	
Rev Dr J Parkinson	
Mr F Cooper AO	
Ms M McComish	**(Resigned: 31 December 2021)**
Mr J Moore	**(Resigned: 31 December 2021)**
Mr M Murphy	
Ms D Cronin	
Hon N Owen AO	
Ms S Pascoe AM	

Compensation of key management personnel of the Group

	2022 $000	2021 $000
Short term benefits	**11,467**	**11,065**
Long term benefits	**205**	**274**
Termination benefits	**81**	**200**
Total compensation paid to key management personnel	**11,753**	**11,539**

ST JOHN OF GOD HEALTH CARE INC.
(Association Not for Profit)
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of St John of God Health Care Inc. (the Group) we state that:

1. In the opinion of the directors:

   (a) the financial statements and notes of St John of God Health Care Inc. for the financial year ended 30 June 2022 are in accordance with the *Associations Incorporations Act 2015* and the *Australian Charities and Not-for-profits Commission Act 20*12, including:

      (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

      (ii) Complying with *Australian Accounting Standards - Simplified Disclosures and Australian Charities and Not-for profits Commission Regulation 2013*; and

   (b) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

On behalf of the board

Mr A Arundell
Director
Perth, WA
30 September 2022

Hon K Sanderson AC
Chair
Perth, WA
30 September 2022

Ernst & Young
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Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

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Independent auditor's report to the members of St John of God Health Care Inc.

Opinion

We have audited the financial report of St John of God Health Care Inc. (the Association) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporation Act 2015*, including:

a. Giving a true and fair view of the financial position of the Group as at 30 June 2022 and of its financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures, *Australian Charities and Not-for-Profits Commission Act 2012* and the *Associations Incorporation Act 2015* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives 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 our 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, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Timothy G Dachs
Partner
Perth
30 September 2022

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ST JOHN OF GOD HEALTH CARE INC

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← Back to Financials & Documents

Annual Information Statement 2024

Legal name:
St John Of God Health Care Inc

ABN:
21930207958

About the charity

Website:
sjog.org.au

Charity size:
Large

Is the charity an incorporated association?:
Yes

State/territory incorporated association numbers:
WA incorporated association number: A0824612H

Does the Charity intend to fundraise in the next reporting period?:
Yes

State/territory where the charity intends to fundraise in the 2024 reporting period:
VIC fundraising number: FR0015056
WA fundraising number: CC20574

Charity programs

Not for Profit Hospital Operation

Program classification:
In-patient medical care

Program locations:
Western Australia, Australia
Victoria, Australia
New South Wales, Australia

Program beneficiaries:
General community in Australia

Outpatient Medical Care

Program classification:
Out-patient medical care

Program locations:
Western Australia, Australia
New South Wales, Australia
Victoria, Australia

Program beneficiaries:
General community in Australia

Ambulatory and Home Services

Program classification:
Community nursing

Program locations:
Western Australia, Australia
Victoria, Australia

Program beneficiaries:
General community in Australia

Rehabilitation Programs

Program classification:
Rehabilitation

Program locations:
Victoria, Australia

Program beneficiaries:
General community in Australia

Mental Health Services Programs

Program classification:
Mental healthcare

Program locations:
New South Wales, Australia
Victoria, Australia

Program beneficiaries:
General community in Australia

Research Programs and Initiatives

Program classification:
Health and medical research

Program locations:
Western Australia, Australia
Victoria, Australia

Program beneficiaries:
General community in Australia

Description of the charity's activities and outcomes:
St John of God Health Care (SJGHC) pursued its charitable purpose during the last financial year via the operation of hospitals and home nursing services through Australia. As a not-for-profit entity all profits were returned to the general community served by updating and expanding facilities and technology; expanding existing services and developing and acquiring new services. SJGHC currently operates 26 facilities across Australia, providing over 3000 patient beds across Western Australia, Victoria and New South Wales. SJGHC hospitals provide acute services, psychiatric services and rehabilitation services to patients. Home nursing services in Victoria and Western Australia delivered over eighty thousand episodes of care for patients. SJGHC also provided early years clinical services to parents and families who are affected by anxiety, stress or depression during pregnancy and following childbirth for up to four years of age as well as provision of mental health and drug/alcohol services to individuals and their families.

Human resources

Human resources:
Full time employees: 3504

Part time employees: 8997
Casual employees: 4110
Full-time equivalent staff (FTE): 9010.00
Estimated number of volunteers: 760

Annual report

Note: If you want to see the financial report or annual report that this charity has submitted, go back to Financials & Documents

Financial Reporting

Charity's 2024 reporting period:
1 July 2023 to 30 June 2024

Type of financial statement:
General purpose financial statements simplified disclosure

Financial report consolidated with more than one entity?:
Yes

Reportable related party transactions in the 2024 reporting period?:
Yes

Types of reportable related party transactions:
Fees paid to a related party for providing goods or services to the charity
Loans from/to a related party

More than one remunerated key management personnel member:
Yes

Number of remunerated key management personnel:
38

Total amount paid to key management personnel:
$12,427,623

Income and Expenses

Comprehensive Income Statement summary

Gross income

Revenue from government including grants	$13,415,000
Donations and bequests	$17,978,000
Revenue from providing goods or services	$1,949,809,000
Revenue from investments	$5,514,000
All other revenue	$109,656,000
Total revenue	$2,096,372,000
Other income (for example, gains)	-$3,799,000
Total gross income	$2,092,573,000

Expenses

Employee expenses	$1,253,784,000
Interest expenses	$22,075,000
Grants and donations made for use in Australia	$0
Grants and donations made for use outside Australia	$0
All other expenses	$871,123,000
Total expenses	$2,146,982,000

Net income

Net surplus/(deficit)	-$54,409,000
Other comprehensive income	$3,130,000
Total comprehensive income	-$51,279,000

Balance Sheet extract

Assets

Total current assets	$396,709,000
Non-current loans receivable	$0
Other non-current assets	$1,450,004,000
Total non-current assets	$1,450,004,000
Total assets	$1,846,713,000

Liabilities

Total current liabilities	$561,294,000
Non-current loans payable	$561,654,000
Other non-current liabilities	$97,979,000
Total non-current liabilities	$659,633,000
Total liabilities	$1,220,927,000

Net assets/liabilities

Net assets/liabilities	$625,786,000

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ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)

CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2024

ST JOHN OF GOD HEALTH CARE INC.
(Association Not for Profit)
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ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024

The directors present their report on the consolidated entity consisting of St John of God Health Care Inc. (the Association) and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

The names and details of the Association's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Mr A Arundell, Director	(Resigned: 8 April 2024)
Dr R Capolingua, Director	
Mr J Carroll, Director	(Resigned: 29 November 2023)
Mr J de Groot , Director	
Dr M Levitt, Director	
Mr J McMahon, Director	
Dr M O'Brien, Director	
Mr P Prendiville, Director	
Hon K Sanderson AC, Chair	
Ms S Park, Director	
Mr P Bremner, Director	(Appointed: 1 November 2023)
Ms J Keene, Director	(Appointed: 1 January 2024)
Mr M Scatena, Director	(Appointed: 8 April 2024)

Association Secretary

The Association Secretary from 1 July 2023 to 20 December 2023 was Ms L Johnstone and from 20 December 2023 to 30 June 2024 was Mr W Faulkner.

Principal activities

The Association's principal activity is the provision of health care services in Australia, New Zealand and the Asia-Pacific region.

Significant events after the balance date

No matters or circumstances have arisen since the date of this report that have significantly affected the Association’s activities, results or state of affairs.

Environmental regulation and performance

The Association provides annual compliance reporting under the National Greenhouse and Energy Reporting Act 2007 (NGER Act). They are not subject to any other significant environmental regulation under either Commonwealth or State legislation.

Indemnification and insurance of directors and officers

Indemnity
In accordance with the Association’s Constitution the Association has indemnified every past and present officer of the Association against all liability to another person or company as an officer of the Association unless the liability arises out of conduct involving a lack of good faith.

Insurance
The Association holds an insurance policy under which the insurer has agreed to indemnify the Association’s directors and officers against personal liabilities from wrongful acts committed by those directors or officers in connection with their duties and responsibilities. Wrongful acts include breaches of trust, neglect, error, or misstatement. The insurer will reimburse all expenses incurred in defending these actions. The terms of the policy require the Association to keep details of the premium confidential.

Indemnification of auditors

To the extent permitted by law, the Association has agreed to indemnify its auditors, Ernst & Young (Australia), as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Rounding

The Association has referenced ASIC Legislative Instrument 2016/191, in relation to the 'rounding off' of amounts in the directors' report. The amounts contained in the financial report have been rounded off in accordance with the instrument to the nearest $1,000 (where rounding is applicable), or in certain cases, to the nearest dollar.

Auditor independence declaration

A copy of the independence declaration from the auditor of St John of God Health Care Inc. is set out on page 3.

This report is made in accordance with a resolution of directors.

Hon K Sanderson AC
Chair
Perth, WA

27 September 2024

Ms S Park
Director
Perth, WA

27 September 2024

Ernst & Young
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Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

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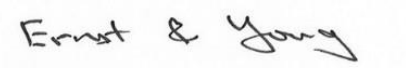
Auditor's independence declaration to the directors of St John of God Health Care Inc.

In relation to our audit of the financial report of St John of God Health Care Inc. for the financial year ended 30 June 2024, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012* and Section 80 of the *Associations Incorporation Act 2015*, to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and

b. No non-audit services provided that contravene any applicable code of professional conduct.

This declaration is in respect of St John of God Health Care Inc. and the entities it controlled during the financial year.



