

Annual Report

2025–26

Bayside Health



Kirsten Weinzierl is Director of Nursing, Phillip Island Community Hospital

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Front cover photo: Born at Sandringham Hospital, baby Hugh has brought joy to proud parents Gemila and Sam.

Back cover photo: Adj A/Prof Pauline D'Astoli OAM is a member of Bayside Health's Consumer Advisory Committee.

Our story

Established in January 2026, Bayside Health brings together the combined expertise of five health services to deliver high-quality care at every stage of life.

Across more than 15 major sites and a range of clinics, our team of more than 22,800 dedicated staff deliver exceptional, equitable, and locally-connected care through shared knowledge, genuine compassion, and a commitment to continuous improvement.

Our network includes Australia's busiest Emergency and Trauma Centre and largest Intensive Care Unit at The Alfred, ensuring critical care is always within reach. From here we offer a range of statewide services that support communities across Victoria.

Among our community care services, MePACS – a personal alarm service - provides peace of mind for around 50,000 elderly and vulnerable people throughout Victoria and Australia.

We were also excited to welcome the new Peninsula University Hospital in Frankston. Opening its doors in January 2026, this state-of-the-art facility will revolutionise local care. The new Phillip Island Community Hospital provides a much needed facility for locals and visitors upon its completion. Regional services such as Wonthaggi Hospital, Korumburra Hospital and Leongatha Memorial Hospital will also continue to provide dedicated treatment to their local communities, in partnership with the broader Bayside Health network.

Our vision

> To advance the health and wellbeing of our community through seamless, integrated care that delivers better outcomes and exceptional healthcare close to home.

Our values

The values from our five health services remain, as we work towards our new Bayside Health values.

However, as a public health service our values align with those in the *Public Administration Act 2004*, which guide conduct and performance in the Victorian Public Sector.

These values define what is important to the organisation and how things will be done.

- Responsiveness
- Integrity
- Impartiality
- Accountability
- Respect
- Leadership
- Human rights



Prof Paul Myles is the Director of Research at the Department of Anaesthesiology and Perioperative Medicine at The Alfred and Monash University.

A smoking ceremony at The Alfred's Indigenous Garden.

Acknowledgement of Country

Bayside Health respectfully acknowledges the Traditional Custodians of this land, the people of the Kulin Nations.

We pay our respect to their Elders, past and present.

We acknowledge and uphold their continuing connection to land and waterways.



About this report

This is the first Annual Report for Bayside Health, covering the period 1 July 2025 to 30 June 2026.

Bayside Health was formed when Alfred Health, Bass Coast Health, Gippsland Southern Health Service, Kooweerup Regional Health Service and Peninsula Health officially merged on 1 January 2026. The new health service retained and renamed Peninsula Health's existing Australian Business Number (ABN) as Bayside Health.

Information and data in this document reflect the performance of:

- the five legacy health services from 1 July 2025 to 31 December 2025 before the merger and,
- Bayside Health from 1 January 2026 to 30 June 2026, since the transition.

To ensure an accurate representation of Bayside Health's performance, only selected sections of this year's report have year-on-year comparison data.

Reporting in the Statement of Priorities (SOP) 2025-26 section is by individual legacy health services, measured against agreed performance targets set with the Victorian Department of Health prior to the Bayside Health merger. The Statement of Priorities agreement is between the health services and the Minister for Health.

Bayside Health will report against its first Statement of Priorities in 2026-27.

Bayside Health is a public health service established under the *Health Services Act 1988 (Vic)*.

The responsible Ministers for the reporting period were:

Minister for Health
Minister for Ambulance Services

The Hon Mary-Anne Thomas MP
(1 July 2025 to 15 April 2026)

Minister for Health
Minister for Ambulance Services
Minister for Water

Hon Harriet Shing MP
(15 April 2026 to 30 June 2026)

Minister for Health Infrastructure

The Hon Melissa Horne MP
(1 July 2025 to 30 June 2026)

Minister for Mental Health
Minister for Ageing

The Hon Ingrid Stitt MP
(1 July 2025 to 30 June 2026)

Minister for Disability/
Minister for Children

The Hon Lizzie Blandthorn MP
(1 July 2025 to 30 June 2026)



About Bayside Health

Bayside Health was formed through the merger of Alfred Health, Bass Coast Health, Gippsland Southern Health Service, Kooweerup Regional Health Service, and Peninsula Health in January 2026.

The boards of each health service held a shared vision to improve health outcomes for our communities, increase access to care, and create a more connected healthcare experience for everyone we serve. They chose independently to merge to make this a reality for people living in the state's south.

To ensure that local needs were met and voices heard, the new health service established three separate care groups:

- Alfred
- Peninsula
- Regional

Together they work to provide the Bayside Health patient with seamless care, no matter where they are in our catchment.

Our catchment

In January 2026, Bayside Health became one of the largest and most diverse health services in the state, with 15 major campuses spanning 150 kilometres of coastline and serving a community of more than one million people.

Our major sites

Alfred Care Group

1 The Alfred
2 Caulfield Hospital
3 Sandringham Hospital

Peninsula Care Group

4 Peninsula University Hospital
5 Frankston Public Surgical Centre
6 Golf Links Road Rehabilitation Centre
7 The Mornington Centre
8 Rosebud Hospital

Regional Care Group

9 Kooweerup Hospital
10 Phillip Island Community Hospital
11 Wonthaggi Hospital
12 Korumburra Hospital
13 Leongatha Memorial Hospital

It is the only service of its kind with direct responsibility for improving health outcomes across metropolitan, suburban, and regional communities, while providing statewide and specialist services.

Supported by more than 22,000 staff, Bayside Health's goal is simple: no matter where someone lives in the Bayside Health catchment, they can benefit from the latest advances in healthcare.

Our major services

Bayside Health offers comprehensive specialised care to communities across metropolitan Melbourne and regional Victoria. For a more detailed listing, visit www.baysidehealth.org.au

Residential aged care

We are proud to offer residential aged care to support older people and their families in our local communities, including:

- Alchera House, Korumburra
- Carinya, Capel Sound
- Griffiths Point Lodge, San Remo
- Hillside Lodge, Korumburra
- Killara Hostel, Koo Wee Rup
- Kirrak House, Wonthaggi
- Koorooman House, Leongatha
- Westernport Nursing Home, Koo Wee Rup

Allied health

Including audiology, exercise physiology, nutrition and dietetics, occupational therapy, physiotherapy, podiatry, prosthetics and orthotics, psychology, social work and speech pathology.

Care of older people

Including geriatric evaluation and management (GEM), acute, orthogeriatric service, sub-acute assessment service, Residential Transitional Care Program and GEM@Home.

Cancer care

Including bone marrow transplantation, integrated cancer, radiotherapy, oncology, haematology, melanoma, cancer surgery and chemotherapy.

Cardiothoracic services

Including heart and lung transplantation, cardiology, cardiac surgery, cardiac rehabilitation, respiratory medicine, thoracic surgery and adult cystic fibrosis.

Clinical Genetics and Genomics Service

Community

Including Aged Care Assessment Service (MEACAS), regional assessment service, Geriatric Medicine Clinic, Cognitive, Dementia and Memory Service (CDAMS), Falls Prevention Service, continence and urodynamics, Chronic Wound Clinic and lymphoedema service

Community health

Including Aboriginal health, Community Care Program, Hospital in the Home, advance care planning, Commonwealth Home Support Program, Home Care Packages, Dental Services, Carer Support Program, NDIS Services, family violence services and health promotion

Emergency medicine

Including intensive care, burns, adult major trauma, Mental Health and Alcohol and Other Drugs Crisis Hub.

Ear, nose and throat

Including head and neck surgery.

Gastrointestinal

Including gastroenterology and gastrointestinal surgery.

General and peri-operative medicine

General surgery

Including breast and endocrine surgery, colorectal surgery, upper gastrointestinal and bariatric surgery, hepato pancreato biliary surgery and acute general surgery.

Hospital in the Home

Maternity and newborn care

Mental and addiction health

Including specialist mental health services, infant, child and youth, adult and older adult

Neurosciences

Including neurology, neurosurgery and stroke services.

Ophthalmology

Orthopaedics

End-of-life care

Including palliative care, advance care planning and voluntary assisted dying.

Paediatrics (Children's Health)

Pain medicine

Pathology

Including anatomical, blood banking service, blood product management, bone marrow biopsies, clinical biochemistry, cytology, haematology, histopathology, immunology, laboratory haematology, microbiology and serology.



Compassion for the local community is of great importance to Koo Wee Rup.

Pharmacy

Primary and community care services

Psychiatry

Radiology and nuclear medicine

Rehabilitation

Including Aquired Brain Injury Rehabilitation Centre, amputee, burns, cardiac, general and reconditioning, neurological, orthopaedic, rehab at home and spinal.

Renal services

Including nephrology and haemodialysis renal transplantation.

Specialist medicine

Including asthma, allergy and clinical immunology, dermatology, ear nose and throat, endocrinology and diabetes, hyperbaric, infection prevention and rheumatology.

Specialist surgery

Including anaesthesia, dental, faciomaxillary, plastic and vascular.

Urology

Women's health

Statewide services

- Bariatric Service
- Clinical Haematology Service and Haemophilia Service
- Cystic Fibrosis Service
- Heart and Lung Transplant Service
- Hyperbaric Medicine Service
- Major Trauma Service
- Malignant Haematology and Stem Cellular Therapies Service
- Melbourne Sexual Health Centre
- Ngamai Wilam Residential Eating Disorders
- Problem Gambling and Mental Health Program
- Specialist Rehabilitation Service
- Victorian Adult Burns Service
- Victorian HIV/AIDS Service
- Victorian Melanoma Service
- Victorian Neuropathology Laboratory Service
- Voluntary Assisted Dying Statewide Pharmacy Service
- Victorian ECMO Service
- Women's Statewide Mental Health Service

National service

- Paediatric Lung Transplant Service
- MePACS Personal Alarm Service



Report of Operations Responsible Body Declaration

In accordance with the *Financial Management Act 1994 (Vic)*, I am pleased to present the Report of Operations for Bayside Health for the year ending 30 June 2026.

Prof The Hon Martin Foley
Chair
Bayside Health Board
2 September 2026

Fast facts

In 2025-26, Bayside Health had:

22,847
staff

251,872
Emergency department presentations

26,704
ICU occupied bed days

249,434
Acute separations

24,875
Patients admitted from the planned surgery waiting list

2,199
Rehabilitation separations

627,365
Specialist outpatient appointments

Year in review



Prof The Hon Martin Foley
Board Chair
Bayside Health



Adj Prof Adam Horsburgh
Chief Executive
Bayside Health

We are pleased to present the first annual report for Bayside Health. This report marks an extraordinary year in which five health services with deep connections to their communities came together to create a new organisation serving more than one million Victorians.

Established on 1 January 2026 through the voluntary merger of Alfred Health, Bass Coast Health, Gippsland Southern Health Service, Kooweerup Regional Health Service and Peninsula Health, Bayside Health brings together more than 22,000 employees across metropolitan, rural and regional communities.

Our first six months have been defined by change, as well as continuity, excellence and collaboration. While we have been establishing our new health service, our focus remained firmly on providing our patients and consumers with safe, high-quality care every day.

A year of transformation

The successful establishment of Bayside Health was the defining achievement of the reporting period. Bringing five health services together while maintaining safe, uninterrupted care for our patients and communities represents one of the most significant transformations undertaken in Victoria's public health system.

The merger brought together more than 15 major sites and an extraordinary breadth of local, specialist and statewide services, with the goal of extending exceptional care to everyone in our community. Our goal is to deliver seamless, high-quality care to communities across the metropolitan, regional and rural areas of our catchment.

The year saw the appointment of our inaugural Bayside Health Board, Chief Executive and executive team. The new board convened on 1 January to establish the governance and delegations required for the new organisation to operate from its first day, and to commence providing the leadership foundations for the vastly expanded health service.

This significant transformation was achieved alongside a sustainable financial result reflecting disciplined management during a period of substantial change and ongoing pressures on the Victorian health system.

Our performance over the first six months was underpinned by the care group structure - Alfred, Peninsula and Regional - that has been operating since January.

This structure ensured ongoing service delivery locally while work to integrate our programs and systems started, recognising that this significant program will take place over the next three to five years.

It is a testament to our people that during this period of change, our Alfred, Regional and Peninsula care groups navigated the rigours of accreditation with visits from the Australian Council on Healthcare Standards. We successfully showcased much of the great work performed every day at our hospitals and healthcare sites.



Partnering with our community

Bayside Health serves an extraordinarily diverse community stretching from Melbourne's inner south through Melbourne's CBD, Bayside, Frankston and the Mornington Peninsula to Koo Wee Rup, Phillip Island, Bass Coast and South Gippsland.

Ensuring those communities have a strong voice in our organisation remained essential to the new health service.

During the early months of 2026, we established the inaugural Bayside Health Community Advisory Committee. This board committee provides consumer and community advice directly into our governance and decision-making at health service level and will be a vital component of our ongoing merger realisation work in the coming years.

Importantly, we have maintained the local voice in each of our legacy health service areas, through five community advisory panels that work directly with care group executives on program design and service initiatives.

We have connected with Aboriginal elders and leaders across the region to establish the First Peoples' Health and Wellbeing Committee. This new board committee demonstrates the commitment of Bayside Health to improving health outcomes for Aboriginal and Torres Strait Islander peoples alongside a safe and culturally appropriate environment.

It strengthens the representation of First Peoples' in our health service, supporting our commitment to culturally safe and equitable healthcare.

New services delivering better outcomes

January saw a generational change in healthcare for people living in Frankston and the Mornington Peninsula with the opening of the $1.1 billion Peninsula University Hospital.

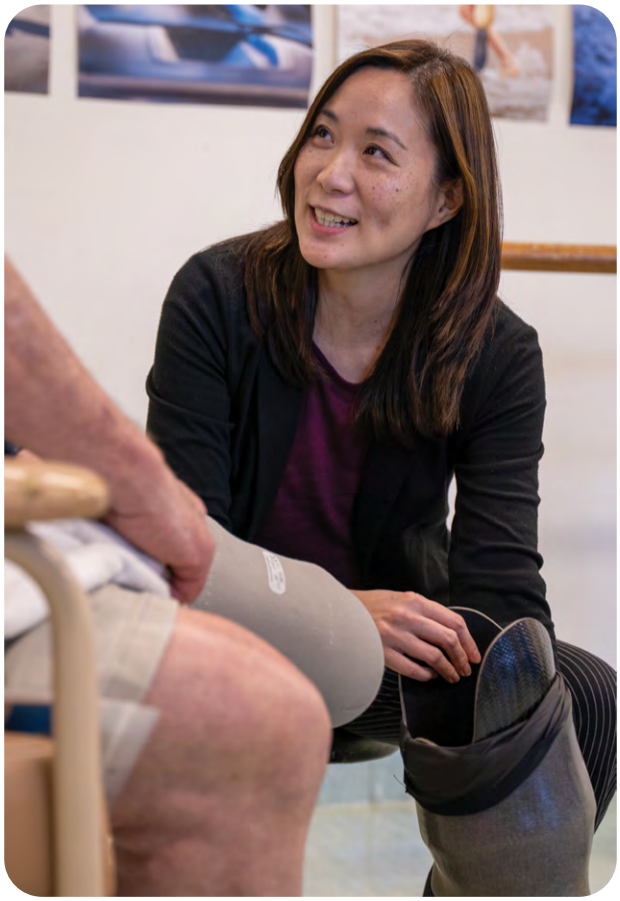
The new 12-storey hospital provides expanded emergency, maternity, paediatric, oncology and mental health services, 15 new operating theatres, capacity for an additional 130 beds and a rooftop helipad. We now have the capacity to treat an additional 35,000 patients each year and significantly expand access to specialist care closer to home.

The new hospital has transformed the physical environment for thousands of local patients and families, with modern inpatient rooms, improved wayfinding, modern treatment spaces and significantly enhanced facilities.

The new Infant, Child and Youth Mental Health facility in Frankston opened its doors in January, strengthening access to contemporary mental health services for children, young people and their families. Aligning with existing facilities and services, we have created a child and youth mental health precinct in close proximity to the new hospital.

Significant progress continued at the new Phillip Island Community Hospital, with stage one officially opened in July 2025. The project has expanded access to urgent care, radiology and pathology, with new operating theatres, chemotherapy and dialysis facilities and other services progressively opening.

Stage two will see the redevelopment of the previous Urgent Care Centre to be transformed into new dental treatment areas for the local community, which is nearly complete.



Prosthetics sessional specialist Juleen Lim

Quality care closer to home

In a few short months we have created the idea of 'the Bayside Health patient' - collective responsibility for providing the best possible care for our patients wherever they are in our catchment.

Every day, we ask how we can provide better, faster and more appropriate care for our patient. Are there gaps in care that can be filled? Can we make that care closer to home?

And we have already seen this in action.

Wound care at Kooweerup Hospital saved a patient hours of travel to and from Frankston. The prosthetics team from Caulfield Hospital began providing its expertise for patients with amputations on the Mornington Peninsula, a service that was previously not available locally. Medical admissions at Kooweerup Hospital are now being seen by the medical team from Peninsula Care group, strengthening care.

Returning the maternity, newborn and gynaecology services at Sandringham Hospital from Monash Health to Bayside Health was also a highlight. Successfully completed on 1 July 2026, this has created stronger clinical connections across our women's and children's services and has supported more integrated care across the entire Bayside Health catchment.

System leadership

The Alfred provided leadership across the Victorian health sector through its statewide services, providing lifesaving care and its internationally recognised clinical research program.

> As a result, the hospital was once again recognised among the world's leading hospitals, earning a place in *Newsweek's* World's Best Hospitals 2026 rankings.

For the first time, The Alfred was ranked in the global top 50, making it the highest-ranked hospital in Australia, reflecting the dedication, skill and continual innovation of staff.

The ranking also recognises measures of patient experience, including quality of life and functional outcomes before and after care.

Lifesaving and timely care

Bayside Health continued to provide lifesaving care to Victorians when they needed us most.

Our five emergency departments recorded more than 250,000 presentations, representing an ever-increasing demand for emergency care. Importantly, we provided timely access to time-critical care for our sickest patients, despite high demand and acuity placing sustained demands on our teams.

The Alfred continued to be home to Australia's busiest trauma centre. The hospital's ICU is also one of Australia's largest and most acute intensive care units. We received more than 1,700 major trauma cases in the year.

Across Bayside Health's two intensive care units – one at The Alfred and the other at Peninsula University Hospital – more than 26,700 occupied bed days were delivered, providing critical, and in many cases, lifesaving care.

Developing and caring for our people

Our people are the heart of Bayside Health.

More than 22,800 employees have deep connections to their local services while belonging to a larger healthcare network.

They continued to provide outstanding care while adapting to a new health service. We are grateful for their professionalism and dedication.

The scale of Bayside Health creates new opportunities for our workforce throughout their careers. During the year we began strengthening clinical networks and developing broader career, education and training pathways.

Staff safety and wellbeing remain an executive and board priority, recognising that incivility and aggression are growing issues across the broader community.

A new Occupational Violence and Aggression (OVA) strategy for the Alfred Care Group and work to reduce the use of restrictive interventions at Peninsula Care Group have seen a near 50 percent reduction in instances of OVA.