Ernst & Young



T G Dachs
Partner
27 September 2024

ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 June 2024

	Notes	2024 $000	2023 $000
Continuing operations			
Revenue			
Revenue from ordinary activities	7.1	2,070,297	1,934,959
Other income	7.2	23,298	16,561
Expenses			
Employment costs		(1,253,784)	(1,228,678)
Medical consumables and supply expenses		(469,779)	(449,053)
Contract services cost		(140,112)	(124,826)
Direct operating expenses		(163,142)	(136,447)
Depreciation and amortisation	12, 13, 18	(91,439)	(111,593)
Operating loss		**(24,661)**	**(99,077)**
Finance income		2,777	1,734
Finance costs	7.3	(28,726)	(18,544)
Finance costs - net		**(25,949)**	**(16,810)**
Net deficit from continuing operations		**(50,610)**	**(115,887)**
Discontinued operations			
Deficit for the year from discontinued operations	8	**(3,799)**	**(29)**
Other comprehensive income			
Exchange differences on translation of foreign operations	21	(148)	111
Net (loss)/gain on cash flow hedges	21	(2,286)	1,601
Net unrealised gain/(loss) on financial assets designated at fair value through other comprehensive income	21	5,564	3,351
Net gain on sale of equity instruments designated at fair value through other comprehensive income	21	-	727
Net other comprehensive income for the period		**3,130**	**5,790**
Total comprehensive loss for the period		**(51,279)**	**(110,126)**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

ST JOHN OF GOD HEALTH CARE INC.
(Association Not for Profit)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	2024 $000	2023 $000
Current assets			
Cash and cash equivalents	9	33,834	33,267
Trade and other receivables	10	291,706	272,329
Inventories	11	37,305	41,613
Prepayments		16,321	16,613
Other current financial assets	20.1	10,292	12,238
Assets classified as held for sale	14	7,251	11,676
Total current assets		396,709	387,736
Non-current assets			
Financial instruments designated at fair value through OCI	20.1	57,805	50,175
Derivative financial instruments	20.3	17,998	20,284
Property, plant and equipment	12	1,290,163	1,169,535
Intangible assets and goodwill	13	6,120	6,660
Non-current financial assets	20.1	2,798	2,798
Right-of-use assets	18	75,120	78,668
Total non-current assets		1,450,004	1,328,120
Total assets		**1,846,713**	**1,715,856**
Current liabilities			
Trade and other payables	15	203,419	162,989
Funding received in advance	19	40,432	56,836
Employee benefit liabilities	17	215,075	213,700
Provisions	16	47,548	51,582
Borrowings	20.2	36,815	1,573
Lease liabilities	18	18,005	9,231
Total current liabilities		561,294	495,911
Non-current liabilities			
Borrowings	20.2	561,654	433,760
Employee benefit liabilities	17	28,159	26,986
Lease liabilities	18	69,541	81,778
Other non-current liabilities		279	357
Total non-current liabilities		659,633	542,881
Total liabilities		**1,220,927**	**1,038,792**
Net assets		**625,786**	**677,064**
Equity			
Accumulated surplus		572,305	626,713
Reserves	21	53,481	50,351
Total equity		**625,786**	**677,064**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Cost of hedging reserve	Foreign currency translation reserve	Net Unrealised Gains/(Loss) Reserve	Realised gain on financial assets designated at FVOCI	Retained earnings	Total
	$000	$000	$000	$000	$000	$000
As at 1 July 2023	**20,284**	**451**	**1,773**	**27,843**	**626,714**	**677,065**
Net deficit for the year	-	-	-	-	(54,409)	(54,409)
Other comprehensive income/(loss) (Note 21)	(2,286)	(148)	5,564	-	-	3,130
Total comprehensive income/(loss)	(2,286)	(148)	5,564	-	(54,409)	(51,279)
As at 30 June 2024	**17,998**	**303**	**7,337**	**27,843**	**572,305**	**625,786**

	Cost of hedging reserve	Foreign currency translation reserve	Net Unrealised Gains/(Loss) Reserve	Realised gain on financial assets designated at FVOCI	Retained earnings	Total
	$000	$000	$000	$000	$000	$000
As at 1 July 2022	**18,683**	**340**	**(1,578)**	**27,116**	**742,629**	**787,190**
Net deficit for the year	-	-	-	-	(115,916)	(115,916)
Other comprehensive income	1,601	111	3,351	727	-	5,790
Total comprehensive income/(loss)	1,601	111	3,351	727	(115,916)	(110,126)
As at 30 June 2023	**20,284**	**451**	**1,773**	**27,843**	**626,713**	**677,064**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

ST JOHN OF GOD HEALTH CARE INC.
(Association Not For Profit)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 $000	2023 $000
Operating activities			
Receipts from patients and other customers		2,139,398	2,020,460
Payments to employees and suppliers		(2,106,012)	(1,976,295)
Interest received		2,821	1,794
Interest paid		(17,508)	(9,411)
Proceeds from government grants and contracts		13,415	20,030
Donations, fundraising and bequests received		10,090	3,369
Net cash flows from operating activities		**42,204**	**59,947**
Investing activities			
Payments for property, plant and equipment		(192,268)	(183,642)
Payments for intangibles		(9,269)	(3,021)
Proceeds from sale of property, plant and equipment		15,905	144
Proceeds from / (payments for) other financial assets		1,946	(4,556)
Payments for financial instruments designated at fair value through OCI		(2,070)	(6,000)
Proceeds from sale of financial instruments designated at fair value through OCI		2,070	6,000
Loans to other entities		-	(2,798)
Net cash flows used in investing activities		**(183,686)**	**(193,873)**
Financing activities			
Proceeds from Group bank and other loans		800,406	682,443
Repayments to Group bank and other loans		(641,000)	(582,443)
Loan establishment fees paid		-	(1,100)
Repayment of congregational loans		(555)	(528)
Payment of lease liabilities		(16,654)	(26,248)
Net cash flows from financing activities		**142,197**	**72,124**
Net increase/(decrease) in cash and cash equivalents		715	(61,802)
Net foreign exchange difference		(148)	114
Cash and cash equivalents at 1 July		33,267	94,955
Cash and cash equivalents at 30 June	9	**33,834**	**33,267**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Corporate information

The consolidated financial report covers St John of God Health Care Inc. (the Association) and its subsidiaries. (Collectively the Group).

St John of God Health Care Inc. is an Association incorporated in Australia under the *Associations Incorporation Act 2015*. The Association is a not-for-profit entity and controls the following entities:

- St John of God Outreach Services
- St John of God Foundation Inc.
- St John of God Foundation Trust
- St John of God Hauora Trust
- St John House Inc.
- ACN 003 667 696 (formerly St John of God Health Services Limited)
- A.C.N 071 236 176 Limited (formerly St John of God Casa Venegas Limited)
- St John of God Berwick Health Campus Ltd
- St John of God Hawkesbury District Health Campus Ltd
- Marillac Ltd
- Dencross Pty Ltd - trading as Murdoch Surgicentre
- St John of God Midland Health Campus Ltd

The consolidated financial statements were approved and authorised for issue by the Director's on 27 September 2024.

The Association's registered office is:
Level 1, 556 Wellington Street, Perth WA 6000 Australia

2. Material accounting policy information

2.1 Basis of preparation

The consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Associations Incorporation Act 2015, Australian Charities and Not-for-profits Commission Act 2012* and *Australian Accounting Standards - Simplified Disclosures.*

The Group is a not-for-profit, private sector entity which is not publicly accountable. The Director's of the Association have determined that the Association is permitted to apply Tier 2 reporting requirements as set out in *AASB 1053 Application of Tiers of Australian Accounting Standards.*

The consolidated financial statements are presented in Australian dollars and all values are rounded to the nearest thousand ($000), except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) which are measured at fair value.

Going Concern

At 30 June 2024, the Group has a net current asset deficit, excluding funding received in advance, of $124,153,000 (2023: deficit of $51,339,000) and cash and cash equivalents of $33,834,000 (2023: $33,267,000). For the year ended 30 June 2024 the Group has made a net deficit of $54,409,000 (2023: $115,916,000) and had operating cash inflows of $42,204,000 (2023: $59,947,000). At 30 June 2024 the Group has $499,000,000 (2023: $625,000,000) undrawn on its secured borrowing facilities.

The Directors have reviewed the business outlook, the positive forecast cash flows and forecast operating results for the 2025 financial year and the assets and liabilities of the Group and are of the opinion that the use of the going concern basis of accounting is appropriate.

2. Material accounting policy information (continued)

2.2 Changes in accounting policy, accounting standards and interpretations

There are a number of Australian Accounting Standards and Interpretations that apply for the first time in 2024, but do not have an impact on the Group's consolidated financial statements.

AASB 18 *Presentation and Disclosure in Financial Statements* ("AASB 18") was issued in June 2024 to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss. The new standard is effective for annual reporting periods beginning on or after 1 January 2027. The Group is currently assessing the impact of the new standard however expects there to be significant impact to the disclosure of the consolidated statement of profit of loss and other comprehensive income.

Other than above a number of Australian Accounting Standards and Interpretations have been issued or amended but are not yet effective. The impact of these new or amended Accounting Standards and Interpretations are not expected to give rise to material changes in the Group's consolidated financial statements.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Association and its subsidiaries and equity accounted investments (collectively referred to as 'the Group') as at 30 June 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the consolidated statement of comprehensive income. Any investment retained is recognised at fair value.

2. Material accounting policy information (continued)

2.4 Summary of accounting policies

a) *Business combinations*

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of *AASB 9 Financial Instruments*, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with AASB 9. Other contingent consideration that is not within the scope of AASB 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

b) *Goodwill*

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Goodwill has an indefinite useful life, is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

c) *Foreign currencies*

(i) Functional and presentation currency

Both the functional and presentation currency of St John of God Health Care Inc. and its Australian subsidiaries are Australian dollars. The New Zealand subsidiaries' functional currency is New Zealand dollars which is translated to Australian dollars.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

2. Material accounting policy information (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

(iii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Australian Dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

d) *Revenue recognition*

Recognition and measurement

The Group recognises revenue under AASB 15 or AASB 1058 when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

In other cases, AASB 1058 applies when a Not-for-Profit entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives and the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately. The Group recognises revenue from the following major sources:

Patient fees

Revenue is recognised when the service is rendered.

Government grants and subsidies

If conditions are attached to a grant which must be satisfied before the Group is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Donations and bequests

Revenue from donations is recognised when the Trust can demonstrate that the specific performance obligation attached to the Donation has been fulfilled. All charitable collections received have been, or are held to be, used for charitable purposes within the meaning of the Charitable Collections Act (1946).

Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the Group becomes legally entitled to the shares or property.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate.

2. Material accounting policy information (continued)

e) *Contract liability - Deferred revenue*

The liability for funding received in advance is the unutilised amounts of funding received or set aside on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the funding. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

f) *Taxes*

Current income tax

A subsidiary is subject to income tax, whereby income tax expense is recognised in surplus, items recognised directly in equity or other comprehensive income. Current tax expense for the period is the expected tax on the subsidiary's current period's income based on the enacted income tax rate. No provision has been made for income tax as the income of the Association is exempt from income tax under section 50-30 of the Income Tax Assessment Act 1997 as amended.

g) *Non-current assets held for sale and discontinued operations*

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss and other comprehensive income.

h) *Property, plant and equipment*

Property, plant and equipment is initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group’s management.

Property, plant and equipment are subsequently measured using the cost model, less subsequent depreciation and impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Plant and equipment	3 to 10 years
Buildings and property improvements	Up to 40 years
Motor vehicles	3 to 10 years

2. Material accounting policy information (continued)

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Construction in progress

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Such cost includes borrowing costs for long-term construction projects if the recognition criteria are met. Depreciation of the asset begins when construction is complete and the asset is available for use.

i) *Leases*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date, and decommissioning obligations, if any less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Property, plant and equipment 3 to 15 years
- Motor vehicles 3 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.4(n) for Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see Note 20.2).

2. Material accounting policy information (continued)

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss and other comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Lease incentives granted are recognised as an integral part of the total rental income.

j) *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

k) *Intangible assets*

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Any gain or loss arising upon derecognition of an intangible asset is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss and other comprehensive income.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

2. Material accounting policy information (continued)

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in profit or loss. During the period of development, the asset is tested for impairment annually.

Software-as-a-Service arrangements

Where the costs incurred to configure or customise Software-as-a-Service (SaaS) arrangements results in the creation of a resource which is identifiable, and where the Group has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible computer software. Where costs incurred to configure or customise do not result in the recognition of an intangible computer software, then those costs that provide the Group with a distinct service (in addition to the SaaS access) are recognised as expenses when the supplier provides the services.