World-leading research and clinical trials

The Alfred precinct continued to be one of Australia's leading centres for translational medical research with more than 900 clinical trials underway. This was supported by the Alfred Research Alliance and partnerships with its eight members including Monash University, the Baker Heart and Diabetes Institute and the Burnet Institute.

The new Peninsula University Hospital creates opportunities to expand research, education and clinical trials across Melbourne's south-east through our growing partnership with Monash University.

This partnership, which operates the National Centre for Healthy Ageing, has developed and delivered six innovative simulation facilities, which launched in June. These new facilities are expected to produce significant translational research outcomes that impact health and aged care policy nationally.

A review in collaboration with Bayside Health's research partners is underway to determine how our programs can work together to benefit our community as well as our researchers. Our aim remains providing patients living in outer metropolitan, regional and rural communities greater access to research and clinical trials as part of contemporary healthcare.

Sustainable healthcare

As one of Victoria's largest health services, we recognise both our responsibility and our opportunity to reduce the environmental impact of healthcare.

Across Bayside Health, work continued to improve energy efficiency, increase the use of renewable energy, reduce waste and improve recycling, and embed sustainable procurement and infrastructure practices. The new Peninsula University Hospital opened as a fully electric healthcare facility, with 1,600 solar panels operational, alongside innovative energy and water-saving technology.

The Alfred's outstanding performance in sustainability has also been recognised. The hospital was ranked among the top 250 hospitals globally in Newsweek and Statista's inaugural World's Greenest Hospital rankings. The ranking is based on extensive research, including sustainability performance data, with 4,000 hospitals evaluated.

Honouring commitment and dedication

> It has been a rewarding period as we have navigated the first months of Bayside Health.

Our sincere appreciation to our board, executive, volunteers, consumers, donors and community partners for their contribution during this historic period.

Our sincere thanks also to the boards and executive teams of the five legacy health services who worked tirelessly through the second half of 2025 to deliver the merger.

And of course, our gratitude goes to our 22,000 staff whose dedication and professionalism provides the care to our community day in and day out.

Establishing the foundations of the new health service while continuing to care for hundreds of thousands of patients has required extraordinary commitment.

In the years ahead we will realise the promise of Bayside Health – connecting our expertise, strengthening our workforce and using our scale to deliver better, more accessible and more equitable care for every community we serve.



Prof The Hon Martin Foley
Board Chair
Bayside Health



Adj Prof Adam Horsburgh
Chief Executive
Bayside Health

Operational highlights



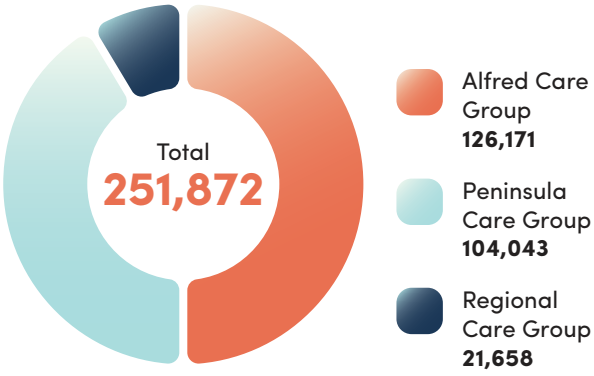
The Alfred ICU and Ambulance Victoria are part of the innovative CHEER3 study.

Lifesaving and timely care

Our hospital emergency departments (EDs) provided urgent and lifesaving care in the most challenging of times, with The Alfred continuing to be Australia's busiest trauma centre.

Our EDs at Peninsula University Hospital, Sandringham, Rosebud, and Wonthaggi also experienced increases in presentations and acuity.

Emergency department presentations 2025-26



The Peninsula University Hospital ED has implemented unique initiatives that have dramatically improved ambulance offload times, freeing up paramedics to return into the community.

One of the initiatives put in place in the ED was the introduction of a dedicated Ambulance Victoria (AV) offload nurse, rostered on afternoon shifts at the department's busiest time. The AV offload nurse works closely with the Triage Nurse and Nurse in Charge to move patients to the best and most appropriate area of the emergency department, with a strict model of care followed.

The role has been pivotal in helping the hospital's patient flow, with staff welcoming the additional resource and support the role provides.

At Alfred Care Group's Emergency, Virtual Care and Outpatients (EVO) Program, a major focus was improving patient access, flow, and care quality.

Initiatives included the outpatient reform program, which aims to improve access for patients, particularly those triaged as urgent. Among its key purposes is to reduce internal referrals so capacity for new patients within specialist clinics can be created.



Peninsula University Hospital ED Nurse Unit Manager Sarah Morriss has helped lead the AV offload Nurse initiative.

A major priority has also been the continued expansion of pathways that support discharge of primary care in lieu of repeated routine appointments. A patient-initiated review (PIR) pilot has commenced in selected units, enabling appropriate patients to initiate follow-up care based on clinical need. The aim is to reduce unnecessary routine appointments while ensuring timely access. More than 200 patients have transitioned to the pathway, creating additional clinic capacity for patients requiring more timely specialist input.

The introduction of the Home, Acute and Community Navigator Pilot demonstrated the effectiveness of home-based care pathways from the Emergency Department. It delivered a significant improvement in patient flow and the value of community-based alternatives to inpatient admission, with 105 hospital admissions avoided and no 24-to-72-hour re-presentations.

Appointing an emergency physician from The Alfred as the clinical director of the Wonthaggi ED has driven strong collaboration and service integration between the two emergency departments. A number of Alfred-based emergency medicine staff are now working across both sites. Our intensive care units (ICUs) are staffed and equipped to provide excellent care for patients with life threatening conditions.

ICU occupied bed days 2025-26

Alfred Care Group	22,112
Peninsula Care Group	4,592
Bayside Health total	**26,704**



Peninsula doctors are working with Kooweerup Hospital to improve inpatient care.

The Alfred ICU is Australia's leading intensive care unit. It treats the most complex case mix in the country, while leading innovative initiatives improve patient care and outcomes.

In partnership with Ambulance Victoria**,** The Alfred is the first hospital in Australasia to incorporate a pioneering clinical trial using portable cardiopulmonary bypass machines outside of the hospital.

CHEER3, is a feasibility study that provides lifesaving extra corporeal membrane oxygenation (ECMO) machines beyond the hospital, and in the community. An ECMO machine is a lifesaving device that takes over from a critically ill patient's lungs and heart when their own organs cannot function, by circulating blood through a machine outside their body.

> There was significant growth in the number of complex patients being treated across our inpatient wards.

At Alfred Care Group this is partly due to our effective diversion programs, that allow patients with less complex or more predictable needs to be managed in the community.

The result is that our inpatient areas have patients with higher intensity care needs, longer lengths of stay and more complex discharge pathways. This longer stay complexity in turn affects our overarching access and flow throughout our hospital.

Strengthening regional inpatient support

Beyond our urgent care services, the merger has also delivered an increase in timely care provision to local communities.

Since December 2025, Peninsula-based doctors have been supporting inpatient services at Kooweerup Hospital as part of our commitment to delivering care closer to home.

Peninsula doctors provide medical admissions to Kooweerup Hospital's inpatient beds and remain available by phone or via telehealth, as required. This collaboration strengthens medical oversight while enhancing continuity of care across our region.

This gives local people the opportunity to receive acute treatment at larger tertiary centres when needed and then transition back to Kooweerup Hospital for ongoing care closer to home - whether that involves allied health support, reconditioning before discharge, or completing IV antibiotics and treatment plans.

The Alfred's stroke team was awarded its second Platinum status (seventh consecutive award) by the World Stroke Organisation's Angels initiative. The award recognises sustained excellence in meeting rigorous international benchmarks for timely, best-practice stroke care.

The achievement reflects a coordinated, multidisciplinary effort across departments to reduce treatment times from patient arrival to intervention, improving outcomes and minimising preventable stroke-related disability and mortality.

Community leadership helps deliver better care

Alongside our improvements in inpatient support, we have also been able to prioritise our local community's health and wellbeing by playing a leadership role in improving access to care.

Following the unexpected closure of Leongatha Healthcare Group in January 2026, we worked with community partners, local GPs and stakeholders to establish Rail Trail Medical to provide essential primary healthcare services across Leongatha and the surrounding region.

Opening within six weeks, Rail Trail Medical restored access to general practice services for more than 4,500 patients. The rapid coordinated response ensured ongoing access to care for the South Gippsland community.

Meanwhile, a new early intervention pilot launched at The Alfred in 2026 is supporting at-risk young people admitted to hospital with violent assault injuries.

The $2.5 million Hospital-Based Early Intervention pilot will provide pathways out of a cycle of violence, with trauma clinicians linking at-risk patients with social workers, youth and lived experience workers, and practitioners for immediate specialist support, and connection to community services.

In helping develop the program, The Alfred's Deputy Director of Trauma Services A/Prof Joseph Mathew drew on his own experiences treating at-risk youth.

"We see people in moments of crisis, when life hangs in the balance," A/Prof Mathew said.

> "The program we are piloting allows our clinicians to harness these 'teachable, reachable' moments to offer a way out while motivation is high."

The project is led by the Victorian Government's Violence Reduction Unit (VRU) in partnership with The Alfred and the National Trauma Research Institute (NTRI).



Dr Cassie Zhou, Adj Prof Adam Horsburgh, Dr Graham Toohill, Adine Robb, Louise Sparkes and Prof The Hon Martin Foley celebrate the role Bayside Health played in the launch of Rail Trail Medical.



The Pharmacy Pathways program is linking Leongatha and Korumburra hospitals with The Alfred's pharmacy team with support from Wonthaggi Hospital.

New services delivering better outcomes

Bayside Health continues to develop innovative programs and services to meet the healthcare needs of our community. Collaboration across Bayside Health and with tertiary institutions, government and other external partners is central to delivering these initiatives.

Partnerships provide fresh take on quality care

A new Pharmacy Pathway program, connected Leongatha and Korumburra hospitals with The Alfred's specialist pharmacy expertise, supported by the on-the-ground contribution of Wonthaggi Hospital.

For many years, pharmacy support across our regional sites operated through separate arrangements. The merger has allowed us to bring together these services to form a connected model, which will benefit staff members and patients.

The new Pharmacy Pathway strengthens clinical pharmacy services across our hospitals by expanding medication review, prescribing oversight, and discharge medication management. Integrated back into Bayside Health from Latrobe Regional Health, it also streamlines medication governance and provides stronger oversight across the Regional Care Group.

For older people in Korumburra, recovery no longer has to begin with a hospital stay away from family, friends and familiar surroundings, with a new specialist program now delivering coordinated care where it is needed most.

The Geriatric Evaluation and Management (GEM) program at Korumburra Hospital, provides coordinated medical, nursing and allied health care for older people with complex health needs.

GEM is a well-established model of care designed for older people recovering from illness, injury or a decline in strength or function. Patients receive a comprehensive assessment followed by a tailored care plan delivered by a multidisciplinary team.

With geriatrician support from Peninsula Care Group, local families can access specialist care without long-distance travel, supporting recovery closer to home.

For people living across Frankston and the Mornington Peninsula, Bayside Health is delivering a new, dedicated prosthetics clinic.

Under the new collaborative model, prosthetists from Alfred Care Group attend Golf Links Road Rehabilitation Centre twice a week to operate the service.



The new Phillip Island Community Hospital is nearing completion.

Since it began in March, the partnership has become a valued asset for our staff and community, bringing teams together across sites to identify gaps, share ideas and collaboratively create solutions.

In a significant milestone on 1 July 2026, the Maternity, Newborn and Gynaecology service at Sandringham Hospital transferred from Monash Health to Bayside Health.

This change brings our women's and children's services at Sandringham Hospital back under our governance and operations, after more than a decade under the management of the Royal Women's Hospital and Monash Health.

The transition is an important step in building a more connected health service. It highlights the advantages of Bayside Health's integrated model, enabling teams to share resources, collaborate more effectively and drive improvements in innovation, access and quality of care.

Clinical leadership for the service will be provided by Bayside Health's Women's and Children's team based at Peninsula University Hospital.

Women requiring more complex care will continue to be supported through Peninsula University Hospital, while Monash Health will remain our tertiary provider.

Building better care across bayside

In addition to leveraging the merger to introduce new services to local communities, we also unveiled a comprehensive range of major projects across our catchment.

Peninsula University Hospital was officially opened in January 2026, by the Victorian Premier and Minister for Health, at the time.

The new hospital brings together world-class clinical facilities, contemporary patient-centred design and leading research and education partnerships. It has additional bed capacity, new operating theatres, enhanced mental health and oncology services, as well as expanded maternity and paediatric services.

There is also a new main entrance, a five-bed emergency department (ED) Mental Health, Alcohol and Other Drugs (AOD) Hub, and a dedicated ED paediatric zone. The new hospital is designed to meet the needs of a rapidly growing population, while supporting modern models of care.

Formerly Frankston Hospital, Peninsula University Hospital reflects a deep commitment to Peninsula Care Group's growing partnership with Monash University. The new identity strengthens the hospital's position in the community and the sector as a hub for innovation, advanced clinical care, research, and evidence-based practice.

Work to finalise the rollout of services is continuing to progress at Phillip Island Community Hospital.

Stage one of the project was officially opened in Cowes in July 2025, while stage two construction was completed in March. Additional services are progressively opening with cancer support services, and dental expected to commence in the near future. When complete, the redevelopment will help to take pressure off nearby major facilities, including Wonthaggi Hospital.

These works follow the opening of the expanded Urgent Care Centre, which was the first service to begin operating from the new multi-storey building.

Our new 15-bed geriatric evaluation and management (GEM) ward at The Alfred, named Parklands, has enabled more timely access to treatment, imaging, surgery and specialist review without transfer between sites.

Parklands has seen 220 patients in its first 12 months, with the majority transferred from general medicine, orthopaedic and trauma care.

We began treating patients in the new hybrid theatre at The Alfred in April 2026. This innovative facility gives patients greater access to best practice care and improves the surgical services program's capacity to treat complex vascular diseases. Supporters of the project included The Alfred Whole Time Medical Specialists (WTMS) Trust, who made a $3.5 million contribution.

In addition to the hybrid theatre, the Surgical Program delivered an outstanding performance again in 2025-26, ensuring all patients have had their surgical intervention within their specified clinically recommended times.



A new hybrid theatre was unveiled at The Alfred in April 2026.



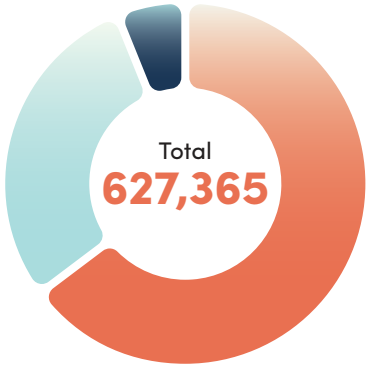
Stroke teams from Alfred and Regional care groups are working together to provide better care for Bass Coast and South Gippsland patients.

Quality care closer to home

Bayside Health is introducing innovative services so patients can receive their treatment at the most appropriate location, which is increasingly close to home for our patients living in regional areas.

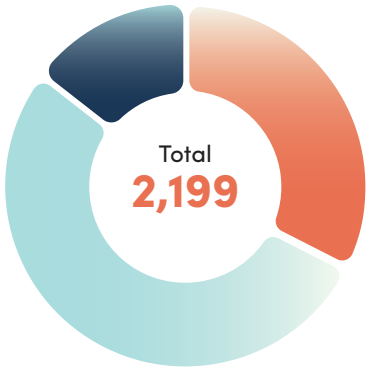
Through technological advances and the broad skill set of our dedicated staff, we aim to minimise location as a barrier to high-quality treatment.

Specialist outpatient appointments 2025-26



- Alfred Care Group **406,461**
- Peninsula Care Group **183,679**
- Regional Care Group **37,225**

Rehabilitation separations 2025-26



- Alfred Care Group (excl ABI) **718**
- Peninsula Care Group **1,164**
- Regional Care Group **317**

We have strengthened care across our catchment with the partnership between stroke teams from the Alfred and Regional care groups.

Stroke patients in Bass Coast and South Gippsland often require rapid specialist input that is not always available locally.

The creation of clear care pathways, as well as rapid access to specialist advice through the Victorian Stroke Telemedicine service, is supporting safer decision-making and reducing unnecessary patient transfers.

The partnership will deliver education, mentoring, virtual reviews and shared-care models across campuses.

To help meet community demand, we have introduced new mental health services which prioritise safety and wellbeing. It is an area where the team at Bayside Health Peninsula's Mental Health and Wellbeing Service has played a leadership role in the elimination of seclusion and mechanical restraints in their inpatient services.

It is the first and only service in Victoria to completely eliminate the use of seclusion as a practice. Eliminating seclusion has not only benefitted patients, but has made a positive difference to staff safety, with a reduction in occupational violence incidents.

The team's efforts were recognised when it won the award for Excellence in Mental Health and Wellbeing at the 2025 Victorian Public Healthcare Awards.

Our commitment to providing care in comfortable environments is reflected in the Alfred Mental and Addiction Health's (AMAH) community-based after-hours services. The pilot program is a unique service model that brings together co-design, co-implementation, co-evaluation and co-governance.



Bayside Health Peninsula's Mental Health and Wellbeing Service was a winner at the Victorian Public Healthcare Awards.



Patient Belinda Mueller is among those to benefit from Peninsula Care Group's renal podiatry program

It goes beyond traditional after-hours care, offering peer support, art, music therapy and one-to-one counselling. This has created new opportunities for connection, belonging, and wellbeing.

AMAH's Eating Disorders Intensive at Home Program offers a brief, intensive community-based treatment model for young people experiencing eating distress, by providing flexible support in settings where they can live and recover. By embedding family peer specialists, clinicians, and youth lived experience workers, the program offers intensive at-home treatment that avoids unnecessary hospitalisation and keeps young people connected to their families and communities.

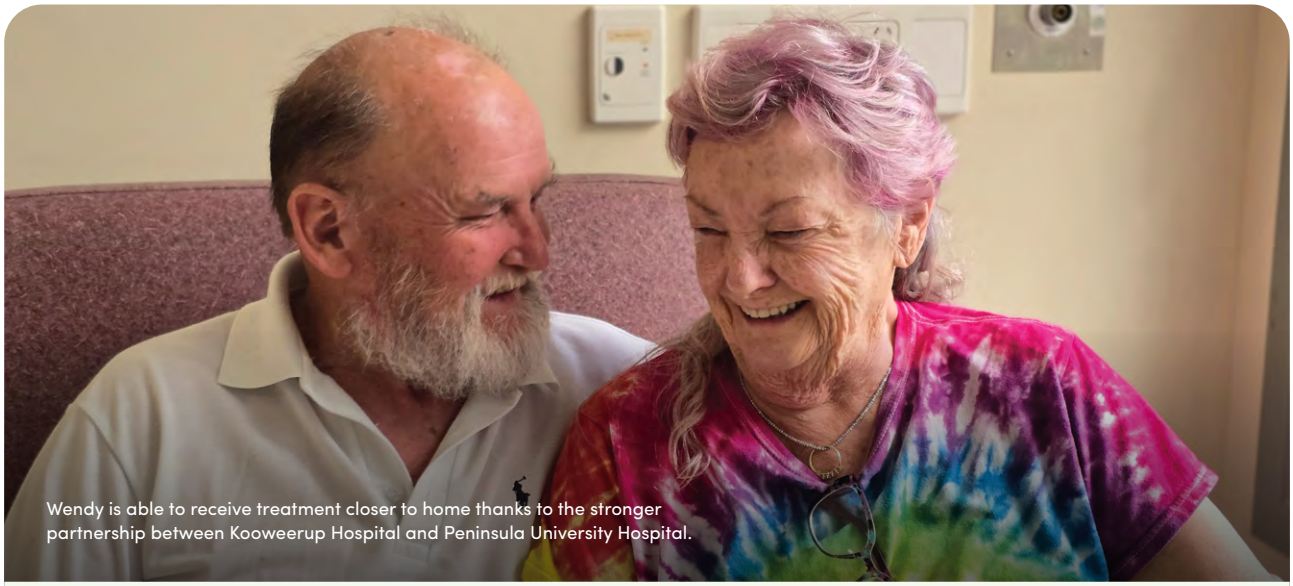
From an outpatient perspective, Peninsula Care Group's full-time renal podiatry program is playing an important role in making services more accessible.

The largest of its kind in Victoria, the program allows patients undergoing dialysis who are at high risk of developing foot complications and wounds the opportunity to receive podiatry care during dialysis treatment. The innovative service alleviates the need for an additional, costly and time-consuming visit to hospital, with dialysis patients needing to visit hospital three times a week for up to five hours per session.

There was sustained progress with streamlining the delivery of our large outpatient specialist clinic program at Alfred Care Group. Among patients listed as urgent, we have seen a significant 11 percent increase in those being seen within 30 days. In addition, we have had more than 27,000 additional appointments compared to the previous 12 months. Other highlights included a number of specialist clinics moving to 549 St Kilda Road, where patients have continued to receive high-quality care from a freshly refurbished environment.



A range of specialist outpatient clinics are now located at 549 St Kilda Road.



Wendy is able to receive treatment closer to home thanks to the stronger partnership between Kooweerup Hospital and Peninsula University Hospital.

From 40 minutes to four: Care closer to home at Kooweerup Hospital

The healthcare journey for 65-year-old Wendy has become more manageable - both physically and emotionally – with closer collaboration between the teams at Kooweerup Hospital and Peninsula University Hospital one of the benefits of the Bayside Health merger.

In July 2025, Wendy began experiencing gallbladder pain. Although she lives just four minutes from Kooweerup Hospital, she had initially been admitted to Frankston Hospital (now Peninsula University Hospital) for treatment. She also required ongoing wound care. For months, this meant travelling back and forth for dressing changes.

"It was a 40-minute drive there, 30 to 45 minutes for the dressing, then 40 minutes home again. My partner drove me most of the time," Wendy said.

However, with the Bayside Health merger coming into effect in 2026, a stronger partnership between Peninsula University Hospital and Kooweerup Hospital has also been formed, meaning better care for patients such as Wendy.

After multiple procedures and complications, including drainage tubes and repeat hospital visits, Wendy was eventually able to transfer her dressing care to Kooweerup Hospital in mid-January.

"Oh, very happy," she said. "Instead of a 40-minute drive, it's four minutes. It's so much closer, so much easier."

For patients like Wendy, the Bayside Health goal of delivering care closer to home is more than a strategy - it is a practical, daily difference.

Director of Nursing at Kooweerup Hospital, Barb Nicol, explains: "In practical terms, it means that, for certain conditions, patients can receive the same high-quality treatment without travelling long distances."

"A dressing or medical appointment is only one component of getting better. When patients don't have three full days a week taken up with travel and appointments, they can focus on healthy habits, mental health and wellbeing - all of which contribute to their overall health outcome."

For Wendy, this collaboration has meant that clinicians from Peninsula University Hospital have been able to support her wound care locally at Kooweerup Hospital.

> "The staff are so helpful, they listen to what I say," Wendy said. Communication is fantastic - they always treat me like a family member. I feel at home."

Developing our people

It is through our dedicated staff that we deliver quality care to our community. To support this, we understand the importance of creating a culture where our staff can thrive. We are committed to celebrating achievements, and offering a range of education, training and wellbeing programs that will help them in their daily roles.

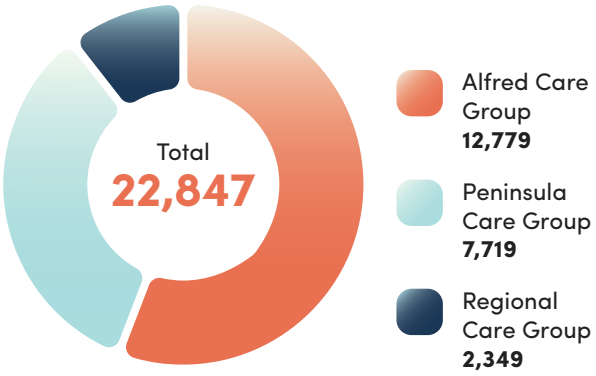


Food services assistant Joseph is part of the hard working team at The Alfred.

Workforce data / employment and conduct principles

As of 30 June 2026, Bayside Health had 22,847 employees. They come from diverse backgrounds and represent the different communities that we serve.

Total staff headcount



All employees are issued with and expected to adhere to our health service Code of Conduct and Compliance Policy, which is consistent with the Charter of Human Rights and Responsibilities and the Public Sector Code of Conduct. It promotes the principles of equal opportunity and fair and reasonable treatment for all.

The workforce data reported confirms that employees have been correctly classified in workforce data collections.

Alfred Care Group	June current month FTE		Average monthly FTE	
Hospital labour category	**2025**	**2026**	**2025**	**2026**
Nursing	3,253	3,262	3,240	3,313
Administration and clerical	1,547	1,563	1,530	1,617
Medical support	702	790	692	765
Hotel and allied services	701	672	665	673
Medical officers	273	283	269	275
Hospital medical officers	756	758	743	762
Sessional clinicians	256	271	246	266
Ancillary staff (allied health)	1,313	1,267	1,273	1,303
Grand total	**8,800**	**8,866**	**8,657**	**8,974**

Peninsula Care Group	June current month FTE		Average monthly FTE	
Hospital labour category	**2025**	**2026**	**2025**	**2026**
Nursing	2,188	2,240	2,177	2,195
Administration and clerical	739	728	736	742
Medical support	824	422	821	417
Hotel and allied services	372	346	371	364
Medical officers	60	62	60	61
Hospital medical officers	443	459	437	450
Sessional clinicians	161	173	156	160
Ancillary staff (allied health)	204	615	201	613
Grand total	**4,991**	**5,045**	**4,959**	**5,002**

Notes:
1. Labour categories have been realigned between Medical Support and Ancillary Staff (net zero impact). A mapping issue has been identified and has been corrected for FY2026

Regional Care Group	June current month FTE		Average monthly FTE	
Bass Coast Health				
Hospital labour category	**2025**	**2026**	**2025**	**2026**
Nursing	330	339	305	326
Administration and clerical	164	169	161	167
Medical support	56	57	57	58
Hotel and allied services	82	87	78	86
Medical officers	0	1	0	1
Hospital Medical officers	39	46	36	41
Sessional clinicians	28	28	25	27
Ancillary staff (allied health)	73	79	69	76
Grand total	**772**	**806**	**731**	**782**

Gippsland Southern Health Service	June current month FTE		Average monthly FTE	
Hospital labour category	**2025**	**2026**	**2025**	**2026**
Nursing	147	159	142	155
Administration and clerical	52	54	51	52
Medical support	39	39	41	40
Hotel and allied services	51	55	50	53
Medical officers	0	0	0	0
Hospital Medical officers	0	3	0	2
Sessional clinicians	5	4	4	4
Ancillary staff (allied health)	31	32	32	32
Grand total	**325**	**346**	**320**	**338**

Kooweerup Regional Health Service	June current month FTE		Average monthly FTE	
Hospital labour category	**2025**	**2026**	**2025**	**2026**
Nursing	61	63	58	65
Administration and clerical	17	17	16	18
Medical support	0	0	0	0
Hotel and allied services	60	57	62	59
Medical officers	0	0	0	0
Hospital Medical officers	0	0	0	0
Sessional clinicians	0	0	0	0
Ancillary staff (allied health)	7	9	8	8
Grand total	**145**	**146**	**144**	**150**

Occupational health and safety

At Bayside Health, we aim to build a safe, healthy and engaged workforce, with a strong focus on both physical and psychological wellbeing. Employee wellbeing and support continued to be key organisational priorities, and employees were encouraged to report any safety concerns.

Alfred Care Group occupational health and safety (OHS) initiatives included:

- Advanced key safety and wellbeing priorities, including the OVA Strategy 2026–2028, Wellbeing Action Plan and Manual Handling Action Plan, supported by targeted training, incident trend monitoring and injury prevention activity.
- Strengthened psychosocial risk management in line with the Occupational Health and Safety (Psychological Health) Regulations through assessment of high-risk psychosocial hazards and continued development of controls, reporting and governance.
- Progressed alignment of injury management practices across Bayside Health, supporting more consistent processes, improved compliance, stronger insurer engagement and enhanced visibility of WorkCover and injury risk.

Peninsula Care Group OHS initiatives included:

- Collaborative redevelopment of the Patient Manual Handling eLearning module to strengthen organisational capability in safe patient handling. The enhanced module incorporates contemporary scenarios, video-based learning and user-informed content improvements, supporting staff knowledge of safe patient handling principles, risk-based decision-making, practical handling techniques and legislative requirements, contributing to safer outcomes for patients and staff.
- Introduction of a Psychosocial Risk Action Plan, supported by tipsheets and guidance material to assist people leaders in undertaking consistent psychosocial risk assessments and understanding legislative obligations. A job dictionary was developed following completion of job task analyses, establishing a consistent framework for risk identification, risk management and action planning while supporting talent acquisition, role design and workforce planning processes.
- Delivery of incident investigation training for leaders, strengthening capability in safety leadership, incident review and risk management. The program enhanced managers' capability to fulfil their workplace health and safety responsibilities, supporting consistent incident response, effective risk control implementation and high-quality investigations across the organisation.

Regional Care Group OHS initiatives included:

- Development of an injury prevention action plan.
- Completed tasks analysis reviews for high-risk positions at Leongatha and Korumburra campuses, supporting the identification and management of physical and psychological risks.
- Facilitated an initial Safewards and SafeHomes workshop to explore implementation.
- Delivered incident investigation training to leadership staff and health and safety representative refresher training.

Bayside Health totals

Occupational health and safety statistics 2025–26	Alfred Care Group	Peninsula Care Group	Regional Care Group
The number of reported hazards/incidents for the year per 100 FTE	26.57	64.98	42.23
The number of lost-time standard WorkCover claims for the year per 100 FTE	1.70	1.66	1.65
The average cost per WorkCover claim for the year	$9,750.54	$12,417	$14,389.35

Occupational violence and aggression

Improving employee safety and wellbeing remains central to our strategic priorities, with a focus on building a sustainable, capable and supported workforce.

During the past 12 months, we have seen reductions in occupational violence and aggression (OVA) incidents, with notable reductions seen in key markers at Peninsula Care Group and Alfred Care Group. These reductions are the result of targeted strategies developed with our staff which were put in place at many of our hospitals to improve the safety of our people and our patients. Some of the highlights and targeted initiatives are outlined below.

In 2025-26, Alfred Care Group highlights:

- Completed the 2025-26 OVA Action Plan, strengthening organisational focus on prevention, early intervention, employee capability and governance of occupational violence and aggression risks.
- Progressed development of the draft OVA Strategy 2026–2028, setting a longer-term framework to guide prevention, response, training, monitoring and continuous improvement activity.
- Reviewed OVA training requirements and progressed a tiered training model, including the introduction of mandatory training to strengthen employee capability, consistency and preparedness.
- Continued to monitor OVA incident trends and WorkCover data to identify priority risk areas, inform local controls and support safer environments for employee, patients, consumers and visitors.

Peninsula Care Group initiatives:

- Continued implementation of the Safewards model of care across acute medical, surgical and sub-acute wards, with a world-first expansion into the Intensive Care Unit (ICU).
- Introduced virtual reality (VR) code grey training for clinical, non-clinical and security staff. This immersive, skills-based training provides an additional learning modality to strengthen staff confidence, capability and preparedness.
- Continued to evaluate the implementation of the Brøset Violence Checklist (BVC) within the Emergency Department. Initial evaluation has demonstrated improved identification of patients at risk of violence, enabling earlier intervention.

Definitions of occupational violence

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

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

Accepted WorkCover claims – claims accepted and lodged in 2025-26.

Lost time - defined as greater than one day.

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

Occupational violence statistics 2025-26	Alfred Care Group	Peninsula Care Group	Regional Care Group
WorkCover accepted claims with an occupational violence cause per 100 FTE	0.17	0.13	0.07
Number of accepted WorkCover claims with lost-time injury with an occupational violence cause per 1,000,000 hours worked	0.38	0.62	0.47
Number of occupational violence incidents reported	852	608	135
Number of occupational violence incidents reported per 100 FTE	9.54	11.99	10.4
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	3.29%	6.41%	8.4%



Bayside Health was a proud participant at the Midsumma Pride March.

- Maintained effective oversight of Occupational Violence and Aggression (OVA) risks throughout the transition to the new clinical tower. Proactive planning, monitoring and risk management ensured a seamless move with no adverse impacts.
- Enhanced proactive OVA prevention strategies across the service through implementation of Harm Minimisation Model, focused on early risk identification, workforce capability development and individualised, person-centred care planning.
- Occupational Violence Steering Committee monitors OVA trends and emerging themes to ensure the 2026-27 OVA Action Plan remains aligned with key prevention, response, and workforce safety priorities.

Regional Care Group initiatives:

- Focus on increased reporting of OVA incidents within Riskman, showing an improved reporting culture with timely reporting and strengthening post-incident review and staff support processes
- Following a comprehensive review, adopted the ADP (awareness, de-escalation, protection) framework to provide training to staff. This training is provided through locally-based trainers to support enhanced relevance and engagement, allowing staff to discuss real-world scenarios and enabling trainers to incorporate insights and suggested improvements raised during the sessions.

Workforce inclusion policy

Our employee equity and inclusion initiatives work to ensure all employees feel they belong and are supported to achieve their full potential. Bayside Health is committed to providing a safe, inclusive and equitable workplace and understands its obligations under the *Gender Equality Act 2020*. This included our services making submissions to the 2025 Gender Equality Audit to the Gender Equality Commission, which will help us identify where gender inequity exists and persists.

There were a number of Alfred Care Group initiatives in 2025-26.

Highlights over the past year included:

- Our involvement in the Midsumma Pride March. The event was an opportunity for employees, families and friends to show their support for an inclusive and equitable workplace and providing quality care for our LGBTQIA+ patients.
- We hosted our International Women's Day Forum. This year's event featured a fireside chat between ABC broadcaster Jacinta Parsons and Gender Equity Victoria CEO Micaela Drieberg, who discussed the impact of truly equitable healthcare, driven by the year's theme of 'Balance the Scales.'
- The annual Elevate awards which recognise those who have gone above and beyond to empower, mentor, and advocate for the growth and professional development of women at Alfred Care Group.
- The theme of Cultural Diversity Week in March was 'Culture connects us all'. This was also celebrated across care groups through panel conversations and book and food sharing events.



First Nations artist Steve Parker with Wonthaggi Hospital staff.

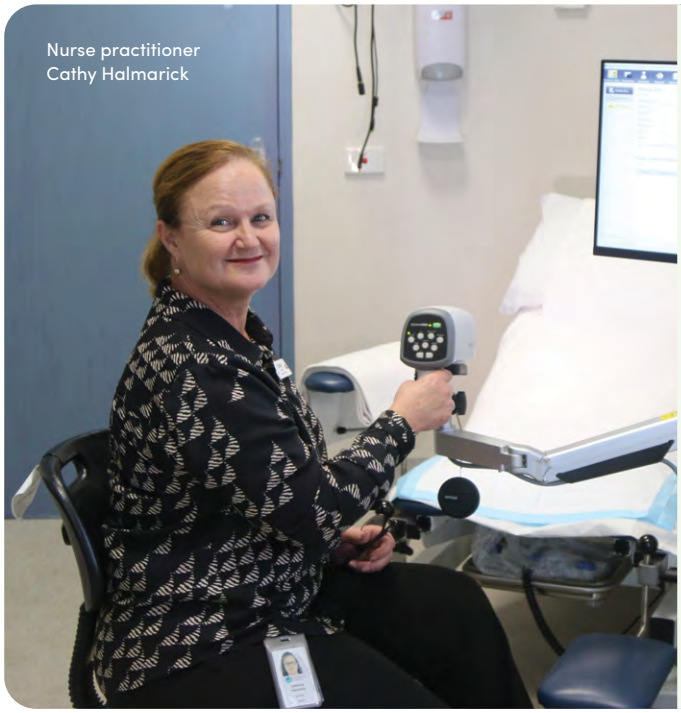
At Peninsula Care Group, highlights included:

- Achieved an 85 percent completion rate for Appropriate Workplace Behaviours course with the aim of empowering our people to contribute to a culture where everyone feels valued, supported and able to thrive.
- In August 2025, we celebrated Our People's Values Awards. More than 800 nominations were received, recognising colleagues who bring our values to life every day, and thanking them for their outstanding contributions to our culture and community.
- International Women's Day was celebrated through an online panel event showcasing the achievements and leadership of women across Peninsula Care Group. Three staff members shared their experiences and contributions in research, clinical leadership and Aboriginal health.

At our Regional Care Group sites, we continued to promote diversity, inclusion and cultural safety across the workforce and the broader community. This was reflected with a range of First Nations cultural celebrations at our sites throughout the year.

Key events included:

- Staff participated in the Annual NAIDOC Week First Nations Art Exhibition in Wonthaggi and the Ngangga Festival at Cowes.
- To mark National Reconciliation Week and NAIDOC Week in 2026, staff worked with First Nations artist Steve Parker to create six artworks, representing each Bayside Health Regional site.
- Continued the former Bass Coast Health's longstanding involvement with the local Reconciliation Network, participating in activities at Phillip Island and Wonthaggi.



Nurse practitioner Cathy Halmarick

Nursing education achievement

At Peninsula Care Group, the growing contribution of nurse-led colposcopy services has been recognised.

Nurse Practitioner Cathy Halmarick's completion of internationally recognised advanced nurse colposcopy training combined a comprehensive theoretical program through the International Federation of Cervical Pathology and Colposcopy (IFCPC) with extensive supervised clinical experience.

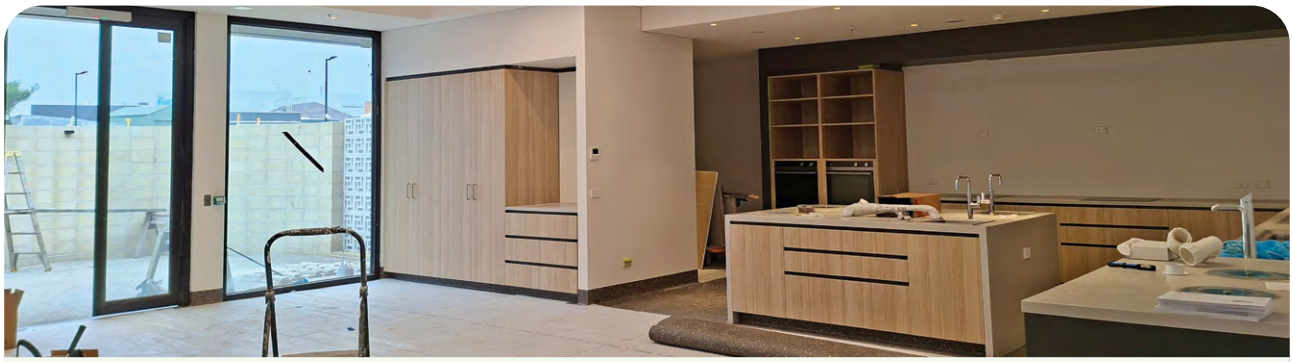
Cathy is one of only three Nurse Practitioners in Australia who hold this international qualification.