A summary of the policies applied to the Group's intangible assets is as follows:

Computer Software

Useful life	2 - 5 years
Amortisation method used	Amortisation over the period of expected benefit on a straight line basis
Internally generated or acquired	Acquired
Impairment testing	Assessed for impairment at least annually if circumstances indicate that the carrying value may be impaired.

Development Costs

Mainly relates to internally generated software

Useful life	2 - 5 years
Amortisation method used	Amortisation over the period of expected benefit from the related project on a straight line basis.
Internally generated or acquired	Internally generated
Impairment testing	Assessed for impairment at least annually if circumstances indicate that the carrying value may be impaired.

Service Concessions

Relates to contractual arrangements between the Group and the public sector whereby the Group provides public services on behalf of the public sector for a specified period of time

Useful life	The life of the agreement.
Amortisation method used	Amortisation over the period of expected benefit on a straight line basis.
Internally generated or acquired	Acquired
Impairment testing	Assessed for impairment at least annually if circumstances indicate that the carrying value may be impaired.

l) *Financial instruments*

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.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the original transaction price. Refer to the accounting policies in section (e) Revenue from contracts with customers.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)

2. Material accounting policy information (continued)

- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

This category generally applies to trade and other receivables, other current financial assets and non-current financial assets. For more information on receivables, refer to Note 10.3 and 20.1.

Financial instruments designated through OCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss and other comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group evaluates whether the ability and intention to sell its financial instruments designated through OCI in the near term is still appropriate.

Derivative financial instruments and hedge accounting

The Group uses interest rate swaps (derivative financial instruments) to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Hedging Reserve, while any ineffective portion is recognised immediately in the statement of profit or loss.

Impairment

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions — Note 3
- Debt instruments at fair value through OCI — Note 20
- Trade receivables including contract assets — Note 20
- Non-current financial assets — Note 20

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2. Material accounting policy information (continued)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, and loans and borrowings including bank overdrafts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss and other comprehensive income.

This category generally applies to borrowings. For more information, refer to Note 20.

m) *Inventories*

Inventories, comprising medical and laboratory supplies, are valued at the lower of cost or net realisable value. Cost is determined using the latest purchase price.

2. Material accounting policy information (continued)

n) *Impairment of non-financial assets*

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 10 years.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment at least annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment at least annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

o) *Cash and cash equivalents*

Cash and cash equivalents in the consolidated statement of financial position comprise of cash at banks, on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

p) *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Wages, salaries and accumulating annual leave

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave which are expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

2. Material accounting policy information (continued)

Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit and loss.

The obligations are presented as current liabilities in the balance sheet if the Group does not have the unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Short term incentive plan

Short term incentive plans to be settled within twelve months of the reporting date are recognised as a liability. The quantum of the liabilities are measured based on the requirements of the remuneration policy that has been approved by the Directors.

Short term incentive plans expected to settle after twelve months are recognised as non-current liabilities. Consideration is given to the experience of the employee departures, and periods of service.

WA Workers compensations claims

St John of God Health Care Inc. became a licensed self-insurer under the Workers Compensation and Rehabilitation Act 1984 (WA), as from 1 July 2001.

The liability for outstanding claims is measured at the present value of expected future payments. The estimation of the liability is determined by reference to an actuarial assessment performed by independent experts every six months.

Medical liability

A provision is made based on a schedule of outstanding claims and costs which are estimated based on currently available data as assessed quarterly by independent experts, and having regards to the requirements of the Group's insurance policy.

q) ***Fair value measurement***

The Group measures financial instruments such as derivatives and financial assets, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

2. Material accounting policy information (continued)

- 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

r) *Amounts payable on congregational loans*

The amounts payable to Sisters of St Joseph of the Apparition Inc. have been classed as borrowings in the consolidated statement of financial position. All of the amounts payable have been measured in accordance with AASB 9.

s) *Reserves*

Accumulated surplus includes all current and prior period retained surpluses.

	Other components of equity include the following:
Foreign Currency Translation Reserve	Used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.
Hedging Reserve	Records the portion of the gain or loss on the interest rate swaps in the cash flow hedge that is determined to be an effective hedge. Refer further to Note 20.3
Net Unrealised Gains/(Loss) Reserve	Records the unrealised gain or loss on the financial assets designated at fair value through other comprehensive income
Realised Gain Reserve	Records the realised gain on financial assets designated at FVOCI

t) *Economic dependency*

For the ongoing continuance of some of its programs, the Group is dependent upon the ongoing receipt of Federal and State government grants and community and corporate donations.

The Group maintains a strong relationship with both the Federal and State governments and at the date of this report management has no reason to believe that this financial support will not continue.

u) *Interests in joint operations*

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

In the case of joint operations, the Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the consolidated financial statements under the appropriate headings.

3. Significant accounting judgements, estimates and assumptions

In applying the Group's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these consolidated financial statements are outlined below:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

3. Significant accounting judgements, estimates and assumptions (continued)

Impairment of non-financial assets

The Group determines whether non-financial assets are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the non-current assets are allocated. The Group's accounting policy with regards to impairment of non-financial assets is discussed in Note 2.4(n).

Impairment of goodwill and intangibles with indefinite useful lives

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in Note 2.4(b).

WA Workers compensation claims

St John of God Health Care Inc. became a licensed self-insurer under the Workers Compensation and Rehabilitation Act (WA) 1984, as from 1 July 2001. The liability for outstanding claims is measured at the present value of expected future payments. The estimation of the liability is determined by reference to an actuarial assessment performed by independent experts every six months.

Medical liability

A provision is made based on a schedule of outstanding claims and costs which are estimated based on currently available data as assessed quarterly by independent experts, and having regard to the requirements of the Group's insurance policy.

In circumstances where the Group has determined and/or been advised by its legal counsel that it is only possible, but not probable, that a claim will succeed, no provision for any liability is made in the financial statements.

Employee benefit liabilities

Liabilities for annual leave and other benefits expected to be settled within twelve months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is recognised when the leave is taken and measured at the rates paid or payable.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using the maturity rates for 5, 7 and 10 years of Corporate bonds and inflated using a long term rate.

Measurement of Congregational Loan amounts

These amounts due have been measured at their present value pursuant to AASB 9 using the discounted cash flow technique and applying the following assumptions:

Expected future cash flows (i.e. repayments of principal)
The expected future cash flows (i.e. repayments of principal) in relation to the amounts due to the Sisters of St Joseph of the Apparition Inc. (expected to be fully repaid in 2024) is measured under its respective agreement.

Discount Rates
The discount rates applied to expected future cash flows is 6.25%.

Measurement of other loans

These amounts due have been measured at their present value pursuant to AASB 9 using the discounted cash flow technique and applying the following assumptions:

Expected future cash flows (i.e. repayments of principal)
The expected future cash flows (i.e. repayments of principal) in relation to the amounts due to the other loans is measured under its respective agreement.

Discount Rates
The discount rates applied to expected future cash flows ranges from 4.08% to 5.15%.

3. Significant accounting judgements, estimates and assumptions (continued)

Lease commitments – Group as lessor

The Group has entered into leases on some of its property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the property and the present value of minimum lease payments not amounting to substantially all of the fair value of the property, that it retains all the significant risks and reward of ownership of these properties and accounts for the contracts as operating leases.

Health Fund audits

A provision for the outcomes of Health Fund audits is made based on a percentage of revenue using the past 2 years exposure as a guide.

4. Group information

Information relating to subsidiaries

Subsidiaries

Entity	Principal Activities
St John of God Midland Health Campus Ltd	Operate and maintain the Midland Public Hospital
St John of God Outreach Services	Provision of services for the disadvantaged or those with disabilities
St John of God Foundation Inc.	Fundraiser for major capital projects, clinical equipment, medical and health research and social outreach initiatives
St John of God Foundation Trust	Public ancillary fund which can receive and make donations
St John of God Hauora Trust	Provider of health, ability and social services in New Zealand
St John House Inc.	Dormant
ACN 003 667 696	Dormant
A.C.N. 071 236 176 Limited	Community housing
St John of God Berwick Health Campus Ltd	Owning hospitals
St John of God Hawkesbury District Health Campus Ltd	Provider of health, ability and social services in New South Wales (discontinued from 1 July 2024)
Marillac Limited	Provision of specialist disability accommodation services
Dencross Pty Ltd (trading as Murdoch Surgicentre)	Specialist day surgery

5. Interest in joint arrangements

Joint Operations

Kangan Drive Berwick

Berwick Health Campus Limited (BHC) is a controlled entity of St John of God Health Care Inc.

Certain land and buildings at Kangan Drive Berwick are co-owned by BHC and Perpetual Corporation Trust as trustee for North West Healthcare Properties Management (formerly known as Generation Healthcare Custodian (Casey) Pty Ltd) pursuant to a "Co-ownership Deed" dated 18 December 2015.

6. Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

	Notes	Date of valuation 30 June 2024 $'000	Date of valuation 30 June 2023 $'000
Fair value measurement hierarchy for assets:			
Financial assets designated at fair value through OCI			
Investments in equities funds and shares (Level 1)	20.1	57,805	50,175
Derivative financial instruments			
Cash flow hedges: interest rate swaps (Level 2)	20.3	17,998	20,284
		75,803	**70,459**

7. Revenue and expenses

7.1 Revenue from ordinary activities

	2024 $000	2023 $000
Patient fees	1,949,809	1,829,135
Rental income	18,744	17,514
Government grants and subsidies	13,415	20,030
Donations, fundraising and bequests	17,978	3,311
Other ancillary income	70,351	64,969
	2,070,297	**1,934,959**

Revenue is derived in Australia and New Zealand and recognised over time.

7.2 Other income

	2024 $000	2023 $000
Net gain on disposal of property, plant and equipment	6,897	134
Recoveries	13,664	14,327
Investment income	2,737	2,100
	23,298	**16,561**

7.3 Finance costs

	Notes	2024 $000	2023 $000
Interest expense - leases	18	4,515	3,956
Interest expense - debt		17,560	9,526
Facility fees		6,651	5,062
		28,726	**18,544**

8. Discontinued operations

St John of God Hawkesbury District Health Campus Ltd

As at 1 July 2024, St John of God Hawkesbury District Health Campus Ltd, a subsidiary of the Association, returned the operations and management of Hawkesbury District Health Service to the Nepean Blue Mountains Local Health District.

	2024 $000	2023 $000
Revenue from ordinary activities	103,178	98,001
Finance income	44	60
Employment Costs	(65,069)	(60,204)
Medical consumables and supply expenses	(7,692)	(7,378)
Contract service costs	(14,920)	(14,067)
Direct operating expenses	(19,198)	(16,290)
Depreciation and amortisation	(142)	(151)
Deficit for the year from discontinued operations	**(3,799)**	**(29)**
Cash and cash equivalents	641	699
Trade and other receivables	4,477	11,748
Inventories	1,252	1,127
Property, plant & equipment	-	355
Trade and other payables	(10,441)	(6,845)
Employee benefit liabilities	(10,459)	(10,943)
Provisions	(63)	(20)
Amount due to related entities	(2,095)	(9,008)
Net Liabilities	**(16,688)**	**(12,887)**

9. Cash and cash equivalents

	2024 $000	2023 $000
Cash at bank and on hand	12,023	17,811
Restricted cash	21,811	15,456
	33,834	**33,267**

Cash at bank earns interest at floating rates based on daily bank and term deposit rates.