Cathy's achievements are an example of how Bayside Health is a leading provider of training and education across nursing and medicine, with a commitment to developing the skills of our workforce.

The Alfred Cultural Safety Equity and Access (CSEA) Strategic Direction 2026-2028 aims to drive transformational culture change by improving access to culturally safe and equitable mental and addiction health services.

Pictured at the launch in May 2026 are AMAH Senior Lead, Cultural Safety, Equity and Access, Erin Joyce and AMAH Cultural Safety. Equity and Access Advisor Taff Ruvaro.





Supporting our staff with new accommodation

New accommodation for staff at Wonthaggi Hospital is nearing completion.

Due to open towards the end of 2026, the two-storey development comprises 20 self-contained hotel-style rooms for healthcare professionals.

It will also feature shared indoor and outdoor spaces to provide a supportive, convenient and social environment for staff.

The $5 million project is supported through the State Government's Regional Worker Accommodation Fund.

High honours for outstanding achievers

Bayside Health would like to congratulate everyone who has been recognised for the outstanding contribution they have made to the health service and local community.

Current and former Bayside Health staff and community supporters were also recognised with **King's Birthday and Australia Day Honours**. Recipients included:

Member of the Order of Australia (AM)

Prof Richard Newton AM
Iain Edwards AM
A/Prof Peter Nottle AM
Dr Jennifer Harrison AM

Medal of the Order of Australia (OAM)

Aunty Helen Bnads OAM
Gary King OAM
Dr Dov Degen OAM
Lt Col Kevin Maloney OAM

Australia Day Honours

Maryjane Crabtree
Prof Peter Holmes (dec.)
Prof Stephen Jane
Dr Rondhir Jithoo
Penelope Jones (dec.)


Aunty Helen Bnads OAM


Gary King OAM

Providing a better patient experience

Hearing the experience of our patients is central to quality and safe care.

During the year we established important processes in our new health service to ensure patients are given a voice in their care. This included the formation of consumer advisory panels and programs, with a focus on equitable care.



Midwife Danielle is part of the Koori Maternity Service team at Peninsula University Hospital.

Listening to local voices

The establishment of Bayside Health provided a unique opportunity to redesign consumer governance across a newly merged health service while preserving the strong community connections developed by each legacy organisation.

Recognising that meaningful consumer partnership begins with shared decision-making, Bayside Health established a Community and Consumer Working Group comprising consumer representatives, Board members and staff from across the five legacy health services. Importantly, consumers held the majority of positions within the group, ensuring lived experience informed every stage of the design process.

Rather than developing a model centrally, a co-design methodology was adopted. The process focused on building relationships, establishing shared principles and creating opportunities for consumers to shape both the engagement approach and the final governance structure.

A collaborative workshop brought together consumer representatives from all legacy community advisory committees for the first time, creating a forum to identify common priorities, celebrate local strengths and explore how community voice could influence decision-making across a larger health service.

A consistent theme throughout consultation was the importance of retaining local identity and ensuring community concerns continued to be heard close to home. This shaped the final model, which combines a Board-level Community Advisory Committee (CAC) with local community advisory panels across legacy service areas. The model creates clear two-way communication pathways, enabling local insights to inform strategic decisions while ensuring Board priorities are tested through community perspectives.

The result is a consumer governance model that honours the legacy of local advisory groups while creating a stronger, connected voice for communities across Bayside Health.

CAC members include:

- Mim Kershaw
- Ann Booth
- Jo (Jocelyn) Hansen
- Adj A/Prof Pauline D'Astoli OAM
- John Davies
- Garry Oates
- Mikaela Wong
- Brian Edmond
- Max Niggl
- Dr Eloise Zoppos

Top languages spoken by our patients other than English

	Alfred	Peninsula	Regional
1	Greek	Mandarin	Italian
2	Russian	Dari	Mandarin
3	Mandarin	Auslan	Vietnamese
4	Cantonese	Greek	Greek
5	Arabic	Russian	Spanish

Koori Maternity Service

Empowering and uplifting women is not just Koori midwife Danielle's job – it is her calling.

At Peninsula University Hospital, she provides antenatal and postnatal care to Aboriginal and Torres Strait Islander women and their babies.

The Koori Maternity Service delivers flexible, culturally appropriate care to eligible women, including mothers of Aboriginal and Torres Strait Islander children.

Danielle's work involves collaborating with social workers, arranging financial supports, connecting women with community groups, or helping incorporate meaningful cultural elements into their birth experience.

"It's about meeting their individual needs to ensure they're receiving the proper care for their babies," Danielle said.



Bayside Health's First Peoples Gathering was an important step in bringing together the health service's Aboriginal health teams.

Strengthening First Peoples leadership and connection

One of the first priorities for Bayside Health was bringing together Aboriginal health teams, Elders, and leaders from across the legacy health services to help shape a shared future.

In February 2026, the First Peoples Gathering provided an opportunity to connect face-to-face and strengthen relationships. It explored how Bayside Health could build on the strengths of each legacy health service while creating new opportunities to work together to improve Aboriginal health and wellbeing.

The gathering created space to share local knowledge, identify common priorities, and discuss what meaningful First Peoples governance should look like within the new organisation. Reflecting on the day, Board Director Karinda Taylor said the energy, commitment and pride in the room was unmistakable.

> "These teams are doing meaningful work, built over many years and grounded in local relationships and community trust."

Subsequent engagement with Elders informed the establishment of the First Peoples' Health and Wellbeing Committee, a Board Committee designed to provide culturally informed leadership and strategic advice on matters affecting Aboriginal and Torres Strait Islander health and wellbeing.

Through these conversations, participants emphasised the importance of cultural leadership, workforce development, accountability, and governance that extends beyond consultation to genuine influence in decision-making.

This foundational work has established a shared vision for culturally informed governance that honours local relationships, values the wisdom of Elders, and creates opportunities for First Peoples voices to help shape the future direction of Bayside Health.

World-leading research

Bayside Health takes a leadership role in translational research, working hard to deliver improved patient outcomes that have shaped health practice both locally and globally.

Our internationally recognised clinicians and researchers work in partnership with tertiary institutions to help bridge the gap between the lab and the bedside.

Our commitment to collaboration with healthcare partners is reflected in the Alfred Research Alliance, which brings together eight independent organisations and 8,000 staff to create a community of excellence for medical research, education and health services on The Alfred precinct.

The Alliance members are Bayside Health, Monash University School of Preventive Health and Public Medicine and School of Translational Medicine, Baker Heart and Diabetes Institute, Burnet Institute, Deakin University, La Trobe University, Nucleus Network and 360biolabs.

Alliance members continued their commitment to solving the world's pressing health challenges through translational research in action, transforming basic science discoveries into clinical practice to address unmet health needs at both an individual and community level.

Key research areas included:

- Blood diseases and cancer
- Cardiovascular disease
- Diabetes and obesity
- Epidemiology and public health
- Infection and immunity
- Mental health and neuroscience
- Nursing and allied health
- Trauma, critical care, and perioperative medicine

In 2025, the Alliance members:

- published a total of 2,610 articles, including original research articles, reviews, book chapters and books;
- commenced, or continued, 928 clinical trials, including 524 that were commercially sponsored (56 percent) and 404 were investigator initiated (44 percent); and
- congratulated 1527 students on completing their master's and doctoral degrees.

> Across the Alfred Precinct grants funding for the year totalled around $267.4 million.

A key highlight was Alfred Research Week. For its 2025 edition, this showcase event shone a light on the importance of community involvement to achieve better healthcare outcomes, with alliance members speaking on topics such as HIV, diabetes and epilepsy.



Director of Radiology and Nuclear Medicine Prof Meng Law and Director of Oncology Prof Mark Shackleton at the Centre for Dynamic Immuno-Oncology at The Alfred's Paula Fox Melanoma and Cancer Centre. The CDIO features the advanced Quadra PET/CT scanner.



Australia's first Smart Ward is a partnership between Peninsula Care Group and Monash University.

Research and technology improve cancer outcomes

Across Bayside Health, our researchers are looking at ways healthcare can be improved in the future.

Based at The Alfred's Paula Fox Melanoma and Cancer Centre, the Australian Cancer Research Foundation (ACRF) Centre for Dynamic ImmunoOncology (CDIO) was launched in April 2026. The CDIO will use advanced imaging and cellularlevel immunology tools to understand a patient's immune response in real time.

This includes existing state-of-the art infrastructure at The Alfred, such as the $24 million Quadra PET/CT scanner, one of the most advanced scanners of its kind globally, which commenced operating at the hospital in 2026.

The Quadra PET/CT scanner operates at a lower radiation dose than previous PET/CT scanners, meaning more patients can receive their care sooner. It also allows clinicians to track the body's response in near-real time, allowing for more prompt assessments to be made.

Blue Rock Parkinson's trial

The Alfred Brain team has been part of a global, highly innovative Blue Rock Parkinson's disease stem cell randomised trial that surgically implants stem cell directly into the brain. The cells replace the brain's natural production of dopamine, which is lost in Parkinson's disease.

Bayside Health Alfred is excited to be one of only two hospitals to provide the advanced surgery for patients from all participating Australian hospitals. Alfred's leadership in this trial reflects our unique expertise and made possible by closely coordinated collaboration between our neurology, neurosurgery and neuroscience trials teams.

Australian-first Smart Ward revolutionising healthcare for older people

Created by the National Centre for Healthy Ageing (NCHA), a partnership between Peninsula Care Group and Monash University, the Australian-first Smart Ward at The Mornington Centre uses integrated technology to help monitor patients' health and wellbeing, improve safety, and enhance the hospital experience.

Electronic devices installed throughout the ward collect information on patient movement, location and the care environment, with the integration of multiple technologies and data sources making Smart Ward unique.

The NCHA Director, Professor Velandai Srikanth, said the Smart Ward provides an innovative model for both patient care and research, using data to better predict who is at risk of functional decline, deconditioning, pressure injuries and thrombosis.

Smart Ward Lead Researcher Associate Professor Christina Ekegren said the technology will provide clinicians with valuable real-time information to support decision-making when it becomes fully operational later this year.

The establishment of the Smart Ward was funded by the Commonwealth Department of Health, Disability and Ageing. It is one of six NCHA research simulation facilities in the Frankston and Mornington Peninsula region.



Patients such as Cam Johnston (second from left) have benefitted from a CAR-T trial.

Blood cancer treatment breakthrough

Patients living with multiple myeloma have new reason for hope, with a groundbreaking treatment becoming available at The Alfred.

Treatment options for what is the second most common form of blood cancer have traditionally been limited to chemotherapy, immunotherapy or a stem cell transplant.

While many patients on these treatments have relapsed within 12 months, CAR-T has shown strong results in clinical trials.

CAR-T takes a patient's own blood, extracting the T-cells (a type of white blood cell) and genetically altering the T-cell to attack cancerous cells once the T-cells are infused back into the patient's body.

Despite this, access to the new treatment has been limited to those recruited for clinical trials.

For participant Cam Johnston, access to a CAR-T trial saved his life, after being critically unwell and exhausting treatment options.

"I always believed it would work but, when the results came in, it didn't just feel like I was given more time, I was given my whole life back," said Cam.

Blood cancer specialists have welcomed the Federal Government's announcement that eligible Australians with multiple myeloma will now have access to the therapy as part of their care – currently only offered at The Alfred and Peter MacCallum Cancer Centre.

"Making this therapy available to Australian patients with relapsed myeloma represents a potentially gamechanging step forward," said Prof Andrew Spencer, Head of the Malignant Haematology, Transplantation and Cellular Therapies Service at The Alfred.

> "It brings real hope ... in our ongoing effort to improve outcomes for people living with myeloma."

Sustainable healthcare

As part of our response to climate change, Bayside Health has led a range of initiatives that have been introduced to reduce our environmental impact.



Green space including courtyards and terraces are a feature at Peninsula University Hospital.

Sustainability plays an important role as part of our regular planning and reporting, as the health service looks at ways it can make a difference when it comes to the environment.

Opened in January 2026, Peninsula University Hospital represents a significant investment in sustainable healthcare infrastructure. As a fully electric facility, the hospital incorporates energy-efficient systems, water-saving technologies, and on-site solar generation capacity of up to 883 kWp (Kilowatt-peak), reducing reliance on fossil fuels and supporting emissions reduction.

Sustainability is also central to the hospital's design. Approximately 24 percent of the site is dedicated to open green space, including 71 courtyards and terraces. The landscape features more than 11,400 m^2 of planted gardens, with 74 percent of species being native, supporting biodiversity and climate resilience.

Peninsula University Hospital also promotes sustainable transport through secure bicycle parking, alongside electric vehicle charging stations for staff and visitors.

> The Alfred was ranked among the top 250 hospitals globally in Newsweek and Statista's inaugural World's Greenest Hospital rankings.

The ranking is based on extensive research, including sustainability performance data, with more than 4,000 hospitals evaluated.

The global recognition for The Alfred's commitment to sustainability was due recognition for programs such as the Intensive Care Unit's (ICU) Gloves Off campaign. The project has played a key role in improving staff confidence in making appropriate decisions regarding non-sterile glove use, enhancing hand hygiene practices, and reducing the environmental impact associated with glove consumption.

Approximately 100 kg of waste was prevented from going to landfill, with the campaign also achieving significant behavioural change, with 84 percent of surveyed staff reporting changes to their non-sterile glove practices.

Late last year the then Kooweerup Regional Health Service joined the national Accelerating Towards Net Zero initiative, demonstrating its commitment to reducing healthcare-related emissions and embedding sustainability into organisational planning. This has continued as part of the Regional Care Group.

Participation in this collaborative initiative supported the development of practical actions to reduce environmental impact while continuing to deliver high-quality healthcare services.

Partnering with our community

From fundraising to volunteering, Bayside Health is proud to partner with our local community to deliver better healthcare.



Volunteer Kaylen and dog Millie at Sandringham Hospital.



Volunteers such as Anne Millar and the Friends of Hillside Lodge Op Shop are playing their part in ensuring the Korumburra community receives quality care.

Our volunteers

Across Bayside Health, volunteers and consumers continue to play a vital role, offering their valuable time and expertise across a range of roles, and supporting patients during some of their most challenging moments.

For more than 21 years, Anne Millar and the Friends of Hillside Lodge Op Shop have been quietly making a lasting difference for residents at Korumburra's Hillside Lodge.

She continues to manage the op shop as a volunteer and has never drawn a pay cheque. Her son serves as vice-president, alongside eight dedicated volunteers.

Over the years, proceeds have funded fittings, flooring, dishwashers and other improvements for the Hillside Lodge activities room. Last year, the op shop contributed $160,000 to install a Men's Shed at the facility.

National Volunteer Week is an important occasion on the Bayside Health calendar. It provides us with an ideal opportunity to thank our volunteers for their outstanding contribution.

Among the events held was the annual volunteer luncheon for Peninsula Care Group volunteers and consumer advisors. Board Chair Prof The Hon Martin Foley was among those in attendance, with many invitees marking a service milestone receiving a certificate of appreciation for their dedication.

It is not just volunteers who generously give their time to Bayside Health – it can also be their pets, including at Sandringham Hospital.

On Tuesday mornings, volunteer Kaylen and her dog Millie tour around the Sandringham campus, bringing joy to staff, patients and visitors.

"When we go in, Millie trots over to the patients she knows, and you can see their faces light up. The staff at Sandringham love her too," said Kaylen.

> "For people, especially children, they forget they're in hospital for a moment. To see those moments is so rewarding."

Fundraising

The Alfred Foundation

The Alfred Foundation receives a remarkable breadth of support from the community, charitable trusts and foundations, estates, individuals, corporate partners, and other local and national organisations.

> This generosity is essential in helping The Alfred save lives, improve the health of our community, and advance medical research.

It has enabled us to work together to drive innovation and change at the hospital and support the acquisition of cutting-edge technology, purchase new equipment, redevelop and expand our facilities so we can improve patient care, build our knowledge and share our learnings with the world.

The Alfred Foundation Board

Responsiveness along with sound and transparent decisions are key principles in The Alfred Foundation's governance process.

- Sir Rod Eddington AO (Chair)
- Adjunct Professor Simone Alexander
- Mr Patrick Baker
- Dr Ravi Bhatia
- Mr Anthony Charles
- Mr Jamie Gray
- Mr Allan Hood
- Adj Prof Adam Horsburgh
- Mr Chris Nolan
- Mr Nick O'Donohue
- Mrs Amanda Robertson
- Mr Paul Sheehan AM

Highlights

Treatment for patients with complex major burns injuries via bioengineered skin is now more advanced thanks to generous public support and a partnership between the Victorian Adult Burns Service (VABS) at The Alfred and the Firefighters Charity Fund (FCF). Bioengineered skin is the focus of an ongoing trial at VABS, with support from the FCF and community meaning the trial can expand, forging new paths in burns care.

Philanthropic support from organisations such as the Wanless Family Foundation is playing an important role in The Alfred's research into urinary tract infections, allowing the development of new diagnostics and immunotherapy. These donations have enabled new discoveries, new research directions and the career development of talented young female scientists.

Generous support of the Lifesaving Equipment Fund (LSEF) will mean hundreds of staff in The Alfred's ICU will learn more about an essential life support following the purchase of a new training tool. The new device, an Intersim III Touch pacing simulator, will be used to help staff develop mastery of temporary cardiac pacing, an essential type of life support required after cardiac surgery.

The Critical Care Appeal is an annual fundraiser which helps The Alfred continue to provide the most critical and complex care to Victorians. In 2025, it raised funds to support Mobile ECPR, an advanced form of life support which takes over the function of the heart and lungs for patients in the community after cardiac arrest.

The Alfred Health Nurses Fund is part of the hospital's commitment to supporting nursing education, training and opportunities to develop the nursing workforce. It is supported by many enthusiastic and generous donors, focusing on what nurses want to prioritise, including extending their learning and visiting global centres of excellence so that knowledge can be brought back to The Alfred.



Sandringham Lunch by the Bay

This year's Sandringham Hospital Lunch by the Bay was again a success, with a great show put on for a terrific cause.

Held at the Sandringham Yacht Club, the day included fabulous live music, prizes, and auctions.

Proceeds raised will enable the purchase of an atom infant warmer resuscitaire to support babies and infants in the hospital's emergency department.

Peninsula Care Group

The past 12 months have been another remarkable year of generosity and impact from our local community. Thanks to the support of our individual donors, volunteers, auxiliaries, community groups and trusts and foundations, we raised more than $6 million to enhance healthcare across Frankston and the Mornington Peninsula.

Community fundraising and donor support funded vital equipment including:

- an Infant Resuscitaire at Rosebud Hospital
- a second Resuscitaire for Peninsula University Hospital
- two Baby Jaundice Meters for Maternity Services
- specialised ultrasound technology for oncology and prostate cancer services
- an Airvo 3 Optiflow respiratory device, rehabilitation equipment
- and additional scalp cooling caps for our breast cancer patients

More than $1 million was invested in state-of-the-art medical equipment across the Peninsula Care Group.

Donor contributions supported joint professorial roles with Monash University in Nursing, Midwifery and Allied Health at the Peninsula Care Group. Further donations supported research roles at the National Centre for Healthy Ageing, advanced clinical simulation training, staff wellbeing initiatives, and innovative therapy programs that improve patient outcomes and experiences. Significant support was received through community fundraising, major gifts, trust and foundation grants, regular giving, and Gifts in Wills. Together, our community is helping build a healthier future close to home by supporting world-class healthcare, research, education and innovation.

Regional Care Group

Health services across the Regional Care Group continue to benefit from the generosity of local donors and fundraisers.

Strong partnerships with community organisations including Lions, Rotary and Freemasons, together with contributions from residents who recognise the value of quality healthcare, have supported the purchase of vital equipment across a range of services. These purchases included:

- day treatment and surgery recovery chairs;
- syringe drivers for palliative care;
- endometriosis equipment for women's health
- cardiotocography (CTG) machines for maternity services
- Sozo machines for patients managing lymphoedema

Hospital auxiliaries also provide significant ongoing support through community fundraising activities and the operation of op shops in Korumburra and San Remo. Their dedicated volunteers contribute countless hours to raising funds that directly support service delivery. A wide range of events was organised, including craft fairs, garage sales, art shows, raffles and sausage sizzles, as well as major fundraising initiatives such as an annual golf ball drop and hosting marquees at the Woolamai Picnic Races. Funds and donated goods also supported more than 200 residents across Bayside Health's seven residential aged care facilities.

Corporate partnerships continue to play an important role in enhancing patient care. Organisations including Bendigo Bank and Phillip Island RSL contributed funding towards equipment purchases that support cancer treatment services, further strengthening the health outcomes available to local communities.

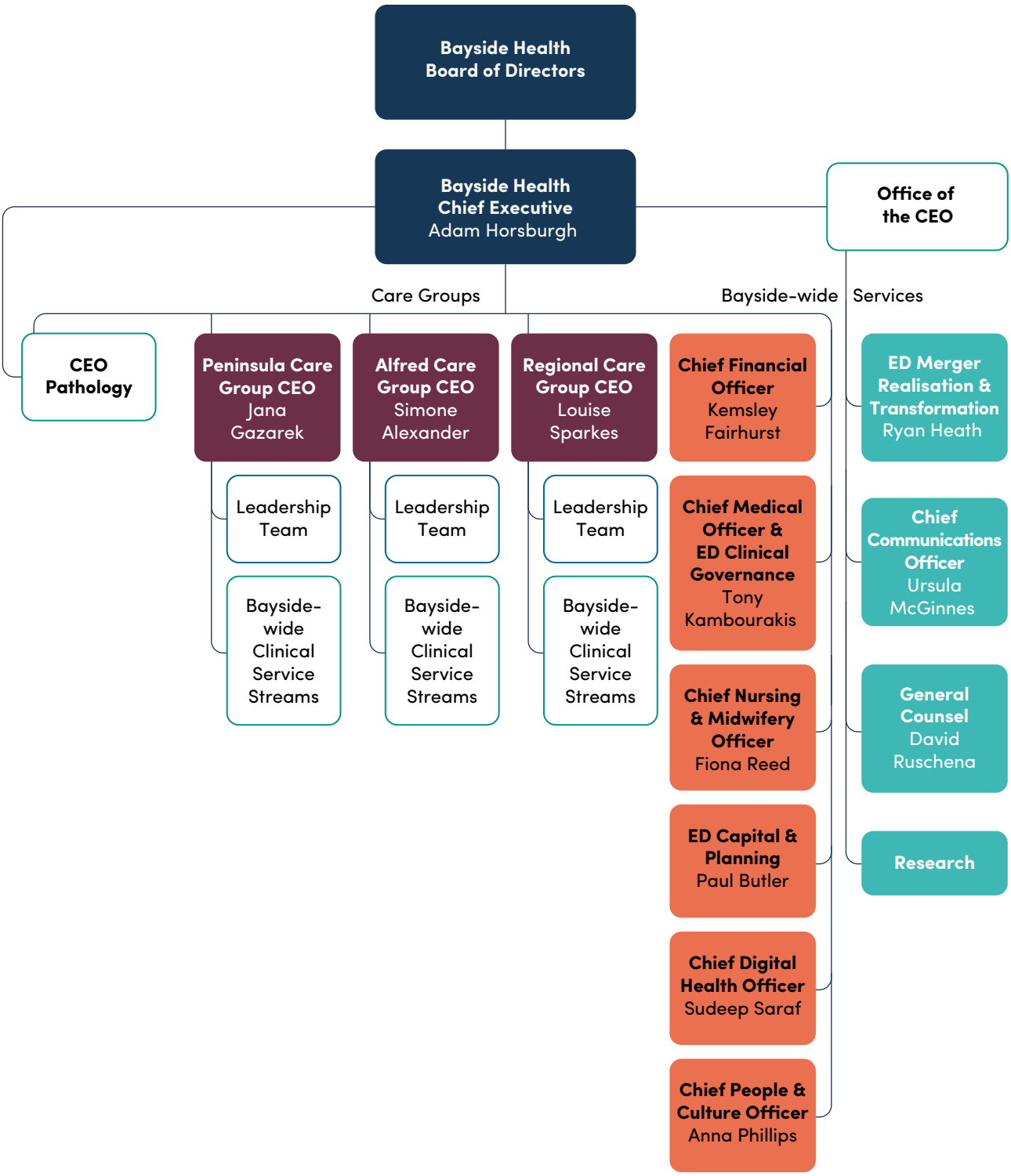
Management and structure



Ashlee Northaway, Dr Doshan Zeirideen Zaid, Samantha Peddle and Dr kayte Gillman are part of the Maternity, Newborn and Gynaecology Services team at Sandringham Hospital.

Organisational structure

Organisational chart



Note: Helen Cooper left her role as Peninsula Care Group CEO in April 2026

Board member profiles



Prof The Hon Martin Foley BA (Hons) MCom (Hons)
Chair

As a former Minister in the Victorian Government in health and social care portfolios, Mr Foley brings a detailed understanding of the health system to Bayside Health.

He has a background in government, public policy, community organisations and Industrial relations. He also served as the first Minister for Equality in Victorian history, responsible for driving community organisation and legislative reform for LGBTIQA+ communities and playing an instrumental role in establishing Australia's first Pride Centre.

Mr Foley is also a Vice Chancellor's Professorial Fellow at Monash University, where he sits as a member of the Turner Institute of Brain and Mental Health Industry Advisory Committee. He is the former Board Chair of Alfred Health and Associate Director, Peninsula Health. He is involved in governance roles on a number of Arts and Cultural organisations.



Ms Karen Corry BCom, FCA, FAICD
Deputy Chair

Ms Corry is an experienced board director and business leader with a career in digital health, finance and governance. Previously a partner at KPMG, she is a Fellow of both the Institute of Chartered Accountants and Australian Institute of Company Directors.

Ms Corry was a former Peninsula Health Board Director (since 2017) and during her tenure she served as Deputy and Board Chair and as associate director of Alfred Health. She is currently chair of a not-for-profit organisation in the justice sector as well as audit committee chair and director of a government agency. Previously she was an ASX-listed board director and has held other governance roles across government.

Her experience leverages strategy and growth with a strong balance between innovation, governance, finance and risk.



Ms Athina Georgiou MBL, MEd, FACHSM, GAID

Ms Georgiou is an experienced non-executive director with more than 25 years of senior executive and CEO experience across public health, not-for-profit and other highly regulated sectors. She began her career as a paediatric speech pathologist, working in both private and public health systems and helping to establish university speech pathology training clinics in Melbourne.

Drawing on a broad strategic lens, Ms Georgiou approaches governance through an ethical, person-centred framework that drives transformation in complex, competitive environments. She has a proven track record in policy formulation, organisational change management, and professional mentoring, with a particular interest in allied health professions.

Ms Georgiou's extensive board experience includes serving as Chair of the Gippsland Southern Health Service, where she led strategic reforms that strengthened governance, enhanced service delivery, elevated the consumer voice and expanded community access to healthcare services.



Mr Peter Joyce B.Com, FCPA, GAICD

Mr Joyce has extensive experience in the manufacturing and consumer products sector and worked for many years for the US consumer products company Sara Lee based in Australia, Singapore and the Netherlands. He has held various roles in finance, mergers and acquisition as well as a general manager.

Mr Joyce has also worked in the credit card and financial services industry and in the IT sector in Asia and Australia and consulted across various industries on financial planning and financial sustainability.

Between 2012 and 2023, he was the Executive Director Finance and CFO of Alfred Health and a former board director for Peninsula Health. In recent years he has worked an adviser in the health and hospital sector in Australia and the South Pacific.



Ms Kirsten Mander LLM, FAICD, FGIA

Ms Mander is an experienced director, businesswoman and lawyer. She is a former Peninsula Health board director and Audit and Risk Committee chair. She is also the chair of Legal Super and has been chair and/or director of various other boards, including International Women's Development Agency, the Victorian Assisted Reproductive Treatment Authority, Swinburne University, RT Health and the Law Institute of Victoria.

Previously Ms Mander was a senior executive, general counsel and company secretary for a number of Australia's top companies including Australian Unity, Sigma Pharmaceuticals and Western Mining, working throughout Australasia, Asia and the former Soviet Union.



Ms Linda McCrorey GAICD GAICD, BA (Psych), GradCert QIPHC, DipCouns

Ms McCrorey consults in the areas of quality, safety and risk following more than 40 years of experience in the community sector. She started her career as an enrolled nurse working in East Gippsland and surrounds and has expertise in quality, safety, clinical governance and risk.

Ms McCrorey is on board committees as an independent member and was the former Deputy Chair of Gippsland Southern Health Service and lives in regional Victoria. She primarily works with the not-for-profit and community service sectors including those with a focus on community health, disability, aged care, Aboriginal services and alcohol and drug services. For over 20 years Ms McCrorey has worked as an accreditation assessor.

She is committed to assisting organisations continually improve and ensure that the services they provide are accessible, safe and strive for best practice to continually meet the needs of our diverse community.



Prof Christina Mitchell AO MB BS, FRACP, PhD, FAHMS

Prof Mitchell is a former Executive Dean, Faculty of Medicine, Nursing & Health Sciences at Monash University (2011-2026) having trained as a physician scientist specialising in clinical haematology.

She is a current Sir John Monash Distinguished Professor at Monash University, and her work focusses on the molecular events that affect human development and cancer progression. Prof Mitchell is an inductee on the Victorian Honour Roll of Women and a recipient of the Lemberg Medal for Biochemistry.

Prof Mitchell is a former Alfred Health Board Director, a Fellow of the Australian Academy of Health and Medical Sciences and the Australian Academy of Science as well as Council Chair, Monash Partners Academic Health Sciences Centre. In addition, she is a director on the boards of the Hudson Institute and The Sylvia and Charles Viertel Charitable Foundation Medical Advisory Board and sits on the council of the Future Health Research and Innovation Fund of Western Australia



Ms Chloe Shorten FGIA, AIGP, GAIST, MAICD

Ms Shorten is a non-executive director who focuses her governance expertise on for-purpose organisations in high-risk sectors undergoing digital transformation.

She is a director of the industry superannuation company Industry Fund Services and is Chair of the Centre for Digital Wellbeing. She holds international and national credentials in AI governance and non-profit leadership and is currently researching AI trust and consent at the University of Canberra.

Prior to her appointment to the Bayside Health board, Ms Shorten was Deputy Chair of Alfred Health. She chairs the inaugural Community Advisory Committee of Bayside Health. Her governance portfolio spans public health, perinatal and youth mental health, medical research, disability services, education, youth homelessness and family violence prevention.



Mr Kushal Shah CA, LL.B, M.Com B.Com Executive MBA CIA

Mr Shah is an experienced leader in environmental, social and governance (ESG) and sustainability, risk, finance, and governance, with a career spanning executive and advisory roles across the public and private sectors in Australia, Asia, and Europe.

He is the former Chair of Kooweerup Regional Health Service (KRHS) and currently serves as a Board Director at Westernport Water and VITS Language Loop. He also holds several independent governance roles, including Chair of the Audit, Finance & Risk Committee at Docklands Studios Melbourne (DSM) and Committee Member on the Audit, Finance & Risk Committees of VicScreen and the Melbourne Recital Centre (MRC). His previous appointments include serving on the Board of the Queen Elizabeth Centre (QEC) and its Quality, Safety and Clinical Governance Committee.

Mr Kushal is the Managing Partner of DBS Global, where he advises boards and executive teams on ESG strategy and reporting, risk culture, financial stewardship, and governance transformation.



Ms Karinda Taylor MIBL GDipMidSc, BN.

Ms Taylor, a proud Wamba Wamba woman, is the Chief Executive Officer of First Peoples' Health and Wellbeing (FPHW), an Aboriginal health service dedicated to culturally safe, trauma-informed care. She leads with the foundational belief that a connection to culture, kin, community and a strong sense of belonging are vital to overall health and wellbeing.

Previously a registered nurse and midwife, Ms Taylor transitioned her extensive clinical and strategic experience across hospitals and government into her leadership role in the Aboriginal community controlled health sector. She is an advocate for systemic reform, serving as Chair of the Treaty Authority Panel and various other boards and committees.

Ms Taylor is an alumna of the Harvard Macy Institute.



Mr Ian Thompson B.Bus(Accounting), Grad Dip (Corp Finance), GAICD, CPA

Mr Thompson is a risk professional with more than 30 years' experience in financial markets, having worked in various credit, economic, quality risk management and governance roles here in Australia and in the UK.

He spent most of his career with leading global credit rating agency, Standard & Poor's Rating Services, most recently as a Senior Managing Director and Global Chief Credit Officer.

Mr Thompson has been a director or independent member of finance, audit and risk committees of a number of 'for purpose' organisations. He is the former Bass Coast Health Board Chair who led the health service through significant growth, an expansion of services and strengthened its partnerships.

Board committees

The Bayside Health Board established a number of committees and advisory committees in accordance with sections 65S and 65ZA of the Act and the Victorian Government's Public Entity Executive Remuneration Policy.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its statutory and fiduciary duties relating to governance, risk management, compliance, and independent audit oversight.

Operating in accordance with the *Financial Management Act 1994*, the Financial Management Compliance Framework, and the Victorian Government Risk Management Framework, the Committee is responsible for:

- Overseeing the robustness of Bayside Health's internal controls and compliance systems.
- Providing oversight of the internal and external audit programs and tracking management's response to findings.
- Monitoring enterprise risk management.
- Reviewing annual accounts and financial statements to recommend approval to the Board.

Community Advisory Committee

The Bayside Health Community Advisory Committee provides strategic, systemlevel advice to the Board, ensuring that consumer, carer and community perspectives inform governance, reform and decisionmaking, and that integrated health services remain equitable, personcentred and trusted by the communities they serve.

Finance Committee

The Finance Committee assists the Board in fulfilling its governance responsibilities regarding the oversight, monitoring and sustainability of Bayside Health's financial performance and position. The Committee is responsible for:

- Assessing the efficient and transparent use of public funds across the health service.
- Evaluating short- and long-term financial plans, operating budgets, and strategic initiatives to ensure ongoing financial viability.
- Monitoring the financial progress, risk profiles, and procurement processes of major capital works and infrastructure projects.
- Providing high-level governance and investment oversight for Bayside Health's digital strategy.

Joint Primary Care and Population Health Advisory Committee

The Joint Primary Care and Population Health Advisory (JPCPHAC) provides strategic advice to the Boards of Bayside Health and Monash Health on the mental, physical and wellbeing needs of their catchments.

This committee enables the two participating health services to discharge their responsibilities as set out in sections 65ZA and 65ZC of the Health Services Act 1988 (Vic) and meet obligations and purposes of the Act. Additionally, the committee fosters collaboration between health services, primary health networks and community partners to improving the health of our community.

Merger (Realisation and Transformation) Committee

The Merger (Realisation and Transformation) Committee provides strategic advice, guidance and assurance to the Board on the delivery of the Bayside Health Merger Realisation Program and achievement of merger outcomes. The committee advises on the strategic direction, priorities, benefits realisation, risks, interdependencies and organisational impacts of merger-related initiatives across the health service, with a focus on clinical integration, workforce and corporate integration, and digital integration. It supports alignment with organisational strategy, Department of Health priorities, Local Health Service Network obligations and the Statement of Expectations, while monitoring progress towards intended merger benefits and outcomes and providing advice to the Board on emerging risks, opportunities and priorities. This committee is time limited with the aim of transitioning the work to business as usual.

Quality and Safety Committee

The Quality and Safety Committee assists the Board to fulfil its responsibilities for oversight of clinical governance, quality, safety, consumer experience, and workforce wellbeing. The committee provides strategic leadership and assurance that effective systems are in place to monitor and continually improve the quality, safety and effectiveness of care delivered by Bayside Health. The committee reviews quality and safety performance monitors significant risks and incidents, and makes recommendations to the Board to support safe, person-centred, high-quality care and a positive workplace culture. Membership includes directors, hospital clinicians and recent users or families/carers of Bayside Health services.

Remuneration Committee

The Bayside Health Remuneration Committee oversees executive remuneration policy implementation, reviews CEO performance and remuneration outcomes, and provides advice to the Board on CEO recruitment, reappointment and executive remuneration matters to support the attraction, retention and development of high-performing executive leadership.

Committee membership 2025-26

Audit and Risk Committee

Kirsten Mander, Chair
Peter Joyce
Chloe Shorten
Kushal Shah
Ian Thompson
Prof The Hon Martin Foley (Ex officio)

Quality and Safety Committee

Christina Mitchell, Chair
Linda McCrorey
Athina Georgiou
Prof The Hon Martin Foley

Finance Committee

Karen Corry, Chair
Peter Joyce
Ian Thompson
Karinda Taylor
Prof The Hon Martin Foley

Remuneration Committee

Prof The Hon Martin Foley, Chair
Karen Corry

Merger Realisation/Transformation Committee

Karen Corry, Chair
Peter Joyce
Chloe Shorten
Christina Mitchell
Kirsten Mander
Prof The Hon Martin Foley
Athina Georgiou

Joint Primary Care and Population Health Advisory Committee

Athina Georgiou, Rotating chair
Linda McCrorey

First Peoples' Health and Wellbeing Committee

First meeting: September 2026
Karinda Taylor (Committee Chair)
Prof The Hon Martin Foley
Ian Thompson
Linda McCrorey
Helen Bnads OAM
Professor Doseena Fergie OAM
N'arweet Professor Carolyn Briggs AM
Alison Craigie-Parsons

Bayside Health Executive

Adj Prof Adam Horsburgh
Chief Executive, Bayside Health

Adj Prof Horsburgh brings a deep understanding of healthcare across Victoria's public sector to his role as Chief Executive of the new Bayside Health.

He has served as the Chief Executive of Alfred Health since 2024 and was previously the CEO at Austin Health for four years. He has held other senior roles serving as the Deputy Chief Executive Officer and Chief Operating Officer at Melbourne Health as well as the Chief Operating Officer for Southern Health (now Monash Health) at Monash Medical Centre.

His experience includes senior policy and advisory roles with the Victorian Government's Department of Premier and Cabinet and Department of Health, where he was the Director of Performance and System Design. In addition, he has international health experience through various operational management roles in the UK's National Health Service.