Restricted cash is grant and gift fund monies tied to specific expenditure.

10. Trade and other receivables

	Notes	2024 $000	2023 $000
Current			
Trade receivables	10.1	127,775	143,515
Other receivables	10.2	165,624	126,110
Goods and services tax receivable		-	3,999
		293,399	273,624
Provision for expected credit losses	10.3	(1,693)	(1,295)
		291,706	**272,329**

10.1 Trade Receivables

Trade receivables are non-interest bearing, generally have 14-30 day terms, and are recognised and carried at original invoice amount less an allowance for any uncollectible amounts and expected credit losses.

10.2 Other Receivables

Other receivables includes unbilled revenue of $124,972,000 (2023: $95,648,000). All other receivables are non-interest bearing and have repayment terms between 14 and 30 days.

10.3 Provision for impairment of receivables

The movement in the provision for expected credit losses is shown below:

	2024 $000	2023 $000
As at 1 July	1,295	1,655
Charge for the year	2,999	1,287
Utilised	(2,601)	(1,647)
As at 30 June	**1,693**	**1,295**

11. Inventories

	2024 $000	2023 $000
Medical and general supplies	41,523	46,241
Provision for inventory obsolescence	(4,218)	(4,628)
	37,305	**41,613**

Cost of inventories consumed for the patients amounting to $468,839,000 was recognised as an expense during the year ended 30 June 2024 (2023: $449,053,000).

For the year ended 30 June 2024, $1,097,000 was recognised as an expense for inventory obsolescence (2023: $761,000 expense).

12. Property, plant and equipment

	Land $000	Buildings $000	Plant and Equipment $000	Work in progress $000	Total $000
30 June 2024					
Carrying value at the beginning of the year	126,325	663,656	181,579	197,975	1,169,535
Additions	5,073	21,844	10,113	160,037	197,067
Depreciation	-	(29,090)	(41,553)	-	(70,643)
Transfer	275	-	32,846	(33,121)	-
Write off	-	(137)	(396)	(18)	(551)
Disposals	(1,827)	(5,677)	(2,166)	-	(9,670)
Transfer to assets classified as held for sale (note 14)	1,825	2,312	276	12	4,425
Carrying value at the end of the year	**131,671**	**652,908**	**180,699**	**324,885**	**1,290,163**
30 June 2024					
Cost	131,671	1,031,849	509,782	324,885	1,998,187
Accumulated depreciation and impairment	-	(378,941)	(329,083)	-	(708,024)
Carrying Value	**131,671**	**652,908**	**180,699**	**324,885**	**1,290,163**

	Land $000	Buildings $000	Plant and Equipment $000	Work in progress $000	Total $000
30 June 2023					
Carrying value at the beginning of the year	126,991	694,304	182,708	78,357	1,082,360
Additions	92	1,471	470	185,251	187,284
Transfer	1,310	2,826	41,891	(46,027)	-
Exchange differences	(73)	73	-	(291)	(291)
Depreciation and impairment	-	(27,246)	(40,001)	(16,282)	(83,529)
Disposals	(440)	(1,614)	(3,076)	(3,020)	(8,150)
Transfer from assets classified as held for sale (note 14)	(1,555)	(6,158)	(414)	(12)	(8,139)
Carrying value at the end of the year	**126,325**	**663,656**	**181,578**	**197,976**	**1,169,535**
30 June 2023					
Cost	126,325	1,018,235	473,370	197,976	1,815,906
Accumulated depreciation and impairment	-	(354,579)	(291,792)	-	(646,371)
Carrying Value	**126,325**	**663,656**	**181,578**	**197,976**	**1,169,535**

Impairment

The Group completed the annual impairment test, and it was determined that no impairment charges were to be recognised for the current period against property, plant and equipment (2023: nil impairment against Plant and Equipment).

12. Property, plant and equipment (continued)

Joint operation

Included within the total carrying value of property, plant and equipment at 30 June 2024 is an amount of $27,625,000 (2023: $28,642,000) which relates to a joint operation.

Project accruals

Included in additions are $4,771,000 of non-cash accruals in relation to projects under construction (2032: $4,061,000).

13. Intangible assets

	Software $000	Total $000
30 June 2024		
Carrying value at the beginning of the year	6,660	6,660
Additions	9,269	9,269
Amortisation and impairment	(9,809)	(9,809)
Carrying value at the end of the year	**6,120**	**6,120**
30 June 2024		
At cost	69,228	69,228
Accumulated amortisation and impairment	(63,108)	(63,108)
Carrying Value	**6,120**	**6,120**

	Software $000	Total $000
30 June 2023		
Carrying value at the beginning of the year	20,808	20,808
Transfers/Additions	3,021	3,021
Disposals	(14)	(14)
Amortisation and impairment	(17,155)	(17,155)
Carrying value at the end of the year	**6,660**	**6,660**
30 June 2023		
At cost	59,959	59,959
Accumulated amortisation and impairment	(53,299)	(53,299)
Carrying Value	**6,660**	**6,660**

Impairment

The Group completed the annual impairment test and it was determined that no impairment charges were to be recognised for the current year against intangible assets (2023: nil).

14. Assets classified as held for sale

	2024	2023
	$000	$000
Carrying value at the beginning of the year	11,676	3,537
Assets reclassified (to)/from property, plant and equipment (note 11)	(4,425)	8,139
Carrying value at the end of the year	**7,251**	**11,676**

	2024 $000	2023 $000
Breakdown of assets held for sale as at 30 June is as per below:		
Land	-	1,825
Buildings	7,113	9,425
Plant and equipment	138	414
Work in Progress	-	12
	7,251	**11,676**

Three properties were sold during FY24 and the remaining properties are planned to be sold in the next twelve months.

15. Trade and other payables

	2024 $000	2023 $000
Trade payables	65,470	42,073
Accruals and other payables	137,949	120,916
	203,419	**162,989**

Trade payables, accruals and other payables are non-interest bearing and are normally settled on 7 to 30 day terms.

16. Provisions

	2024	2023
	$000	$000
Current		
Health fund audits	11,357	18,100
Medical liability	28,175	26,422
WA workers compensation claims	8,016	6,415
Government agreements	-	645
	47,548	**51,582**

Movements in each class of provision during the financial year are set out below:

16. Provisions (continued)

	Health fund audits	Medical liability	WA workers compensation claims	Government agreements	Total
	$000	$000	$000	$000	$000
As at 1 July 2023	18,100	26,422	6,415	645	51,582
Arising during the year	4,898	12,479	9,807	-	27,184
Utilised	(11,641)	(10,726)	(8,206)	(645)	(31,218)
As at 30 June 2024	**11,357**	**28,175**	**8,016**	**-**	**47,548**

17. Employee benefit liabilities

	2024	2023
	$000	$000
Current		
Annual leave and other benefits	134,837	136,973
Long service leave	80,238	76,727
	215,075	**213,700**
Non-current		
Long service leave	28,159	26,986
	28,159	**26,986**

Defined benefit plan

Five current employees are members of the NSW State Authorities Superannuation Scheme and the State Authorities Non-contributory Superannuation Scheme. These are defined benefit schemes, a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal. The Schemes are closed to new members. Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review. Contribution rates are set after discussions between the employer, SAS Trustee Corporation and NSW Treasury. Contributions to the scheme are expensed as incurred.

18. Leases

Group as a lessee

The Group has lease contracts for various items of equipment, vehicles and certain facilities used in its operations. Leases generally have lease terms between 1 and 20 years and may contain escalation clauses.

The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

18. Leases (continued)

Group as a lessee (continued)

	Plant and machinery	Other equipment	Motor vehicles	Total
	$000	$000	$000	$000
As at 1 July 2023	74,612	1,060	2,996	78,668
Additions	8,531	378	1,254	10,163
Depreciation expense	(9,525)	(510)	(1,092)	(11,127)
Amendments and modifications to existing contracts	(1,470)	(788)	(326)	(2,584)
As at 30 June 2024	**72,148**	**140**	**2,832**	**75,120**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2024 $000	2023 $000
As at 1 July	**91,009**	**113,506**
Additions	10,740	10,958
Accretion of interest	4,515	3,956
Payments	(16,654)	(26,248)
Terminations	(218)	(11,211)
Amendments and modifications to existing contracts	(2,527)	(634)
Provision for make good restoration	681	682
At 30 June	**87,546**	**91,009**
Current	18,005	9,231
Non-current	69,541	81,778

18. Leases (continued)

Group as a lessee (continued)

The maturity analysis of lease payments as at 30 June are as follows:

	2024 $000	2023 $000
Within one year	16,263	10,837
After one year but not more than five years	58,366	49,014
More than five years	49,521	19,828
	124,150	**79,679**

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 3).

Payments associated with short-term leases of property, equipment and motor vehicles are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Lease payments for short-term leases amounting to $2,542,000 for the year ended 30 June 2024 are recognised as direct operating expenses in consolidated statement of profit or loss (2023: $3,569,000).

Group as a lessor

The Group has entered into operating leases on certain medical suites and rooms.

All non-cancellable leases have remaining terms of between 1 and 10 years and may contain escalation clauses.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

	2024 $000	2023 $000
Within one year	12,553	14,525
After one year but not more than five years	20,962	21,292
More than five years	761	1,700
	34,276	**37,517**

19. Funding received in advance

	2024 $000	2023 $000
Funding received in advance	18,026	29,131
Public assets replacement funds	11,905	12,519
Deferred revenue - Gifts and Donations	10,501	15,186
	40,432	**56,836**

The majority of funding received in advance is in the form of grant and state funding. This includes grants to which conditions of use of the funds may be attached.

Public assets replacement funds represents specific funding received by the Group and amounts of public service revenue received set aside by the Group to expend on the replacement of public assets.

Deferred revenue represents funds from special purpose fundraising and donations, where the related performance obligation is not yet fulfilled.

20. Financial assets and financial liabilities

20.1 Financial assets

	Notes	2024 $000	2023 $000
Other financial assets at amortised cost			
Current			
Term deposits	20.1(a)	**10,292**	**12,238**
Financial instruments designated at fair value through OCI			
Investments in equities funds and shares	20.1(b)	**57,805**	**50,175**
Non-current financial assets			
Loans to other entities	20.1(c)	**2,798**	**2,798**
Receivables at amortised cost			
Current			
Trade and other receivables	10	**291,706**	**272,329**

a) ***Other financial assets***

Other financial assets consist of term deposits with original maturity greater than three months and less than twelve months. The term deposits are restricted cash and tied to specific expenditure.

b) ***Investments in equities funds and shares***

The unrealised gain on the Group's investments in equities funds and shares during the year was $5,564,000 (2023: $3,351,000). This amount has been recognised in the Net Unrealised Gains/(Loss) Reserve in equity. The Group recognised no realised gains on the Group's investments in equities funds and shares through Other Comprehensive Income for the period (2023: $727,000).

c) ***Non-current financial assets***

During the prior year the Group as Lender executed a Facility Agreement (the Facility) with MHKP Asset 120 Pty Ltd (the Borrower) for a cash advanced facility of up to $4,000,000 in order to fund the approved expenses of the Borrower. The Facility has been executed with an interest rate of nil and a latest repayment date being 10 business days after 30 June 2025. Included within the agreement is an election for the Lender to convert the secured monies into units, by issuing a conversion notice on or before 31 December 2023, subject to certain events occurring. As at 30 June 2024, $2,798,000 (2023: $2,798,000) had been drawn as secured monies under the Facility. The Facility is secured.

20. Financial assets and financial liabilities (continued)

20.2 Financial liabilities: borrowings

	2024	2023
	$000	$000
Current		
Congregational loans	156	244
Other loans	3,253	1,329
Bank Overdraft	33,099	-
NZ Bank Loan: Secured	307	-
	36,815	**1,573**
Non-current		
Congregational loans	-	438
Other loans	7,360	3,938
Bank loans and borrowings	554,294	429,384
	561,654	**433,760**

a) *Congregational Loans*

	Notes	2024 $000	2023 $000
Current			
Sisters of St Joseph of the Apparition Inc.	(i)	156	244
		156	**244**
Non-Current			
Sisters of St Joseph of the Apparition Inc.	(i)	-	438
		-	**438**

(i) Sisters of St Joseph of the Apparition Inc.

The nominal value of the amount payable to the Sisters of St Joseph of the Apparition Inc. is $237,264 (2023: $740,778). The amount has been reflected at its present value pursuant to AASB 9 using a 6.25% discount factor. Payments are made quarterly with a component of the repayment amount adjusted annually for movements in the Consumer Price Index. The amount payable to the Sisters of St Joseph of the Apparition Inc. is unsecured.

b) *Other Loans*

	Notes	2024 $000	2023 $000
Current			
Cisco Systems Capital (Australia) Pty Limited	(i)	3,253	1,329
		3,253	**1,329**
Non-Current			
Cisco Systems Capital (Australia) Pty Limited	(i)	7,360	3,938
		7,360	**3,938**

20. Financial assets and financial liabilities (continued)

20.2 Financial liabilities: borrowings (continued)

b) *Other Loans (continued)*

(i) Cisco Systems Capital (Australia) Pty Limited

The Group has entered into various payment agreements with Cisco Systems Capital (Australia) Pty Ltd ("Cisco") to fund the acquisition of plant and equipment. The nominal value of the amount payable to Cisco is $10,165,000 at 30 June 2024 (2023: $5,700,000). The amounts have been reflected at their present values pursuant to AASB 9 using discount factors ranging between 4.08% - 5.15%. Repayments are made quarterly. The amount payable to Cisco is secured by plant and equipment amounting to $6,196,000 as at 30 June 2024 (2023: $6,196,000).

c) *Bank loans and borrowings*

	Notes	Facility $	Maturity	2024 utilised $000
Non-current borrowings				
Group Bank Loan (Lender A): Secured [Tranche A]	20.2(d)	75M	Apr-28	55,000
Group Bank Loan (Lender A): Secured [Tranche B]	20.2(d)	125M	Dec-28	58,000
Group Bank Loan (Lender A): Secured [Tranche C]	20.2(d)	75M	Apr-30	67,000
Group Bank Loan (Lender A): Secured [Tranche D]	20.2(d)	25M	Apr-29	25,000
Group Bank Loan (Lender A): Secured [Tranche E]	20.2(d)	100M	Apr-28	76,000
Group Bank Loan (Lender B): Secured [Tranche A]	20.2(e)	100M	Jun-29	-
Group Bank Loan (Lender C): Secured [Tranche A]	20.2(f)	75M	Jun-26	75,000
Group Bank Loan (Lender D): Secured [Tranche A]	20.2(g)	25M	Jun-25	-
Group Bank Loan (Lender D): Secured [Tranche B]	20.2(g)	75M	Jun-28	-
Group Bank Loan (Lender D): Secured [Tranche C]	20.2(g)	25M	Jun-28	-
Group Bank Loan (Lender E): Secured [Tranche A]	20.2(h)	200M	Apr-33	200,000
Group Bank Loan (Lender F): Secured [Tranche A]	20.2(i)	50M	Jun-25	-
Group Bank Loan (Lender F): Secured [Tranche B]	20.2(i)	25M	Jun-28	-
Group Bank Loan (Lender F): Secured [Tranche C]	20.2(i)	80M	Apr-28	-
Total		1.055B		556,000
Less: Establishment Fees	20.2(j)			(1,706)
				554,294

20. Financial assets and financial liabilities (continued)

20.2 Financial liabilities: borrowings (continued)

c) *Bank loans and borrowings (continued)*

	Notes	Facility	Maturity	2023 utilised $000
Group Bank Loan (Lender A): Secured [Tranche A]	20.2(d)	75M	Apr 2028	-
Group Bank Loan (Lender A): Secured [Tranche B]	20.2(d)	125M	Dec 2028	70,000
Group Bank Loan (Lender A): Secured [Tranche C]	20.2(d)	75M	Dec 2027	-
Group Bank Loan (Lender A): Secured [Tranche D]	20.2(d)	25M	Jun 2026	-
Group Bank Loan (Lender A): Secured [Tranche E]	20.2(d)	100M	Apr 2028	-
Group Bank Loan (Lender B): Secured [Tranche A]	20.2(e)	100M	Jun 2029	-
Group Bank Loan (Lender C): Secured [Tranche A]	20.2(f)	75M	Jun 2026	75,000
Group Bank Loan (Lender D): Secured [Tranche A]	20.2(g)	25M	Jun 2025	25,000
Group Bank Loan (Lender D): Secured [Tranche B]	20.2(g)	75M	Jun 2028	-
Group Bank Loan (Lender D): Secured [Tranche C]	20.2(g)	25M	Jun 2028	-
Group Bank Loan (Lender E): Secured [Tranche A]	20.2(h)	200M	Apr 2033	200,000
Group Bank Loan (Lender F): Secured [Tranche A]	20.2(i)	50M	Jun 2025	50,000
Group Bank Loan (Lender F): Secured [Tranche B]		25M	Jun 2028	5,000
Group Bank Loan (Lender F): Secured [Tranche C]		80M	Apr 2028	5,000
Total		1.055B		430,000
Less: Establishment Fees	20.2(j)			(2,814)
Group Bank Loans				**427,186**
NZ Bank Loan: Secured	20.2(k)		Jul 2024	2,198
				429,384

Review of Group Secured Borrowing Facilities
The Group's Secured Borrowing Facilities were retained at same level as the previous financial year with the facility value of $1,055,000,000 (2023: $1,055,000,000). The first facility tranche maturity is June 2025.

d) *Group Bank Loan (Lender A): Secured*

The bank loan from Lender A of $281,000,000 (2023: $70,000,000) is a series of rolling loans expiring at various times.
The undrawn portion of the bank facility is $119,000,000 as at 30 June 2024 (2023: $330,000,000).

e) *Group Bank Loan (Lender B): Secured*

The bank loan from Lender B had a balance of $nil at the end of the period (2023: $nil).
The undrawn portion of the bank facility is $100,000,000 as at 30 June 2024 (2023: $100,000,000).

f) *Group Bank Loan (Lender C): Secured*

The bank loan from Lender C of $75,000,000 (2023: $75,000,000) is a series of rolling loans expiring at various times. The undrawn portion of the bank facility is $nil as at 30 June 2024 (2023: $nil).

20. Financial assets and financial liabilities (continued)

20.2 Financial liabilities: borrowings (continued)

g) *Group Bank Loan (Lender D): Secured*

The bank loan from Lender D of $nil (2023: $25,000,000) is a series of rolling loans expiring at various times. The undrawn portion of the bank facility is $125,000,000 as at 30 June 2024 (2023: $100,000,000).

h) *Group Bank Loan (Lender E): Secured*

The bank loan from Lender E of $200,000,000 (2023: $200,000,000) is a series of rolling loans expiring at various times.
The undrawn portion of the bank facility is $nil as at 30 June 2024 (2023: $nil).

i) *Group Bank Loan (Lender F): Secured*

The bank loan from Lender F of $nil (2023: $60,000,000) is a series of rolling loans expiring at various times. The undrawn portion of the bank facility is $155,000,000 as at 30 June 2024 (2023: $95,000,000).

j) *Establishment fees*

Establishment fees capitalised are the costs associated with debt facility negotiations and are amortised on a weighted basis over the period of the debt facility.

k) *NZ Bank Loan: Secured*

The NZ Bank Loan of $307,000 (2023: $2,198,000) is secured over the land and buildings in Wellington New Zealand as a registered first ranking mortgage.

There is no undrawn portion of the bank facility as at 30 June 2024. The facility was drawn in full at the commencement date with monthly repayments due over a period of 60 months until the facility is repaid in full. Attached to the facility is an additional commercial credit card facility for $70,000 of which $44,000 remains undrawn as at 30 June 2024.

Security

On 12 August 2011, St John of God Health Care Inc. changed its security arrangements such that Perpetual (on behalf of the Financiers), Hospitaller Order of St John of God and Sisters of St John of God Inc. each hold security over separate portfolios of assets. Following repayment of the loan to Hospitaller Order of St John of God, the security held is in the process of being released.

On 14 June 2012, St John of God Health Care Inc. provided the State of Western Australia with a charge over the Association's interest as a member in St John of God Midland Health Campus Ltd.

On 2 July 2014, St John of God Health Care Inc. provided a real property mortgage over any new titles created as a result of the amalgamation of existing titles and new subdivisions at St John of God Geelong Hospital that would be granted to Perpetual Trustees Consolidated Limited (Perpetual) as trustee of the St John of God Security Trust.

	Carrying value of assets	
	2024	2023
	$000	$000
Security Holder		
Perpetual	1,704,740	1,574,078
Hospitaller Order of St John of God	10,673	10,788
	1,715,413	1,584,866

20. Financial assets and financial liabilities (continued)

20.3 Derivative financial instruments

	2024	2023
	$000	$000
Non- current financial assets		
Interest rate swap contracts - cash flow hedges	17,998	20,284
Non- current financial liabilities		
	17,998	**20,284**

Cash flow hedges

Interest Rate Swaps

The Group has entered into interest rate swap contracts under which it has rights to receive interest at variable rates and to pay interest at fixed rates.

Interest rate swap contracts in place cover 54% (2023: 37%) of the drawn portion of the bank facilities as at 30 June 2024.

The fair value of the interest swap contracts at 30 June 2024 is an asset of $17,998,000 (2023: $20,284,000).