Adj Prof Simone Alexander
Chief Executive, Alfred Care Group

Adj Prof Alexander is a senior health service executive with over 30 years' experience in public healthcare. She is Chief Executive of Alfred Care Group. She is responsible for the management and performance and its workforce of close to 12,000 staff.

Before the merger, Prof Alexander was the Interim Chief Executive at Bass Coast while continuing to serve as Alfred Health's Deputy Chief Executive and Chief Operating Officer.

As a registered nurse, she has an extensive clinical background in perioperative nursing. She is recognised for her strategic, people-centred leadership and her ability to lead large, complex organisations through transformation. Prof Alexander is committed to improving patient outcomes, supporting workforce wellbeing, and fostering inclusive, high-performance cultures.

Ms Jana Gazarek
Chief Executive, Peninsula Care Group

As Chief Executive of Peninsula Care Group, Ms Gazarek oversees 8,000 staff across 13 sites providing care to the Frankston and Mornington Peninsula from birth through to end-of-life care alongside a comprehensive range of sub-specialties.

She has extensive experience in leading hospital operations and clinical services holding many senior roles in health including Chief Operating Officer for Peninsula Health and Bayside Health Peninsula Care Group, General Manager and Director roles at The Royal Melbourne Hospital, St Vincent's Hospital Melbourne and Northern Health.

Ms Gazarek holds the position of Clinical Advisor for the Timely Emergency Care 2 program, a partnership between the Victorian Department of Health and the Institute for Healthcare Improvement. She has extensive clinical experience as a podiatrist and senior healthcare leadership and management experience.

Ms Louise Sparkes
Chief Executive, Regional Care Group

Ms Sparkes is an experienced healthcare executive with a deep personal understanding of regional healthcare and a strong commitment to improving access, equity and outcomes for rural communities.

Appointed as Chief Executive of Regional Care Group, she provides executive leadership across the Wonthaggi, Leongatha, Korumburra, Phillip Island and Kooweerup sites. Her focus is on care continuity, strong governance and operational stability, while ensuring communities increasingly receive high-quality care close to home.

Ms Sparkes served as Chief Executive Officer of Gippsland Southern Health Service from February 2023 to January 2026, where she led strengthened clinical governance, service reform and community-centred models of care. Prior to this, she held senior executive roles at Bass Coast Health, including Deputy Chief Executive Officer and Chief Operating Officer, and led the successful commissioning of the Wonthaggi Hospital expansion. She has also served as Interim Executive Director of the Gippsland Health Services Partnership, supporting collaboration and shared reform across the region.

Dr Tony Kambourakis
Chief Medical Officer and Executive Director Clinical Governance

Dr Kambourakis is responsible for clinical governance and medical workforce systems across Bayside Health, supporting safe, high-quality patient care.

He is a specialist dual-qualified in emergency medicine and medical administration and previously served as Director of Emergency Medicine at Monash Medical Centre. He also served as a Board Director at Peninsula Health, including as Chair of the Quality, Safety and People Committee, contributing to Board oversight of clinical quality, patient safety and workforce matters.

Dr Kambourakis was the Chief Medical Officer for Alfred Health with executive responsibility for clinical governance, patient experience and consumer engagement, medical workforce, and pharmacy. He is actively involved in undergraduate and postgraduate medical education and is an adjunct senior lecturer with Monash University's School of Translational Medicine.

Adj Prof Fiona Reed
Chief Nursing & Midwifery Officer

As Bayside Health's Chief Nursing and Midwifery Officer, Adj Professor Fiona Reed is responsible for leadership and oversight of nursing and midwifery, nursing and midwifery education and research, and nursing and midwifery workforce.

With a career spanning thirty years, Prof Reed is an experienced nursing leader with a decade of executive and operational experience within the Victorian public health sector. Across the breadth of her career, she has led strategy in quality and safety, reducing restrictive practices, workforce planning and industry-based nursing and interprofessional education.

Prof Reed's goal is to motivate and empower healthcare professionals to consistently provide fundamental care that is both excellent and compassionate.

Mr Kemsley Fairhurst
Chief Financial Officer

Mr Fairhurst leads financial governance, strategic sourcing, human resource information systems, and payroll at Bayside Health. His broader portfolio includes finance systems, data analytics, procurement, supply chain, and property management. He focuses on sustainability and optimal resource allocation to improve public health services across Victoria.

Leveraging extensive public and private sector experience in multinational and complex organisations across the healthcare, technology, and manufacturing sectors, Mr Fairhurst has a proven track record of improving financial performance and supporting organisational change.

His previous role as Chief Financial Officer (CFO) at Alfred Health began in 2025 and followed a four-year tenure as CFO at Austin Health. His leadership background includes senior positions across the Victorian healthcare sector, spanning roles within the Department of Health, Melbourne Health, and Monash Health.

Dr Sudeep Saraf
Chief Digital Health Officer

As Chief Digital Health Officer, Dr Sudeep Saraf is responsible for digital health strategy across Bayside Health, including clinical applications such as electronic medical record, technology, data, artificial intelligence, and cybersecurity, to support safe, high-quality and integrated care.

Dr Saraf is a psychiatrist and medical administrator by training, and an informatician by practice, with extensive clinical and executive leadership experience across large public health systems.

He has held senior executive roles at Alfred Health, including Chief Digital Health Officer and Chief Medical Information Officer, where he led enterprise digital and clinical governance, major system implementations, and the development of frameworks for the safe and responsible use of artificial intelligence. He has also held senior government, statutory and board appointments.

Mr Paul Butler
Executive Director Capital and Planning

Mr Butler has extensive experience in the Victorian public health system, including executive and senior management roles at Peninsula Health, Alfred Health and Monash Health. His time working in the Victorian Department of Health in regional and program management and in disability services, provided a unique perspective of healthcare delivery in regional Victoria.

As Executive Director for the Southeast Metro Health Services Partnership he was involved in leading system-wide improvement projects and pandemic responses. This involved working closely with several public health services in the region, the Better Health Network and the Primary Health Network.

Mr Butler has served as a board director on a variety of non-government organisations in the health and human services fields. In his most recent role at Peninsula Health, he was responsible for strategy and planning, transformation, capital, the Peninsula University Hospital Redevelopment project and digital health. He is currently a Victorian Councillor for the Australian College of Health Service Management.

Ms Anna Phillips
Chief People & Culture Officer

Ms Phillips is responsible for shaping and delivering Bayside Health's people strategy and leading the people and culture portfolio.

She has held senior roles in leading organisations, spanning Austin Health, University of Melbourne, Australian Catholic University, Monash University, IBM, PwC and ANZ.

With experience across the human resources portfolio and having delivered major programs of work, Ms Phillips brings a contemporary approach to people management. She is passionate about supporting organisations to build capability to create safe, inclusive, and high performing workplaces.

Performance

As our healthcare system evolves, providing safe, timely and appropriate care to every patientthroughout their entire health journey continues to be a key objective for Bayside Health.

We remain future focused, understanding the value of ongoing improvement to deliver better health outcomes.



Korumburra Hospital offers a wide range of medical services to Korumburra and the South Gippsland community.



Maternity services is part of the comprehensive healthcare offered at among Leongatha Hospital.

Statement of priorities

Note about Statement of Priorities:

The following section reports on the performance of our legacy health services – Alfred Health, Peninsula Health, Kooweerup, Bass Coast and Gippsland Southern.

It covers the full 2025-26 financial year for these services. Performance has been measured against the Statement of Priorities agreed upon by the legacy health services and the Department of Health and agreed before the Bayside Health merger.

The only exception to this is the Effective Financial Management section, which has been reported as a single Bayside Health section, instead of by individual legacy health service.

Disclaimer: All data published in this annual report was accurate at the time of publication. Data may be subject to change following audit and data verification processes that may not have been finalised at the time of publication

Bayside Health

Effective financial management

Key Performance Measure	Target	Actual
Operating result ($M)	0.00	58.62
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.65
Variance between the forecast and actual operating result (OR) as a percentage of the forecast OR for the current financial year ending 30 June	5% movement in forecast revenue and expenditure forecasts	Achieved

Alfred Health

Part A: Department of Health Strategic Plan

Part A: Department of Health Strategic Plan

Innovate and improve access and care

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

Strategic priorities set by Minister for Health	Alfred Health key deliverables	Progress
Align with the Victorian Clinical Governance Framework to strengthen clinical governance systems, ensuring safe, high-quality care.	Demonstrate high quality care in which consumer engagement and input is actively sought, facilitated and used to drive system change to improve consumer experience and outcomes	**Completed** Alfred Care Group has delivered the Patients Come First Strategy 2021-2026 through 2025-26: – Dermatology Patient-Reported Outcome Measures (PROMs) project completed with a report submitted to Safer Care Victoria in March 2026. – Consumer training has been incorporated into the Consumer Learning and Development Framework and is routinely offered to consumers and staff. – A new Bayside Health Community Advisory Committee was formed following advice and feedback from consumers and met for the first time in May 2026.
	Ensure that health service reporting, reviews and decision-making are underpinned by a safety culture and systems that are transparent, accurate and fair for staff and consumers.	**Completed** Alfred Care Group maintains a strong safety culture supported by accurate and transparent reporting. – Achieved full compliance in the Australian Council of Healthcare Standards (ACHS) accreditation assessment (October 2025), with assessors commending robust governance structures. – Conducted the annual review of clinical governance reporting, incident management, and risk framework as part of Board and Executive attestation. – Education programs have been delivered on key educational programs including the London Protocol and Statutory Duty of Candour.



Based at Caulfield Hospital, the Older Persons Care Hub supports older people at risk of hospital presentation through rapid assessment and short-term intervention in the home.

Innovate and improve access and care

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

Strategic priorities set by Minister for Health	Alfred Health key deliverables	Progress
	Health services are able to show evidence of a comprehensive training program approach that includes performance management, accountability, and continuous improvement.	**Completed** Alfred Care Group have established a comprehensive training framework for Alfred Care Group, with strong compliance with Mandatory Training requirements. Mandatory training reporting has been standardised across Alfred Care Group and continues to be refined to meet organisational requirements. The Performance Review process has been established through eHUB, with ongoing high levels of timely Performance Reviews across all staff group.
Improve access to timely emergency care by implementing system-wide patient flow strategies that reduce emergency department wait times and improve ambulance-to-hospital transfer times.	Implement all relevant standards outlined in the Standards for Safe and Timely Ambulance and Emergency Care (STAEC) for Victorians and the accompanying Implementation Guide.	**Good progress** Alfred Care Group has successfully led implementation of Standards for Safe and Timely Ambulance and Emergency Care (STAEC) in conjunction with the DH Timely Emergency Care (TEC) program. Key initiatives delivered include: – 83.15% of Ambulance Victoria transfers were completed within 40 minutes in FY26, the highest performance among Victorian tertiary hospitals. – A Rapid Ambulance Patient Intake and Discharge (RAPID) Nurse model implemented to strengthen senior clinical coordination at the ambulance-ED interface. – AV-funded Departure Lounge enhancement program progressing, including ORA enablement, extended operating hours and increased staffing to facilitate earlier inpatient discharge and bed release.
Maintain a commitment to delivering equitable and timely access to planned care and drive reform in alignment with the Planned Surgery Reform Blueprint.	Implement and scale theatre optimisation initiatives in planned surgery, for example same day surgery and same-day surgery by default models of care, criteria-led discharge, monitoring of theatre measures, and high-throughput approaches such as high-intensity theatre lists.	**Completed** Successful surgical improvement initiatives in 2025-26 include: – Implementation of the default day case model of care for clinically suitable patients. – An increase in theatre productivity through targeted high throughput initiatives within Orthopaedics.

Innovate and improve access and care

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

Strategic priorities set by Minister for Health	Alfred Health key deliverables	Progress
	Proactively manage planned surgery and specialist clinics (or outpatients) waitlists, for example validating and supporting patients into optimal care pathways such as evidence- based alternatives to surgery and optimisation pathways. A particular focus should be applied to long-waiting patients and priority population groups (for example, Aboriginal and Torres Strait Islander patients and under-18 patients).	**Completed** Alfred Care Group continuously oversees and validates all preparation, and outpatient lists in accordance with Department of Health Access Policy. Localised processes are in place to identify patients who are approaching their recommended clinical timeframes. At the end of June 2026, all Category 1, 2 and 3 patients had been seen within their clinically recommended time.
Support the implementation of the "Next Phase of Reform" to deliver inclusive, personalised, compassionate, integrated mental health and wellbeing care in the community.	Progress mental health reform: Implement mental health services per department guidelines, and engage in reform related initiatives to improve access to community mental health services, crisis reforms, headspace integration, youth and adolescent inpatient care, catchment removal as well as infant, child and youth age streaming.	**Completed** Alfred Care Group has successfully progressed mental health service transformation throughout 2025-26 in line with wider sector wide reforms. – Implementation of an After-Hours Program pilot to strengthen access to timely mental health support outside standard operating hours. – Implementation of consultation-liaison services pilot at Sandringham Hospital to support improved access to mental health assessment and short-term care within the hospital setting. – Completion of capital works to meet privacy and dignity expectations for admitted consumers within mental health inpatient environments. – Embedded co-design principles into reform-related projects to ensure consumer, carer and workforce perspectives inform services planning, implementation and improvement.
	Partner with Safer Care Victoria in one or more mental health improvement programs: elimination of restrictive intervention, improving sexual safety, implementation of the zero suicide framework and reducing compulsory treatment.	**Good progress** Alfred Care Group continues to partner with Safer Care Victoria (SCV) on mental health improvement initiatives. Key initiatives in 2025-26: – "Rethinking Risk" workshops have strengthened risk management principles in practice. – Alfred Care Group Zero suicide working group is leading suicide prevention improvement activities, including suicide prevention training. – Seclusion of mental health inpatients remains under target, reflecting sustained improvement in restrictive intervention performance

Innovate and improve access and care

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

Strategic priorities set by Minister for Health	Alfred Health key deliverables	Progress
	Progress partnerships, whether through a formal partnership, MoU or exchange of letters, with local community based mental health services (including Mental Health and Wellbeing Locals, Headspace and other local NGO providers) and deliver initiatives that align with the objectives of the Mental Health and Wellbeing Act 2022, and in accordance with the priorities outlined in Victoria's next phase of reform for Mental Health and Wellbeing.	**Completed** Alfred Care Group has a range of ongoing partnerships delivering specialist mental health programs: – In Home Eating Disorder service operating provided 1800 hours in home meal support over 12 months. – Ngamai Wilam opened all 12 beds and operating with a managed wait list support by CEED. – Bourke Street partnership with Salvation Army operating with daily on-site clinical programs. – Early in career programs provided and delivered to Locals with a on-line. – South City "GP partnerships program" completed with SEPHN confirming funding for a remodelled program to continue the pilot. – "WellWays" partnership confirmed and clinical service agreements in place for full operation of LOCAL spoke to commence end calendar year.

Prudent, sustainable, and effective use of resources

We are innovative and resourceful in balancing improved patient care, operational performance, and system management to ensure a financially secure health system. We invest in a skilled and future-ready workforce, maintaining a modern, safe, and resilient healthcare system for all Victorians.

Strategic priorities set by Minister for Health	Alfred Health key deliverables	Progress
Develop and implement initiatives to strengthen financial sustainability. By delivering sustainable, responsible budgets, we can ensure a well-managed, viable, and sustainable health system for the future.	Deliver the key initiatives outlined in the Budget Action Plan within Government parameters.	**Completed** We have prepared a draft Alfred Health Budget Action Plan for FY26, identifying key initiatives for Department of Health monitoring and reporting. The plan was finalised as part of the FY26 budget process and signing of the Statement of Priorities.
	Utilise data analytics to identify areas of inefficiency and make evidence-based decisions to improve financial sustainability and operational performance.	**Completed** We have developed a list of potential targets and measurement criteria for FY26. These were confirmed during budget finalisation and incorporated into quarterly Department of Health monitoring and reporting.
	Use funding efficiently and effectively to optimise patient facing services. Undertake programs to reduce the cost of service delivery, improve safety, capacity and reduce unnecessary waiting.	**Completed** Alfred Care Group have delivered a series of key initiatives to reduce the cost-of-service delivery, improve safety and capacity and reduce unnecessary waiting. Improvements have been achieved through target initiatives to reduce the cost-of-service delivery, improve safety and reduce unnecessary waiting. This work is now being incorporated into business-as-usual processes to support ongoing monitoring, continuous improvement and sustained service benefits.

A stronger workforce

We strive to foster an equitable, skilled and supported workforce that builds professional capabilities to meet current and future roles.

Strategic priorities set by Minister for Health	Alfred Health key deliverables	Progress
Position Victoria as a leader in employee experience, capability, and capacity by focusing on future roles and professional development in line with the Victorian Health Workforce Strategy to ensure a regenerative and sustainable workforce.	Implement processes to sustain workforce supply and fulfill obligations, including those under the Gender Equality Act 2020 by improving employee experience in leadership, health and safety, flexibility, career development, and agility to ensure safe, high-quality care.	**Completed** Alfred Care Group has implemented successful processes to sustain workforce supply and improve employee experience – Engagement of over 100 seniors across Alfred Care Group in a range of leadership program. – Delivery of a Gender Equality Action Plan (GEAP) for both Alfred Care Group and Bayside Health.
	Collaborate with the department to improve workforce data analytics, generate actionable insights, and enhance strategic planning.	**Completed** Key contacts established with the Department of Health Workforce Unit and development of a Bayside Local Health Service Network (LHSN) Workforce Plan to optimise workforce with a focus on increasing supply and mobility in rural & regional settings. Bayside LHSN Workforce Plan submitted to DH Workforce Strategy Unit.

Improving Aboriginal health and wellbeing

Strengthen cultural safety in Victoria's health service system by fostering strong connections to Aboriginal culture, creating a holistic, accessible, and empowering health system.

Strategic priorities set by Minister for Health	Alfred Health key deliverables	Progress
Enhance Delivery and Access to Culturally Safe Services, fostering strong connections to culture. Address racism and provide Aboriginal people with culturally safe healthcare and referral pathways between mainstream and community-controlled health services	Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business.	**Completed** Alfred Care Group has implemented the Aboriginal Cultural Safety training framework: – Mandatory Aboriginal Cultural Safety training completion rates continue to exceed the mandatory training target. – Face-to-face Aboriginal Cultural Safety training has been delivered throughout 2025-26, with strong attendance across all staff groups. – Work has progressed to establish the Bayside Health Board First People's Strategic Advisory Council with the first meeting anticipated by September 2026.

Improving Aboriginal health and wellbeing

Strengthen cultural safety in Victoria's health service system by fostering strong connections to Aboriginal culture, creating a holistic, accessible, and empowering health system.

Strategic priorities set by Minister for Health	Alfred Health key deliverables	Progress
	Health service executives and senior leaders establish and maintain strong, ongoing partnerships with Aboriginal community-controlled organisations and/or recognised Aboriginal leaders within their local catchments. These partnerships must be based on regular, proactive engagement that prioritises the voices, self-determined priorities, and cultural knowledge of Aboriginal communities in the design, delivery, and evaluation of health and wellbeing services.	**Completed** Alfred Care Group continues to strengthen partnerships with Aboriginal Community-Controlled Organisations, recognised Aboriginal leaders and local community services. Alfred Care Group is progressively implementing the Victorian Cancer Journey Strategy, in partnership with Weethunga, Peninsula Care Group and Monash Health to support implementation of a navigation program for Aboriginal cancer patients.
	Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways.	**Good progress** Alfred Care Group continues to implement initiatives to strengthen culturally appropriate systems for Aboriginal and Torres Strait Islander patients: – An Aboriginal Cardiology Clinic at The Alfred has been established with first patients scheduled for July 2026. – The "Journey through ED" video will be launched in mid-July 2026.