Details of the interest rate swap contracts are shown below:

30 Jun 2024

Start Date	Maturity Date	Notional Amount $'000	Interest Rate Fixed %	Fair Value $'000
03/08/2021	01/07/2025	27,819	0.5	247
03/08/2021	01/07/2025	27,819	0.5	247
01/07/2023	01/07/2025	10,500	3.3	99
03/07/2023	01/07/2025	12,600	3.3	119
03/07/2023	01/07/2025	6,300	3.3	59
03/07/2023	01/07/2025	12,600	3.3	118
03/01/2023	02/01/2026	35,000	3.7	370
01/07/2022	01/07/2026	10,000	0.9	1,151
01/07/2022	01/07/2026	10,000	0.9	1,147
01/07/2024	03/07/2028	28,116	2.1	1,933
01/07/2024	03/07/2028	28,116	2.1	1,942
01/07/2024	03/07/2028	28,116	2.1	1,944
01/07/2023	01/06/2029	7,930	2.1	2,582
01/07/2023	02/07/2029	10,000	2.1	2,572
03/07/2023	02/07/2029	7,930	2.1	2,544
30/06/2023	28/06/2030	22,000	3.7	510
30/06/2023	28/06/2030	4,000	3.7	102
30/06/2023	28/06/2030	4,000	3.7	123
30/06/2023	30/06/2030	6,000	3.7	95
30/06/2023	30/06/2030	4,000	3.7	94
				17,998

20. Financial assets and financial liabilities (continued)

20.3 Derivative financial instruments (continued)

30 Jun 2023

Start Date	Maturity Date	Notional Amount $'000	Interest Rate Fixed %	Fair Value $'000
03/08/2021	01/07/2025	27,819	0.5	439
03/08/2021	01/07/2025	27,819	0.5	436
01/07/2023	01/07/2025	10,500	3.3	199
03/07/2023	01/07/2025	12,600	3.3	240
03/07/2023	01/07/2025	6,300	3.3	118
03/07/2023	01/07/2025	12,600	3.3	240
03/01/2023	01/07/2025	35,000	3.7	573
01/07/2022	01/07/2026	29,500	0.9	2,192
01/07/2022	01/07/2026	29,500	0.9	2,214
01/07/2024	03/07/2028	28,116	2.1	1,764
01/07/2024	03/07/2028	28,116	2.1	1,712
01/07/2024	03/07/2028	28,116	2.1	1,754
01/07/2023	01/06/2029	792	2.1	2,407
01/07/2023	02/07/2029	792	2.1	2,441
03/07/2023	02/07/2029	792	2.1	2,444
30/06/2023	28/06/2030	22,000	3.7	622
30/06/2023	28/06/2030	4,000	3.7	112
30/06/2023	28/06/2030	4,000	3.7	115
30/06/2023	30/06/2030	6,000	3.7	139
30/06/2023	30/06/2023	4,000	3.7	123
				20,284

The variable rates average 1.4% above (2023: 1.8% below) the fixed interest rate, which at 30 June 2024 was 2.4% (2023: 2.1%).

Refer Note 21 for movement in cash flow hedge reserve.

20.4 Financial instruments risk management objectives and policies

Interest rate risk

The Association manages its interest rate risk by hedging at a minimum of 25% of its bank debt (target 50%). Such hedging is currently achieved by taking out interest rate swap agreements.

20. Financial assets and financial liabilities (continued)

20.5 Changes in liabilities arising from financing activities

	1 July 2023 $000	Cash flows $000	Other $000	30 June 2024 $000
Congregational loans: Current	244	(88)	-	156
Congregational loans: Non-Current	438	(467)	29	-
Other loans: Current	1,329	(3,685)	5,609	3,253
Other loans: Non-Current	3,938	-	3,422	7,360
Group bank loans: Non-Current	430,000	126,000	-	556,000
Establishment fees	(2,814)	-	1,108	(1,706)
Bank Overdraft	-	38,982	(5,883)	33,099
NZ Bank Loan: Secured	2,198	(1,891)	-	307
Lease liabilities	91,009	(16,654)	13,191	87,546
	526,342	**142,197**	**17,476**	**686,015**

21. Reserves

	Hedging reserve $000	Realised gain on Financial assets designated at FVOCI $000	Foreign currency translation reserve $000	Net unrealised gains/(loss) reserve $000	Total $000
As at 1 July 2023	20,284	27,843	451	1,773	50,351
Movement	(2,286)	-	(148)	5,564	3,130
As at 30 June 2024	**17,998**	**27,843**	**303**	**7,337**	**53,481**

22. Commitments and contingencies

Lease commitments

The Group has various lease contracts that have not yet commenced as at 30 June 2024. The future lease payments for these non-cancellable lease contracts are $601,000 within one year, $3,245,000 within five years and $618,000 after five years.

Refer to note 18 for all other Lease commitments.

Plant and equipment commitments

The Group has a finance agreement with Cisco Systems Capital (Australia) Pty Ltd to fund the acquisition of plant and equipment.

The Group's fair value of future repayments under the agreement are $3,403,000 within one year and $6,762,000 within five years.

22. Commitments and contingencies (continued)

Capital commitments

At 30 June 2024 the Group has commitments of $204,108,000 (2023: $144,957,000). Commitments for property, plant and equipment contracted for at reporting date but not recognised as liabilities are as follows:

	2024	2023
	$000	$000
Within one year	201,706	143,251
After one year	2,402	1,706
	204,108	144,957

The capital commitments relate principally to completion of building contracts at:

- St John of God Subiaco Hospital
- St John of God Ballarat Hospital
- St John of God Richmond Hospital
- St John of God Murdoch Hospital; and
- Digital technology enhancement projects across the Group.

Commitment to Manage and operate St John of God Midland Public Hospital

On 14 June 2012, St John of God Midland Health Campus (SJGMHC) entered into a number of agreements (Transaction Documents) with the State of Western Australia (State) to design, construct, operate and maintain the St John of God Midland Public Hospital (Hospital).

The two primary contracts are the:

(1) Design & Construct (D&C) Agreement governing the design and construction of the St John of God Public Hospital

(2) Services Agreement governing the operation and maintenance of the St John of God Public Hospital during the Operational Phase

SJGMHC passed through (without release from the primary obligation to perform) its obligations under the D&C Agreement to Brookfield Multiplex Constructions Pty Ltd (BMC) under the terms of a D&C Subcontract. Construction of the Hospital was completed in November 2015.

SJGMHC passed through (without release from the primary obligation to perform) its obligations under the Services Agreement to St John of God Health Care Inc (SJGHC) under the terms of a Key Services Subcontract. The term of the Services Agreement commenced on 24 November 2015 and terminates 20 years thereafter. The State has the option to extend the term of the Services Agreement for a further period of two years.

As part of the transaction, the State requires SJGMHC to provide security for its obligations to the State under the Transaction Documents. The State also requires SJGHC to provide security to further secure SJGMHC's obligations.

In summary the security consists of:

- SJGMHC providing a fixed and floating charge over its assets and undertakings (General Security Agreement).
- In respect of the Services Agreement, SJGMHC providing the State with performance bonds initially in the amount of $40,000,000 reducing to $25,000,000 after 12 months of operation and increasing back to $40,000,000 two years before the 20 year term of the Services Agreement expires (all amounts CPI indexed). SJGHC provided the original $40,000,000 performance bond to the State on behalf of SJGMHC on 24 November 2015 which was subsequently replaced by a $25,000,000 performance bond. SJGHC provided the $25,000,000 performance bond to the State on 10 November 2016.
- A parent guarantee provided by SJGHC in favour of the State securing SJGMHC's obligations under the D&C Agreement and the Services Agreement. This parent guarantee is limited to 50% of the Contract Sum during the D&C Phase and to the equivalent of one year's revenue during Operational Phase (currently approximately $260,000,000).

22. Commitments and contingencies (continued)

Commitment to Manage and operate St John of God Midland Public Hospital (continued)

- The Australian holding company of BMC, Brookfield Australia Investments Ltd provide a parent company guarantee to SJGMHC securing BMC's obligations to the Company under the D&C Subcontract noting that BMC's liability to the Company under this sub-contract will be limited to 50% of the contract sums under the D&C Subcontract.
- SJGHC providing the State with a charge over SJGHC's interest as a member in SJGMHC (Specific Security Deed).

Sale Commitment: Private Patient Facility at St John of God Midland Public Hospital

During the 2023 financial year the Group received notice that the State Government of Western Australia (State) was exercising its right to acquire 60 private beds, two operating theatres and a procedures room within the Midland Health Campus. The State will take possession of these on 1 July 2026, at which point Midland Health Campus will have transitioned to a fully public hospital. The Group has commenced planning to deliver a new standalone 120 bed St John of God Midland Private Hospital near the existing hospital with completion expected in mid-2026.

Commitment to Manage and operate Hawkesbury District Health Service

Capital commitments

There were no Group capital commitments as at 30 June 2024 (2023: $625,000).

Commitment to manage and operate Hawkesbury District Health Service

On 3 November 2015, the Services Agreement with the Nepean Blue Mountains Local Health District (formerly known as Wentworth Area Health Service) to operate and manage Hawkesbury District Health Service was novated from Hawkesbury District Health Service Limited to St John of God Hawkesbury District Health Campus Ltd. The original term of the Services Agreement ended on 30 June 2022, and its extension was due to end on 31 December 2023. During the prior year ended 30 June 2023, the Services Agreement was extended for the period from 1 January 2024 to 31 March 2024. The Services Agreement was further extended to 30 June 2024.

As at 1 July 2024, the operations and management of Hawkesbury District Health Service was returned to the Nepean Blue Mountains Local Health District.

Guarantees

St John of God Health Care Inc. has provided the following guarantees at 30 June 2024:

- Guarantee of $10,400,000 (2023: $10,100,000) to WorkCover WA as a condition of workers compensation self-insurance.
- Various other guarantees provided during the year total to $1,245,000 (2023: $730,000).

St John of God Health Care Inc. provided a parent company guarantee and indemnity to the Nepean Blue Mountains Local Health District in respect of moneys payable and the performance of obligations by St John of God Hawkesbury District Health Campus Ltd. The maximum amount payable under the parent company guarantee and indemnity was $10,000,000 indexed annually on 4 November to reflect relative CPI since November 2015. This guarantee was released by the Nepean Blue Mountains Local Health District from 1 July 2024 (the date on which the Services Agreement between St John of God Hawkesbury District Health Campus Ltd and Nepean Blue Mountains Local Health District expired).

23. Events after the reporting period

There have been no significant events occurring after the balance date which may affect either the Group's operations or results of those operations or the Group's state of affairs.

24. Auditors' remuneration

The auditor of St John of God Health Care Inc. is Ernst & Young (Australia).