Moving from competition to collaboration

We are committed to transforming Victoria's health system by partnering with care providers and health services to share knowledge, information, and resources.

Strategic priorities set by Minister for Health	Alfred Health key deliverables	Progress
Collaborate within the Local Health Service Network to build a more integrated health system, with better access and experience for patients, strengthened workforce, consistently high-quality care, and more sustainable healthcare delivery	Meet all objectives agreed to in the Local Health Service Network Statement of Expectations across priority areas (access, equity and flow, workforce, safety and quality, and shared services).	**Completed** Alfred Care Group, as part of the Bayside LHSN continues to progress against activities required under the LHSN Statement of Expectations. In 2025-26 these activities include: – Submission of the Indicative Network Strategic Initiatives. – Completion of the Point of Care audit and commencement of Bayside LHSN Clinical Service Plan. – Submission of the Workforce Data Profiles (including Calvary Care). – Submission of Safer Care Victoria Safer Together Program Q1 report. – Submission and Department of Health endorsement of 12-Month implementation plan.

Part B: Performance Priorities

High quality and safe care:

Key Performance Measure	Target	Actual
Infection prevention and control		
Percentage of healthcare workers immunised for influenza	94%	94%
Continuing care		
Average change in the functional independence measure (FIM) score per day of care for rehabilitation separations	≥ 0.645	0.528
Adverse events		
Percentage of reported sentinel events for which a root cause analysis (RCA) report was submitted within 30 business days from notification of the event	All RCA reports submitted within 30 business days	100%
Patient experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	93%
Aboriginal Health		
Difference between the percentage of Aboriginal patients and non-Aboriginal patients who left against medical advice	0%	5%
Difference between the percentage of Aboriginal patients and non-Aboriginal patients presenting to ED who did not wait to be treated	0% - The Alfred 0% - Sandringham	The Alfred: 9% Sandringham: 1%
Mental Health Patient Experience		
Percentage of consumers who rated their overall experience with a service in the last three months as positive	80%	59.6%
Percentage of families/carers reporting a 'very good' or 'excellent' overall experience of the service	80%	53.7%
Percentage of families/carers who report they 'always' or 'usually' felt their opinions as a carer were respected	90%	78.8%
Percentage of mental health consumers reporting they 'usually' or 'always' felt safe using this service	90%	72.8%
Mental Health follow-ups, readmissions, and seclusions		
Percentage of consumers followed up within 7 days of separation – inpatient	88%	91%
Percentage of consumers re-admitted within 28 days of separation - inpatient	< 14%	9%
Rate of seclusion episodes per 1,000 occupied bed days - inpatient	≤ 6	4.8

Strong governance, leadership and culture

Key Performance Measure	Target	Actual
Organisational culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	80%	N/A[1]

Timely access to care

Key Performance Measure	Target	Actual
Planned Surgery		
Percentage of urgency category 1 planned surgery patients admitted within 30 days.	100%	100%
Percentage of all planned surgery patients admitted within the clinically recommended time	94%	97.8%
Number of patients admitted from the planned surgery waiting list	11,000	11,355
Percentage of patients on the waiting list who have waited longer than the clinically recommended time for their respective triage category	0.5%	0.3%
Optimisation of surgical inpatient length of stay (LOS), including through the use of virtual and home-based pre- and post-operative models of care	1.86	1.81
Emergency Care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes[2]	The Alfred: >= 80% Sandringham: >= 80%	The Alfred: 83% Sandringham: 87%
Number of emergency patients with a length of stay (LOS) in the ED greater than 24 hours	Zero	The Alfred: 0 Sandringham: 0
Average ED length of stay (LOS) for admitted patients, in minutes	The Alfred: 573 Sandringham: 414	The Alfred: 731 Sandringham: 363
Average ED length of stay (LOS) for non-admitted patients, in minutes	240	The Alfred: 221 Sandringham: 179
Mental Health		
Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours	65%	The Alfred: 67% Sandringham: 77%
Percentage of departures from emergency departments to a mental health bed within 8 hours	80%	The Alfred: 47% Sandringham: 80%
Number of admitted mental health occupied bed days	29,916	28,469
Number of community mental health service hours	138,546	144,143
Specialist Clinics		
Percentage of patients referred by a GP or external specialist who attended a first appointment within the recommended timeframe[3]	95%	86.2%
Home Based Care		
Percentage of admitted bed days delivered at home	9.0%	8.8%

1. *Service transitioned to Bayside Health prior to 2025-26 survey. Separate result for Alfred Health not available
2. Differential targets have been set for health services to encourage and recognise incremental improvement towards the overall statewide target. The overall statewide target remains 80% or a 3% improvement from the same time last year with progress expected towards 90%.
3. 30 days for urgent patients, 365 days for routine patients

Part C: Activity And Funding

Alfred Health funding summary for 1 July 2025 – 30 June 2026

Funding Type	2025-26 activity achievement
Consolidated Activity Funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	198,339
Community mental health NWAU	12,182
Acute Admitted	
Acute admitted DVA	410
Acute admitted TAC	7,826
Acute Non-Admitted	
Radiotherapy WAUs DVA	1,009
Radiotherapy WAUs public	84,467
Subacute/Non-Acute, Admitted & Non-admitted	
Subacute - DVA	36
Transition care - bed days	20,295
Transition care - home days	9,158
Aged Care	
HACC	2,464
Mental Health and Drug Services	
Mental health ambulatory	837
Mental health subacute	7,059
Drug Services	117
Primary Health	
Community health / primary care programs	13,082
Other	
NFC - Paediatric lung transplantation	3

Bass Coast Health

Part A: Department of Health Strategic Plan

The Statement of Priorities are aligned with the Strategic Plan[4]. Bass Coast Health will contribute to the Strategic Plan 2023-27 by agreeing to the following priorities:

Innovate and improve access and care

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

Strategic priorities set by Minister for Health	Bass Coast Health deliverables	Progress
Align with the Victorian Clinical Governance Framework to strengthen clinical governance systems, ensuring safe, high-quality care.	– Demonstrate high quality care in which consumer engagement and input is actively sought, facilitated and used to drive system change to improve consumer experience and outcomes	**Completed** – Major review of Wonthaggi Hospital Quality, Clinical & Corporate Governance Framework to align with the revised 2024 Victorian Clinical Governance Framework completed – Strengthened consumer involvement in committees **2026** – Achieved full compliance with AQSHS Standards – Strengthened Clinical Governance through review of their legacy clinical governance and establishment of Regional Care Group (RCG) Governance consolidation. Each site has participated in various Safer Care Victoria Safer Together Program initiatives with all sites participating in the Improving Care of Older People at Risk of Delirium program
	Ensure that health service reporting, reviews and decision-making are underpinned by a safety culture and systems that are transparent, accurate and fair for staff and consumers.	**Completed** – Participated in Safer Care Victoria initiatives: Stroke Collaborative, Improving Line Infections program – Ensured policies and guidelines supported evidence-based contemporary practice, risk management, performance monitoring and a comprehensive meetings governance structure, while focusing on continuous improvement directly linked to the Wonthaggi Hospital Partnering with Consumers policy
	Health services are able to show evidence of a comprehensive training program approach that includes performance management, accountability, and continuous improvement.	**Completed** – Competency framework reviewed and developed in collaboration with subject matter experts with several changes approved – Development and delivery of the 'Pathway to Leadership' . Program successfully completed from a range of clinical and non-clinical areas

4. Link to Strategic Plan 2023-27. <https://www.health.vic.gov.au/our-strategic-plan-2023-27>

Innovate and improve access and care

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

Strategic priorities set by Minister for Health	Bass Coast Health deliverables	Progress
Improve access to timely emergency care by implementing system-wide patient flow strategies that reduce emergency department wait times and improve ambulance-to-hospital transfer times.	Implement initiatives that support early discharge of patients to appropriate settings to improve timely patient access to care	**Completed** – Daily Operating System (DOS) refreshed to optimise organisational flow via key enhancements to the system – Established daily metrics "how did we go yesterday" SharePoint platform – Targeted focus on enhancing flow through EMR visual cues and meetings to review and plan for patients that are for admission and discharges and/or with long length of stay – Traffic light system implemented for inpatient admission requests – Actively participated in the Department of Health's Timely Emergency Care (TEC2) program
Maintain a commitment to delivering equitable and timely access to planned care and drive reform in alignment with the Planned Surgery Reform Blueprint.	Implement and scale theatre optimisation initiatives in planned surgery, for example same-day surgery and same-day surgery by default models of care, criteria-led discharge, monitoring of theatre measures, and high-throughput approaches such as high-intensity theatre lists.	**Completed** Wonthaggi Hospital became an Elective Surgery Information System (ESIS) reportable service and re-categorised waitlisted patients with the national guidelines. Marked improvements in treating times were achieved, with patients in all categories treated on time during December 2025.
	Proactively manage planned surgery and specialist clinics (or outpatients) waitlists, for example validating and supporting patients into optimal care pathways such as evidence-based alternatives to surgery and optimisation pathways. A particular focus should be applied to long-waiting patients and priority population groups (for example, Aboriginal and Torres Strait Islander patients and under-18 patients).	**Completed** – Patient Support Unit initiatives to enhance the perioperative patient journey included the implementation of Enhanced Recovery After Surgery (ERAS) processes, non-surgical treatment pathways, Nurse-led pre-admission clinic to support vulnerable patients and reduced patient-initiated cancellations – Implemented a pre-admission clinic triage process that has resulted in more efficient clinics that accommodate the addition of Phillip Island patients

Prudent, sustainable and effective use of resources

We are innovative and resourceful in balancing improved patient care, operational performance, and system management to ensure a financially secure health system. We invest in a skilled and future-ready workforce, maintaining a modern, safe, and resilient healthcare system for all Victorians.

Strategic priorities set by Minister for Health	Bass Coast Health deliverables	Progress
Develop and implement initiatives to strengthen financial sustainability. By delivering sustainable, responsible budgets, we can ensure a well-managed, viable, and sustainable health system for the future	Deliver the key initiatives outlined in the Budget Action Plan within Government parameters.	**Achieved** – Maintained enhanced financial oversight through tracking employed and external workforce costs and divisional and program-level reporting to strengthen accountability – Significant Business Management Team support provided for the Phillip Island Community Hospital business case development
	Utilise data analytics and performance metrics to identify areas of inefficiency and waste and make evidence-based decisions to improve financial sustainability and operational performance.	**Achieved** – Monitoring Efficiency Initiatives through monthly analysis – Enhanced financial team support and resource for aged care functions – Subacute review of capacity across Bayside Regional Care Group enabled utilisation of unused inpatient capacity at Korumburra and Kooweerup hospitals for commencement of the GEM program at Korumburra, increase stroke rehab beds at Wonthaggi and maintenance care at Kooweerup enabling increased repatriation from metropolitan services, supporting care closer to home



Wonthaggi Hospital has proudly served the communities of Bass Coast and South Gippsland for generations, providing essential healthcare close to home.

Prudent, sustainable and effective use of resources

We are innovative and resourceful in balancing improved patient care, operational performance, and system management to ensure a financially secure health system. We invest in a skilled and future-ready workforce, maintaining a modern, safe, and resilient healthcare system for all Victorians.

Strategic priorities set by Minister for Health	Bass Coast Health deliverables	Progress
	Use funding efficiently and effectively to optimise patient facing services. Undertake programs to reduce the cost of service delivery, improve safety, capacity and reduce unnecessary waiting.	**Achieved** – Delivered sustainable financial outcomes while maintaining service growth, achieving an operating surplus and exceeding activity targets for the year – Enhanced divisional and program-level financial reporting strengthened accountability, forecasting accuracy and evidence-based investment decisions for service agreements and FTE changes to maximise the value of available funding – Improved workforce efficiency and reduced reliance on high-cost staffing models, with external workforce expenditure reducing as a percentage of total staffing costs. Targeted recruitment, workforce planning and nurse recruitment initiatives supported service continuity while containing agency and locum costs and preserving frontline service capacity – Implemented innovative models of care to improve patient access and capacity, including expansion of the Emergency Department Triage, Nurse Practitioner and Fellow of the Australasian College for Emergency Medicine (FACEM) roles, contributing to improved patient flow, reduced waiting times and enhanced access to timely care. There was further investment in night shift rosters, Urgent Care nursing hours, learning and development, and specialist outpatient services. Activity optimisation initiatives also ensured delivery of additional funded services, including expanded surgical activity, a Winter Surge ward and commencement of services from the Phillip Island Community Hospital – Strengthened data-driven performance management and efficiency programs, using business intelligence, cost modelling and service-level reporting to identify improvement opportunities and business planning for Phillip Island and the Staff Accommodation Facility to support ongoing financial sustainability. This included targeted efficiency initiatives, procurement improvements and preparation for the Phillip Island Community Hospital to ensure services are delivered safely, effectively and at the lowest sustainable cost

A stronger workforce

We strive to foster an equitable, skilled and supported workforce that builds professional capabilities to meet current and future roles.

Strategic priorities set by Minister for Health	Bass Coast Health deliverables	Progress
Position Victoria as a leader in employee experience, capability, and capacity by focusing on future roles and professional development in line with the Victorian Health Workforce Strategy to ensure a regenerative and sustainable workforce	Implement processes to sustain workforce supply and fulfill obligations, including those under the Gender Equality Act 2020 by improving employee experience in leadership, health and safety, flexibility, career development, and agility to ensure safe, high-quality care.	**Achieved** – Recruitment Strategy has seen the vacancy rate continue to decline year-to-year – An innovative program to drive connection to community and support transition to practice in Australia for internationally recruited nurses, has resulted in no voluntary attrition over the past 12 months – The Respect @ Work program rollout commenced in June, with training provided to managers in June and July and training for staff commencing in mid-August – The Aboriginal Employment Plan has been developed, led by our Elder-in-Residence and in consultation with the First Peoples Advisory Committee. It is now moving into the implementation phase
	Collaborate with the department to improve workforce data analytics, generate actionable insights, and enhance strategic planning.	**Achieved** – Collaborated with Department and Bayside Health partners on the Ernst and Young digital health audit to benchmark digital/data capability **2026** – A short version People Matter survey between 1-9 September and full length People Matter survey in March 2026 provided insights to support progress reporting under the Gender Equity Act 2020

Improving Aboriginal health and wellbeing

Strengthen cultural safety in Victoria's health service system by fostering strong connections to Aboriginal culture, creating a holistic, accessible, and empowering health system.

Strategic priorities set by Minister for Health	Bass Coast Health deliverables	Progress
Enhance Delivery and Access to Culturally Safe Services, fostering strong connections to culture. Address racism and provide Aboriginal people with culturally safe healthcare and referral pathways between mainstream and community-controlled health services.	Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business.	**Achieved** – Review of face-to-face cultural training needs of teams across the organisation identified the next cohort of staff to be offered training – The first stage Reconciliation Action Plan 'Reflect' launched, impact report submitted and registration for second stage in progress – Ongoing work with Bunurong Land Council Aboriginal Corporation linguist to explore naming of Phillip Island Community Hospital

Improving Aboriginal health and wellbeing

Strengthen cultural safety in Victoria's health service system by fostering strong connections to Aboriginal culture, creating a holistic, accessible, and empowering health system.

Strategic priorities set by Minister for Health	Bass Coast Health deliverables	Progress
	Health service executives and senior leaders establish and maintain strong, ongoing partnerships with Aboriginal community-controlled organisations and/or recognised Aboriginal leaders within their local catchments. These partnerships must be based on regular, proactive engagement that prioritises the voices, self-determined priorities, and cultural knowledge of Aboriginal communities in the design, delivery, and evaluation of health and wellbeing services.	**Achieved and ongoing** – The Elder-in-Residence continues to guide cultural strategy with Aboriginal staff to provide cultural supervision and mentoring – The First Peoples Advisory Committee provides strategic and cultural guidance on engagement and processes for providing effective support to the Aboriginal community – The CEO attends the Partnership (Yanahat) meeting of the Gathering Place – Barrithbarrith **2026** – Participated in the Regional Care Group yarn and art work session to develop a site-based artwork that connects the Regional Care Group story.
	Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways.	**Achieved and ongoing** – Initiative started to better understand data for access to care for Aboriginal and Torres Strait Islander people. Tracking number of referrals, acknowledgement of a referral and referral outcomes is ongoing

Moving from Competition to Collaboration

We are committed to transforming Victoria's health system by partnering with care providers and health services to share knowledge, information, and resources.