	2024 $	2023 $
Fees to Ernst & Young (Australia):		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	522,600	447,968
Fees for other valuation services	20,000	363,510
Total fees to Ernst & Young (Australia):	**542,600**	**811,478**
Fees to other overseas member firms of Ernst & Young (Australia):		
Fees for auditing the financial report of any controlled entities	31,230	29,817
Total fees to other overseas member firms of Ernst & Young (Australia):	**31,230**	**29,817**
Total auditor's remuneration	**573,830**	**841,295**

25. Related parties

Board members

Mr A Arundell	(Resigned: 8 April 2024)
Dr R Capolingua	
Mr J Carroll	(Resigned: 29 November 2023)
Mr J de Groot	
Dr M Levitt	
Mr J McMahon	
Dr M O'Brien	
Mr P Prendiville	
Hon K Sanderson AC	
Ms S Park	
Mr P Bremner	(Appointed: 1 November 2023)
Ms J Keene	(Appointed: 1 January 2024)
Mr M Scatena	(Appointed: 8 April 2024)

Trustees

Rev Dr J Parkinson	
Mr F Cooper AO	
Mr M Murphy	
Ms D Cronin	
Ms S Pascoe AM	
Hon N Owen AO	
Ms C Hammond	(Appointed: 1 January 2023)
Mr F Moore	(Appointed: 1 July 2023)

25. Related parties (continued)

Compensation of key management personnel of the Group

	2024 $000	2023 $000
Short term benefits	14,692	12,817
Long term benefits	-	1,302
Termination benefits	410	1,267
Total compensation paid to key management personnel	**15,102**	**15,386**

ST JOHN OF GOD HEALTH CARE INC.
(Association Not for Profit)
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of St John of God Health Care Inc. (the Group) we state that:

1. In the opinion of the directors:

   (a) the financial statements and notes of St John of God Health Care Inc. for the financial year ended 30 June 2024 are in accordance with the *Associations Incorporations Act 2015* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:

      (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and

      (ii) Complying with *Australian Accounting Standards and Australian Charities and Not-for Profits Commission Regulations 2022*; and

   (b) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

On behalf of the board

Hon K Sanderson AC
Chair
Perth, WA
27 September 2024

Ms S Park
Director
Perth, WA
27 September 2024

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

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Fax: +61 8 9429 2436
ey.com/au

Building a better working world

Independent auditor's report to the members of St John of God Health Care Inc.

Opinion

We have audited the financial report of St John of God Health Care Inc. (the Association) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, material accounting policy information, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporation Act 2015*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance and cash flows for the year ended on that date; and

b. Complying with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the directors for the financial report

The directors of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures, *Australian Charities and Not-for-Profits Commission Act 2012* and the *Associations Incorporation Act 2015* and for such internal control as the directors determine is necessary to enable the preparation of the 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 directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives 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 our 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, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Building a better working world

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young



Timothy G Dachs
Partner
Perth
27 September 2024

Australian Government
Department of Health and Aged Care

"KB-34"

Private Hospital Sector Financial Health Check – Summary

October 2024

Private Hospital Sector Financial Health Check (Health Check)

Why was the Health Check undertaken?

The private hospital sector is an important part of Australia's health care system. High-level evidence and stakeholder feedback provided to the Australian Government prior to the commencement of the Health Check raised financial viability concerns that potentially impact the health system and patient outcomes.

The Minister for Health and Aged Care, the Hon Mark Butler MP, asked the department to conduct a Health Check on the private hospital sector to further develop the evidence base and identify drivers contributing to financial outcomes.

Overview of private hospitals in Australia

In July 2024, there were 647 private hospitals providing more than 36,000 beds.[1] Around 83% of private hospitals are in metropolitan locations, 9% in regional centres and 8% in rural towns. The sector is diverse, with variations in size, location, types of treatments delivered, business models and agreements with private health insurers and other funders.

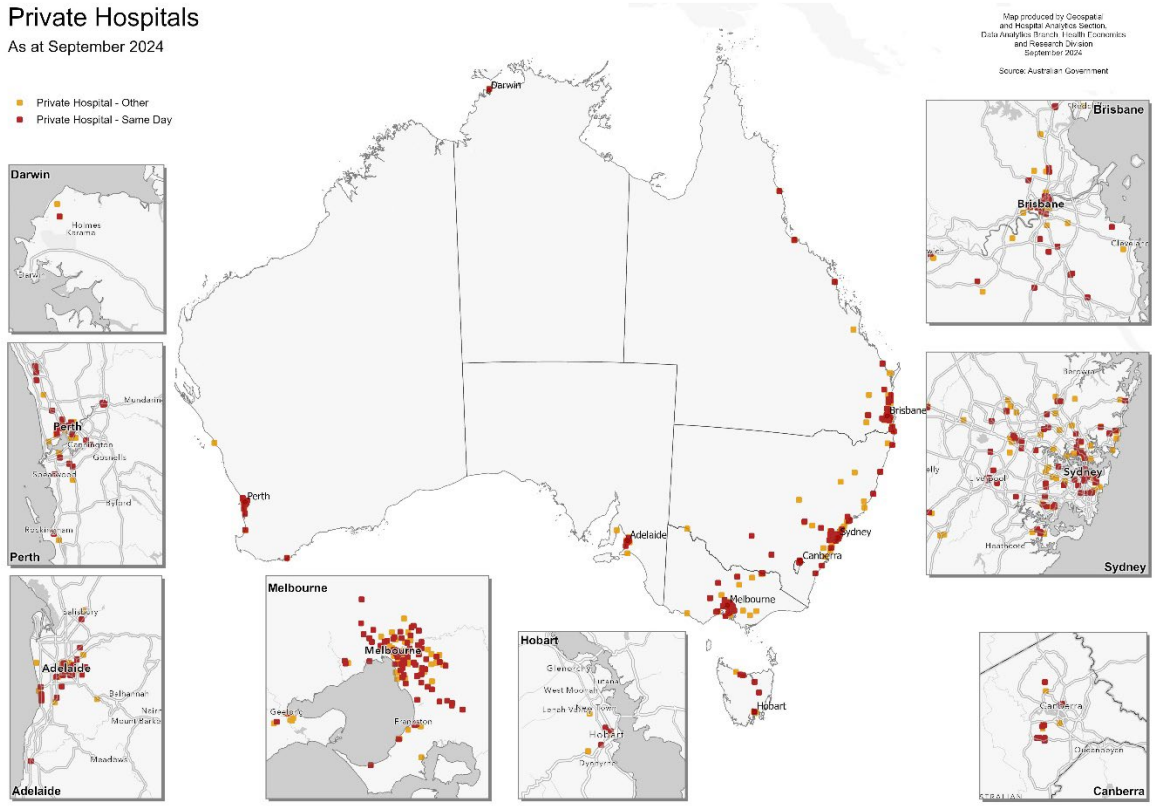
Australia's private hospitals cover more than 40% of all hospital admissions and deliver approximately 70% of elective surgeries.[2]

In 2022–23, 41.2% (5 million) of hospitalisations occurred in private hospitals, an increase from 40.3% (4.6 million) from 2018-19. Over 74% of patients in private hospitals had stays less than 24 hours.[3]

In 2023–24, private health insurers paid benefits of approximately $18 billion that funded approximately 5 million hospital treatments. Over the 12 months to 30 June 2024, total benefits paid by insurers increased by approximately 7.9% and the number of treatments funded increased by 5.1%. As at 30 June 2024, approximately 12.2 million people were insured for hospital treatment.[4]

[1] Beds include chairs and trolleys and is estimated from the number of licenced beds as at July 2024.
[2] Australia's hospitals at a glance, Hospital activity, available at: www.aihw.gov.au/reports/hospitals/australias-hospitals-at-a-glance/contents/hospital-activity
[3] Australia's hospitals at a glance, Hospital activity, available at: www.aihw.gov.au/reports/hospitals/australias-hospitals-at-a-glance/contents/hospital-activity
[4] Quarterly private health insurance statistics, available at www.apra.gov.au/quarterly-private-health-insurance-statistics

Figure 1: Numbers of private hospitals in Australia.



How was the Health Check conducted?

Approach

The Health Check assessed private hospital financial data for the period 2017–18 to 2023–24. Financial data was voluntarily provided by 243 out of 647 hospitals, representing 58% of private hospital separations and 63% of hospital revenue in 2022–23.

In addition to voluntarily submitted financial data, several administrative collections were used in the Health Check, these included:

- Hospital Casemix Protocol (HCP) data (2014–15 to 2022–23)
- Private Hospital Data Bureau (PHDB) data (2014–15 to 2022–23)
- National Hospital Cost Data Collection (NHCDC) data (2015–16 to 2021–22)
- Australian Institute of Health and Welfare (AIHW) data
- Medicare Benefits Schedule (MBS) data
- the Commonwealth List of Declared Hospitals.

The department's quantitative analysis was supplemented by discussions with a range of stakeholders and groups, including a CEO Forum, which met on three occasions, and a Reference Group that provided technical guidance which met on six occasions.

Confidentiality provisions of the Health Check

Financial data voluntarily submitted by hospital operators to the Health Check is commercially sensitive and was provided on the basis it would remain confidential and not be published. The

release of this information would be commercially prejudicial and harm the interests of the private hospitals.

Data from administrative collections used in the Health Check is also subject to use conditions that restrict publication.

Important caveats

Aspects of the quantitative analysis undertaken was limited due to:

- data sources, including the financial data submitted by private hospitals, that covered different time periods and different private hospitals
- potential selection bias exists due to the incomplete submission of financial data across the private hospital sector
- no episode level cost data available for day hospitals.

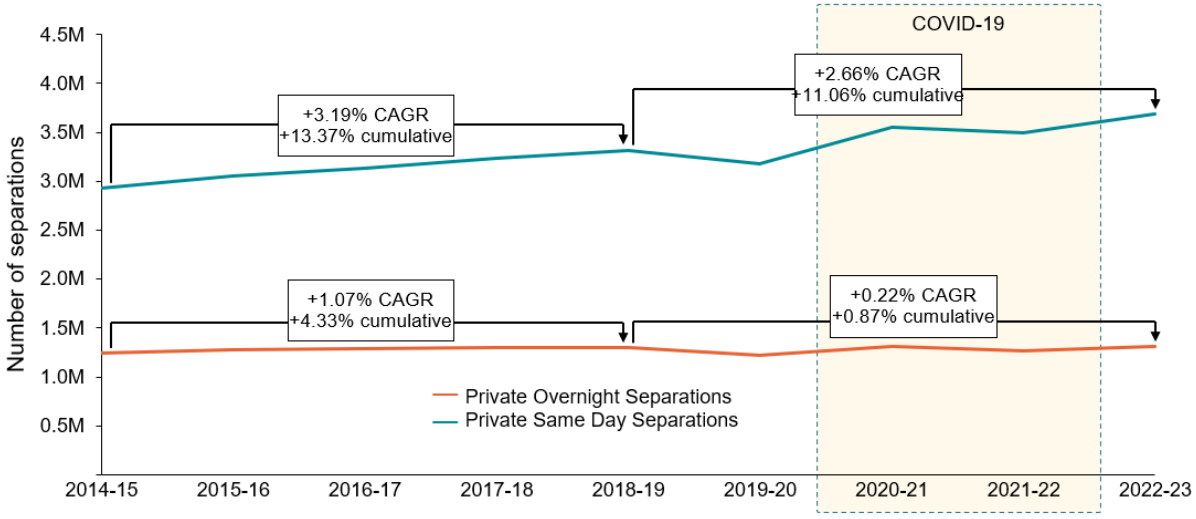
What did we find?

Activity

There has been a shift away from overnight separations towards same-day separations. Between 2018–19 and 2022–23, the Compound Annual Growth Rate (CAGR) for overnight separations was 0.22% compared to 2.66% for same-day separations.

The increased share of same-day separations has largely been taken up by overnight hospitals rather than a shift to day hospitals.

Figure 2: Number of overnight and same-day separations in private hospitals between 2014–15 and 2022–23.



Source: Australian Institute of Health and Welfare, Admitted Patient Care 2022–23 2 – How much activity was there?, My Hospitals.

Earnings

There has been significant variability in the sector's operating environment over the period the Health Check assessed operators' financial data. Factors contributing to the variability include:

- workforce shortages, notably for mental health

- increases in the cost of key inputs not being matched by increases in revenues
- changes in demand for certain types of services and reductions in lengths of stay
- the COVID-19 pandemic and associated restrictions on elective surgery introduced in early 2020.[5]

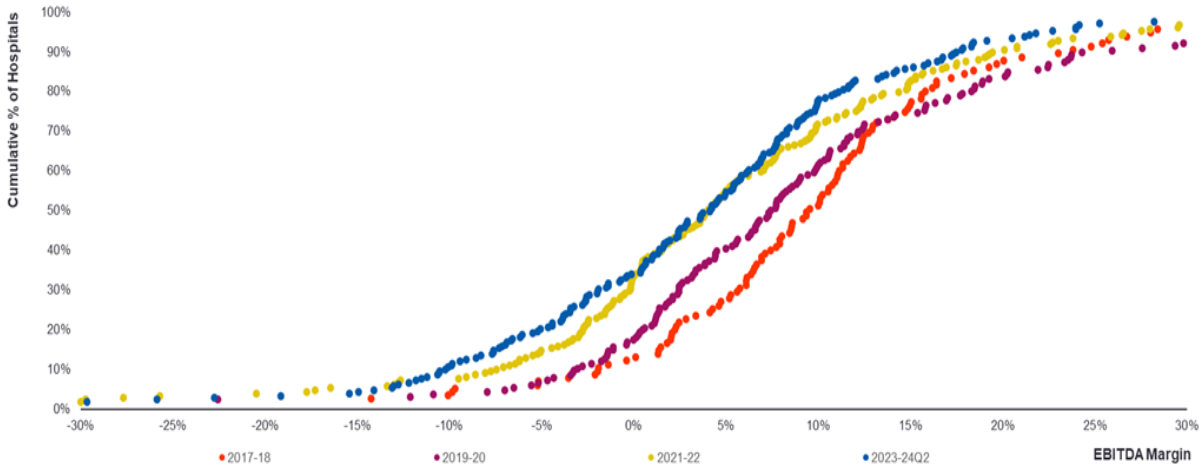
While the financial information submitted by private hospitals to the Health Check was sufficiently detailed to enable financial analysis to account for differences in size, type and locations of private hospitals, disaggregated financial detail has been withheld to ensure:

- commercially sensitive information is not released; and
- the presentation of incomplete data is not misinterpreted.

In assessing the NHCDC and PHDB for private hospital cost, activity and price data, and taking into account patient activity and changes in casemix,[6] expenditures were found to increase at a CAGR of 4.1% and revenues were found to have increased at a CAGR of 2.9% between 2018-19 to 2021-22. These results are for 89 overnight hospitals, representing 38% of private hospital separations and 50% of private hospital revenue in 2022–23.

For private hospitals that submitted financial data to the Health Check, there was a decline in the weighted average Earnings Before Interest, Tax and Depreciation (EBITDA) margins[7] from 8.7% in 2018-19 to 4.4% in 2022-23. As noted above, the financial data provided to the Health Check covered 58% of private hospital separations and 63% of private hospital revenue in 2022-23. Taking into account other publicly available financial data, the department estimates that the sector's weighted average EBITDA margin is likely to have been between 7% and 8% in 2022-23.

Figure 3: EBITDA margins of private hospital sample between 2017–18 and 2023–24Q2.



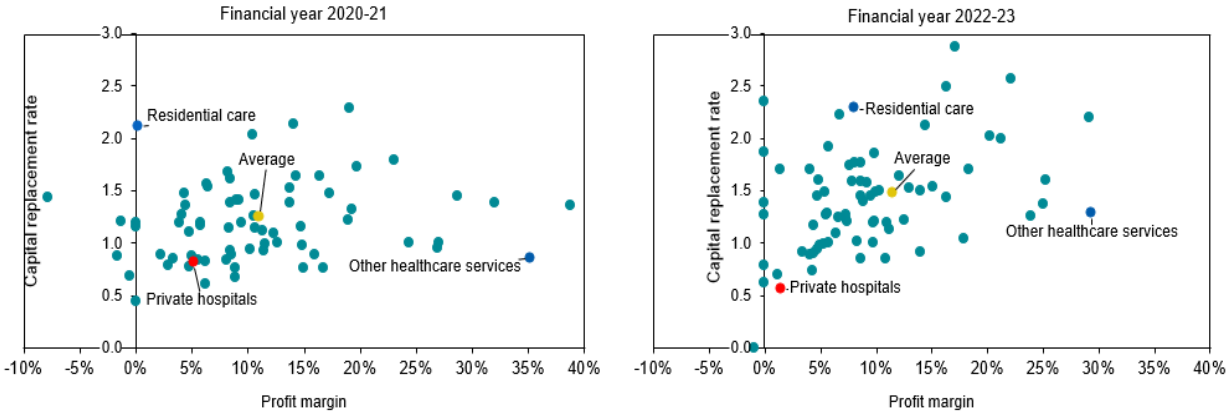
Source: Private Hospital Sample submissions to the department

Notes: Hospital sites: 115 in 2017-18 (26% of separations) growing to 209 (48% of separations) in 2023-24Q2

[5] Elective admissions involving surgery in private hospitals decreased by 5.7% between 2018–19 and 2019–20.
[6] Casemix refers to the diversity and complexity of patient cases that a hospital treats.
[7] Average EBITDA margins are weighted by total operating revenue.

Data from the Australian Bureau of Statistics (ABS), also shows private hospitals have experienced a decline in both profit margins and capital replacement rates, indicating reduced investment and suggesting potential longer-term risks of asset deterioration.

Figure 4: Capital replacement and profit margins for Australian private sector industries (ex.mining and real-estate) in 2020–21 and 2022–23.



Source: Australian Bureau of Statistics, Australian Industry, catalogue 8155.0.

Notes: Capital replacement measures the adequacy of replacing capital assets to cover depreciation. The average includes mining and real-estate services, although they are not shown in the scatterplot datapoints.

Services under particular pressure

In undertaking the Health Check, healthcare providers identified a number of services that were increasingly difficult to offer. Two particular services of concern are obstetrics and mental health.

Obstetrics

The number of childbirth separations has declined in both public and private hospitals. There was a decline of 5.9% in public hospitals compared to 4.7% in private hospitals from 2018–19 to 2022–23.[8] Out of pocket charges for consultation with a specialist for the planning and management of a pregnancy have increased by almost 8% between 2018–19 and 2022–23 to a median of $2,615. Between 2015–16 and 2022–23, 9 private hospitals closed their maternity wards, and 2 hospitals with maternity services ceased operating. The profit margins for maternity services for private hospitals are now lower than a decade ago. The sector expressed concerns about the further closure of private hospital maternity wards due to the financial viability of the service and the challenges operators face in attracting and retaining the required specialised workforce, including specialist nurses, mid-wives, paediatricians, and anaesthetists.

[8] Australian Institute of Health and Welfare, published admitted patient care data: Multiple tables and years from *5 – What services were provided?*

Mental Health

The number of Medicare-subsidised psychiatric services delivered has increased 18.9% from 2018–19 to 2021–22, supported by an increase in the total number of psychiatrists employed since 2018-19 by approximately 15%. However, the number of services delivered in a private hospital setting has declined by about 15% over the same period. There has also been an increase in the weighted average out-of-pocket gap that psychiatrists charge for telehealth and rooms-based services. The sector expressed concerned about access to private hospital psychiatric services noting the difficulty in attracting and retaining psychiatrists prepared to work in a hospital setting.

Concluding observations

The private hospital sector is an important part of the Australian health system, offering patient's choice, providing the hospital sector additional capacity and a complementary workforce for public hospitals.

This public summary of the Health Check provides only highly aggregated data to ensure commercially sensitive information is not disclosed and the data provided is not misinterpreted.

The data assessed by the Health Check shows the private hospital sector has faced a number of shocks including the COVID-19 pandemic and it continues to experience a degree of volatility, due to inflationary pressures and workforce challenges which are working through the system. There are some positive signs of growth in admissions, and more recently indications that a number of private health insurers have offered additional funding to some private hospitals. Data is not yet available to the department to determine whether this will significantly improve profitability. Looking forward there will be both robust funding negotiations between hospitals and private health insurers and market corrections, requiring the continued close monitoring of the sector.

Critically, all market participants who have a long-term financial interest in the sustainability of the sector must work together to ensure the private hospital sector remains financially viable in the short term but also continues to adapt and innovate to deliver efficient and contemporary acute care into the future.

The sector engaged constructively with the department through the course of the Health Check. Strengthening the collection and analysis of key operational and performance data will enable the department to work closely with the sector for the benefit of the Australian health system.

Further information

A copy of the data request that was sent to private hospitals is included and can be found at https://www.health.gov.au/resources/publications/data-request-for-the-private-hospital-sector-financial-health-check

Appendices

1. Health Check – Overview.
2. CEO Forum and Reference Group Membership

Appendix 1: Health Check – Overview

Objectives

Understand the current state of the private hospital market and viability of the sector by:

- Establishing a robust evidence base regarding financial performance, financial pressures and profitability accounting for heterogeneity.
- Identifying preliminary drivers contributing to financial challenges, including whether private hospitals should be expected to take responsibility for these matters.

Scope

Analysing existing data and collecting new data to assess:

- components and operating models of the private hospital market
- financing requirements and funding streams and arrangements
- costs and revenue, noting the range of services and treatments provided by the sector
- profitability of the sector including assessment of viability and investability
- key market challenges, the adequacy of arrangements for monitoring viability (including data availability and coverage) and broad directions for further consideration.

Approach

- focus on quantitative data analysis
- supported by qualitative inputs
- capturing heterogeneity
- undertaking sensitivity and scenario analysis to the current state.

Appendix 2: CEO Forum and Reference Group Membership

Table 1: Membership of CEO Forum

Member	Organisation
Mr Blair Comley PSM	Department of Health and Aged Care (Chair)
Mr James Downie	Department of Health and Aged Care (Lead Advisor)
Mr Greg Horan	Healthscope
Ms Carmel Monaghan	Ramsay Health Care
Ms Sue Williams	Cabrini Health
Mr Martin Bowles AO PSM	Calvary Health Care
Mr Matt Kelly	PresMed Australia
Mr David Koczkar	Medibank Private Limited
Ms Sheena Jack	Hospitals Contribution Fund of Australia (HCF)
Dr Lachlan Henderson	HBF Health Limited
Professor Steven Robson	Australian Medical Association (AMA)
Ms Sam Reinhardt	Treasury
Ms Naomi Bromley	Department of Health, Victoria

Table 2: Membership of Reference Group

Member	Attendance Type
Professor Emily Lancsar (Department of Health and Aged Care)	Chair
Mr James Downie (Department of Health and Aged Care)	Lead Advisor
Mr Scott Bell	Member
Ms Caitlin O'Dea	Member
Ms Andrea Selleck	Member
Professor Brian Owler	Member
Dr Elizabeth Deveny	Member
Independent Health and Aged Care Pricing Authority (IHACPA)	Participants
Australian Institute of Health and Welfare (AIHW)	Participants
Treasury	Participants