Strategic priorities set by Minister for Health	Bass Coast Health deliverables	Progress
Collaborate within the Local Health Service Network to build a more integrated health system, with better access and experience for patients, strengthened workforce, consistently high quality care, and more sustainable healthcare delivery.	Meet all objectives agreed to in the Local Health Service Network *Statement of Expectations* across priority areas (access, equity and flow, workforce, safety and quality, and shared services).	**Achieved** – Active participation in Bayside Health Merger Realisation Program – Linked in with SCV projects: Sepsis and Mental Health – Bayside LHSN Improving Care for Older people at Risk of Delirium (ICORD) In-person Collaboration Day - August 2025. ICORD teams from Alfred, Bass Coast, Gippsland Southern and Kooweerup Regional health services came together for an in-person workshop hosted by Gippsland Southern Health Service – Victorian Children's Tool for Observation and Response (ViCTOR) Chart Community of Practice held in September 2025. Peninsula Health and Monash Health co-hosted a ViCTOR Chart Community of Practice featuring Dr Erin Mills (Monash Health/SCV Clinical Lead) and Peninsula Health's Safer Care for Kids (SC4K) Project team. ViCTOR stands for Victorian Children's Tool for Observation and Response **2026** – Implemented a Bayside Health Regional Care Group leadership team as part of the structural changes in the commencement of Bayside Health – Developed Community Advisory Panels for the main communities that make up the Regional Care Group, reporting into the Bayside Health CAC – Commenced leave cover of senior roles across the Regional Care Group – Commenced the next stage of formal structural changes to bring together the legacy Bass Coast Health, Gippsland Southern Health Service, and Kooweerup Regional Health Service teams from legacy-based into regional teams

Part B: Performance Priorities

High quality and safe care

Key Performance Measure	Target	Actual
Infection prevention and control		
Percentage of healthcare workers immunised for influenza	94%	98%
Continuing care		
Average change in the functional independence measure (FIM) score per day of care for rehabilitation separations	≥ 0.645	1.033
Adverse events		
Percentage of reported sentinel events for which a root cause analysis (RCA) report was submitted within 30 business days from notification of the event	All RCA reports submitted within 30 business days	N/A – no reported Sentinel Event requiring a RCA analysis report
Aged care		
Public sector residential aged care services overall star rating	Minimum rating of 3 stars	MET
Patient experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	95.8%
Aboriginal Health		
Difference between the percentage of Aboriginal patients and non-Aboriginal patients who left against medical advice	0%	0%
Difference between the percentage of Aboriginal patients and non-Aboriginal patients presenting to ED who did not wait to be treated	0%	4%

Strong governance, leadership and culture

Key Performance Measure	Target	Actual
Organisational culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	80%	N/A[5]

5. *Service transitioned to Bayside Health prior to 2025-26 survey. Separate result for Bass Coast Health not available

Timely access to care

Key Performance Measure	Target	Actual
Planned Surgery		
Percentage of urgency category 1 planned surgery patients admitted within 30 days.	100%	100%
Percentage of all planned surgery patients admitted within the clinically recommended time	94%	98.7%
Number of patients admitted from the planned surgery waiting list	1,883	2,212
Percentage of patients on the waiting list who have waited longer than the clinically recommended time for their respective triage category	4.8%	1.3%
Optimisation of surgical inpatient length of stay (LOS), including through the use of virtual and home-based pre- and post-operative models of care	1.25	1.27
Emergency Care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes[6]	65%	82%
Number of emergency patients with a length of stay (LOS) in the ED greater than 24 hours	Zero	2
Average ED length of stay (LOS) for admitted patients, in minutes	513	490
Average ED length of stay (LOS) for non-admitted patients, in minutes	240	194
Specialist Clinics		
Percentage of patients referred by a GP or external specialist who attended a first appointment within the recommended timeframe[7]	95%	94.8%
Home Based Care		
Percentage of admitted bed days delivered at home		15.1%

6. Differential targets have been set for health services to encourage and recognise incremental improvement towards the overall statewide target. The overall statewide target remains 80% or a 3% improvement from the same time last year with progress expected towards 90%.
7. 30 days for urgent patients, 365 days for routine patients

Part C: Activity And Funding

Bass Coast Health funding summary for 1 July 2025 – 30 June 2026

Funding Type	2025-26 activity achievement
Consolidated Activity Funding	
Acute Admitted, subacute admitted, ED, non-admitted NWAU	19,871
Acute Admitted	
Acute Admitted DVA	33
Acute Non-Admitted	
Home Enteral Nutrition	4
Subacute/Non-Acute, Admitted & Non-admitted	
Subacute DVA	26
Aged Care	
Residential Aged Care (bed days)	17,966
HACC	8,219
Primary Health	
Community Health /Primary Care Programs	13,467

Gippsland Southern Health Service

Part A: Department of Health Strategic Plan

Innovate and improve access and care

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

Strategic priorities set by Minister for Health	Gippsland Southern Health Service key deliverables	Progress
Align with the Victorian Clinical Governance Framework to strengthen clinical governance systems, ensuring safe, high-quality care.	– Demonstrate high-quality care in which consumer engagement and input is actively sought, facilitated and used to drive system change to improve consumer experience and outcomes	**Completed** – Implemented Preventing Venous Thromboembolism and Supporting Anticoagulation Management Safer Care Victoria (SCV) collaborative project – Implementation of the Improving Care for Older People at Risk of Delirium (ICORD) project (SCV). Ensure consumers are included in the implementation of the program and are well consulted – Implemented the Australian Commission on Safety and Quality in Healthcare falls prevention guidelines – Implementation phase of the 10 Safewards initiative, an evidence-based framework endorsed by Safer Care Victoria (SCV) to improve consumer and staff safety **2026** – Strengthened Clinical Governance through review of their legacy clinical governance and establishment of Regional Care Group (RCG) Governance consolidation. Each site has participated in various Safer Care Victoria Safer Together Program initiatives with all sites participating in the Improving Care of Older People at Risk of Delirium program



Leongatha Memorial Hospital services South Gippsland communities, including Leongatha, Korumburra, Foster, Inverloch, and surrounding rural areas. It offers quality healthcare, including urgent care, surgical procedures, maternity services, oncology, cardiology and physiotherapy.

Innovate and improve access and care

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

Strategic priorities set by Minister for Health	Gippsland Southern Health Service key deliverables	Progress
	Ensure that health service reporting, reviews and decision-making are underpinned by a safety culture and systems that are transparent, accurate and fair for staff and consumers.	**Completed** – Strengthened Serious Incident Response Committee and investigative process to build staff capability through targeted training
	Health services are able to show evidence of a comprehensive training program approach that includes performance management, accountability, and continuous improvement.	**Completed** – 100% of managers completed the Identifying Poor Performance, Misconduct and Absenteeism Kineo training – Improved manager financial accountability by delivering education, reducing timeframes for data turnaround, implementing and training about variance reports, and improved financial data access – Quality Improvement Training provided for Plan-Do-Study-Act (PDSA) and Process, Improvement, Consumer participation, Monitoring, Reporting and Systems (PICMoRS) for managers and staff to educate about continuous improvement methods
Maintain a commitment to delivering equitable and timely access to planned care and drive reform in alignment with the Planned Surgery Reform Blueprint.	Implement and scale theatre optimisation initiatives in planned surgery, for example same-day surgery and same-day surgery by default models of care, criteria-led discharge, monitoring of theatre measures, and high-throughput approaches such as high-intensity theatre lists	**Completed** – Surgery optimisation initiatives focussed on patient demand review, additional operating days, optimised theatre capacity and strengthened monthly National Weighted Activity Unit (NWAU) tracking
	Proactively manage planned surgery and specialist clinics (or outpatients) waitlists, for example validating and supporting patients into optimal care pathways such as evidence-based alternatives to surgery and optimisation pathways. A particular focus should be applied to long-waiting patients and priority population groups (for example, Aboriginal and Torres Strait Islander patients and under-18 patients).	**Completed** Commenced public pre-anaesthetic clinics to manage pre-anaesthetic risk, prevent cancellations, and provide timeliness of information and equitable care

Prudent, sustainable and effective use of resources

We are innovative and resourceful in balancing improved patient care, operational performance, and system management to ensure a financially secure health system. We invest in a skilled and future-ready workforce, maintaining a modern, safe, and resilient healthcare system for all Victorians.

Strategic priorities set by Minister for Health	Gippsland Southern Health Service key deliverables	Progress
Develop and implement initiatives to strengthen financial sustainability. By delivering sustainable, responsible budgets, we can ensure a well-managed, viable, and sustainable health system for the future.	Deliver the key initiatives outlined in the Budget Action Plan within Government parameters.	**Completed** – Significantly reduced agency spend achieved through roster optimisation and Nursing Pool utilisation agreements with Bayside partners
	Utilise data analytics and performance metrics to identify areas of inefficiency and waste and make evidence-based decisions to improve financial sustainability and operational performance.	**Completed** – Occupancy increased as a result of utilising internal Daily Operating System (DOS) and Bayside DOS to create efficiencies by discharging and using community-based health services – Run monthly performance huddles using the dashboard to identify waste, bottlenecks and cost-to-serve outliers – Urgent care centre workflow redesign for fast-track pathway for patients with low categories at Leongatha Subacute review of capacity across Bayside Regional Care group enabled utilisation of unused inpatient capacity at Korumburra and Kooweerup Hospital for commencement of the GEM program at Korumburra, increase stroke rehab beds at Wonthaggi and maintenance care at Kooweerup enabling increased repatriation from metropolitan services, supporting care closer to home
	Use funding efficiently and effectively to optimise patient facing services. Undertake programs to reduce the cost of service delivery, improve safety, capacity and reduce unnecessary waiting.	**Completed** – Utilised Thin Markets Grants to implement initiatives that strengthen service sustainability and improve access to care for our community – Safer Care Victoria (SCV) rostering tool used to create efficiencies with staffing. Create electronic rosters to be able to easily share information between units – Revised National Weighted Activity Unit (NWAU) activity to target monthly and implement strategies to ensure at 100% of target

A stronger workforce

We strive to foster an equitable, skilled and supported workforce that builds professional capabilities to meet current and future roles.

Strategic priorities set by Minister for Health	Gippsland Southern Health Service key deliverables	Progress
Position Victoria as a leader in employee experience, capability, and capacity by focusing on future roles and professional development in line with the Victorian Health Workforce Strategy to ensure a regenerative and sustainable workforce	Implement processes to sustain workforce supply and fulfill obligations, including those under the Gender Equality Act 2020 by improving employee experience in leadership, health and safety, flexibility, career development, and agility to ensure safe, high-quality care.	**Completed** – Increased supply of priority roles by attracting and retaining healthcare workers in professions with known workforce supply challenges, including medical workforce, allied health and midwifery – Improved career pathways to support more opportunities for new entrants, re-entrants, and role transitions by identifying and participating in placement programs (e.g. nursing and allied health), investigate opportunities for re-entry into critical roles (e.g. small FTE advertisements with family friendly hours), and invest in entry-level roles and pathways – Implemented revised accommodation strategy to strengthen attraction/retention in rural workforce – Ensured timely and accurate completion of the Gender Equality Action Plan (GEAP) Audit and Review and carry forward relevant GEAP actions into financial year 2026-27, embedding flexibility and career development pathways
	Collaborate with the department to improve workforce data analytics, generate actionable insights, and enhance strategic planning.	**Completed** – Participated in build of the Bayside Health Human Resources Information System to improve workforce data analytics, generate actionable insights and enhance strategic planning – Collaborated with Department and Bayside Health partners on the Ernst and Young digital health audit to benchmark digital/data capability – Annual review of mandatory training schedule completed – Ran leadership development and succession planning programs **2026** – A short version People Matter survey between 1-9 September and full-length People Matter survey in March 2026 provided insights to support progress reporting under the Gender Equity Act 2020

Improving Aboriginal health and wellbeing

Strengthen cultural safety in Victoria's health service system by fostering strong connections to Aboriginal culture, creating a holistic, accessible, and empowering health system.

Strategic priorities set by Minister for Health	Gippsland Southern Health Service key deliverables	Progress
Enhance Delivery and Access to Culturally Safe Services, fostering strong connections to culture. Address racism and provide Aboriginal people with culturally safe healthcare and referral pathways between mainstream and community-controlled health services.	Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business.	**Completed** – Engaged independent Aboriginal health experts and/or community-controlled organisations to design and deliver annual training – Tracked 100% compliance for all executives and staff with cultural safety training (via Kineo) – Incorporated cultural safety into leadership induction and mandatory refresh cycles
	Health service executives and senior leaders establish and maintain strong, ongoing partnerships with Aboriginal community-controlled organisations and/or recognised Aboriginal leaders within their local catchments. These partnerships must be based on regular, proactive engagement that prioritises the voices, self-determined priorities, and cultural knowledge of Aboriginal communities in the design, delivery, and evaluation of health and wellbeing services.	**Completed** – Added Aboriginal Liaison Officers (ALOs) into key governance and clinical committees (CAC, Quality, Clinical Governance) in partnership with Wonthaggi Hospital and Alfred Care Group – Formalised relationships with local Aboriginal organisations (e.g. partnerships with VACCHO, Bunurong Land Council) – Explored biannual partnership forums with Aboriginal leaders to co-design priorities and evaluate progress **2026** – Participated in the Regional Care Group yarn and artwork session to develop a site-based artwork that connects the regional care group story
	Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways.	**Completed** – Updated Gateway system to prompt identification of Aboriginal and Torres Strait Islander patients at entry – Implemented culturally safe discharge planning protocols, ensuring navigated referrals to Aboriginal community-controlled health services

Moving from Competition to Collaboration

We are committed to transforming Victoria's health system by partnering with care providers and health services to share knowledge, information, and resources.

Strategic priorities set by Minister for Health	Gippsland Southern Health Service key deliverables	Progress
Collaborate within the Local Health Service Network to build a more integrated health system, with better access and experience for patients, strengthened workforce, consistently high-quality care, and more sustainable healthcare delivery.	Meet all objectives agreed to in the Local Health Service Network *Statement of Expectations* across priority areas (access, equity and flow, workforce, safety and quality, and shared services).	**Completed** – Active participation in Bayside Health Merger Realisation Program – Commenced early work on a Maternity Services Plan in partnership with Wonthaggi Hospital and Peninsula Care Group to expand local capabilities – Supported the transition of services from Latrobe Regional Health to Bayside Health, ensuring continuity and equity for patients – Bayside LHSN ICORD In-person Collaboration Day - August 2025. ICORD teams from Alfred, Bass Coast, Gippsland Southern and Kooweerup Regional health services came together for an in-person workshop hosted by Gippsland Southern Health Service – Developed strategies to optimise subacute demand (e.g., Korumburra utilisation as services evolve) – Provided workforce data and input into Bayside Health workforce planning, ensuring accurate profiles for South Gippsland – Leveraged the Merger desktop portal as the primary platform for transparent staff communication and resource sharing – Contributed to Shared Services planning, including Information and Communications Technology (ICT) transition with Gippsland Health Alliance (GHA) and reviews of back-of-house functions **2026** – Implemented a BH Regional care group leadership team as part of the structural changes in the commencement of Bayside Health – Developed Community Advisory Panels for the main communities that make up the Regional Care Group reporting into the Bayside Health CAC – Partnered with the Alfred Care Group and Wonthaggi Hospital in implementing a contemporary and enhanced pharmacy and medication safety program – Commenced leave cover of senior roles across the Regional Care Group – Commenced the next stage of formal structural changes to bring together the legacy BCH, GSHS and KRHS teams from legacy-based into regional teams

Part B: Performance Priorities

High quality and safe care

Key Performance Measure	Target	Actual
Infection prevention and control		
Percentage of healthcare workers immunised for influenza	94%	100%
Adverse events		
Percentage of reported sentinel events for which a root cause analysis (RCA) report was submitted within 30 business days from notification of the event	All RCA reports submitted within 30 business days	N/A
Aged care		
Public sector residential aged care services overall star rating	Minimum rating of 3 stars	100%
Patient experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	99.1%
Aboriginal Health		
Difference between the percentage of Aboriginal patients and non-Aboriginal patients who left against medical advice	0%	0%

Strong governance, leadership and culture

Key Performance Measure	Target	Actual
Organisational culture		
– Percentage of staff with an overall positive response to safety culture survey questions	80%	N/A[8]

Timely access to care

Key Performance Measure	Target	Actual
Specialist Clinics		
Percentage of patients referred by a GP or external specialist who attended a first appointment within the recommended timeframe	95%	99.2%

8. *Service transitioned to Bayside Health prior to 2025-26 survey. Separate result for Gippsland Southern Health Service not available

Part C: Activity and Funding

Funding Type	2025-26 activity achievement
Consolidated Activity Funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	4,105
Acute Admitted	
Acute admitted DVA	19
Subacute/Non-Acute, Admitted & Non-admitted	
Subacute - DVA	11
Aged Care	
Residential aged care	28,463
HACC	8,311
Mental Health and Drug Services	
Drug Services	600
Primary Health	
Community health / primary care programs	3,454

Kooweerup Regional Health Service

Part A: Department of Health Strategic Plan

Innovate and improve access and care

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

Strategic priorities set by Minister for Health	Kooweerup Regional Health Service key deliverables	Progress
Align with the Victorian Clinical Governance Framework to strengthen clinical governance systems, ensuring safe, high-quality care.	Demonstrate high-quality care in which consumer engagement and input is actively sought, facilitated and used to drive system change to improve consumer experience and outcomes	**Completed** – Strengthened care for older people by partnering with Peninsula Care Group to develop a robust medical model, enabling local people to obtain care close to home – Held a community forum to enable discussion and awareness of merger into Bayside Health – Involving consumers in the development of the Community Advisory Committee and Community Advisory Panel – Conducted community clients yearly survey to obtain feedback about services. A positive experience and a high degree of satisfaction with services was reported
	Ensure that health service reporting, reviews and decision-making are underpinned by a safety culture and systems that are transparent, accurate and fair for staff and consumers.	**Completed** – Deployed a SNAP accreditation recommendation action plan for key areas. This included implementing the Operations Quality Report (OQR) clinical governance framework – Reviewed governance and reporting process for the annual education program that aligns with Quality and Safety – Reviewed contract management system and implemented new approach – Reviewed heath information to achieve consistency and alignment with standards
	Health services are able to show evidence of a comprehensive training program approach that includes performance management, accountability, and continuous improvement.	**Completed** – Implemented revised Emergency Management Training – Participated in the Bayside Health Nursing Education Collaboration Delivered manager training to improve uptake of performance development reviews

Prudent, sustainable and effective use of resources

We are innovative and resourceful in balancing improved patient care, operational performance, and system management to ensure a financially secure health system. We invest in a skilled and future-ready workforce, maintaining a modern, safe, and resilient healthcare system for all Victorians.

Strategic priorities set by Minister for Health	Kooweerup Regional Health Service key deliverables	Progress
Develop and implement initiatives to strengthen financial sustainability. By delivering sustainable, responsible budgets, we can ensure a well-managed, viable, and sustainable health system for the future.	Deliver the key initiatives outlined in the Budget Action Plan within Government parameters.	**Completed** Implemented a Budget Action Plan and key initiatives that were successfully deployed across the health service in line with government parameters
	Utilise data analytics and performance metrics to identify areas of inefficiency and waste and make evidence-based decisions to improve financial sustainability and operational performance.	**Completed** – Implemented a revised medical model in partnership with Peninsula Health to increase acute bed occupancy from 37% to 67%. This improvement ensured more effective utilisation of existing clinical capacity, improved access to local care and strengthened service sustainability
	Use funding efficiently and effectively to optimise patient facing services. Undertake programs to reduce the cost of service delivery, improve safety, capacity and reduce unnecessary waiting.	**Completed** Daily Operating System to enhance discharge and use of community-based services



Physiotherapist Sandra Wan is part of the compassionate team at Kooweerup Hospital.

A stronger workforce

We strive to foster an equitable, skilled and supported workforce that builds professional capabilities to meet current and future roles.

Strategic priorities set by Minister for Health	Kooweerup Regional Health Service key deliverables	Progress
Position Victoria as a leader in employee experience, capability, and capacity by focusing on future roles and professional development in line with the Victorian Health Workforce Strategy to ensure a regenerative and sustainable workforce	Implement processes to sustain workforce supply and fulfill obligations, including those under the Gender Equality Act 2020 by improving employee experience in leadership, health and safety, flexibility, career development, and agility to ensure safe, high-quality care.	**Completed** – Continued to work with individual staff regarding options such as flexible work arrangements and transition to retirement as per relevant Agreements. Enhanced processes to ensure such arrangements are well documented – Continued to support options such as work from home with positive outcomes in terms of staff satisfaction and productivity – Retained a strong focus on People Matter survey results, with analysis of results led by the Health and Wellbeing Committee – Increased People Matter survey participation rate to approximately 55% – Delivered leadership training with leaders and emerging leaders
	Collaborate with the department to improve workforce data analytics, generate actionable insights, and enhance strategic planning.	**Completed and ongoing** – Completed Occupational Health and Safety (OHS) Policy Framework and developed an Occupational Violence and Aggression (OVA) Action Plan – Reviewed and enhanced Workcover processes, focusing on record-keeping to ensure compliance – Appointed a new OHS Coordinator – Progressed psychological safety initiatives with the Regional Care Group Human Resources team, including departmental self-assessments (60% completed) and Occupational Violence and Aggression (OVA) action planning to support a safe, respectful and inclusive workplace **2026** A short version People Matter survey between 1–9 September and full length People Matter survey in March 2026 provided insights to support progress reporting under the Gender Equity Act 2020

Improving Aboriginal health and wellbeing

Strengthen cultural safety in Victoria's health service system by fostering strong connections to Aboriginal culture, creating a holistic, accessible, and empowering health system.

Strategic priorities set by Minister for Health	Kooweerup Regional Health Service key deliverables	Progress
Enhance Delivery and Access to Culturally Safe Services, fostering strong connections to culture. Address racism and provide Aboriginal people with culturally safe healthcare and referral pathways between mainstream and community-controlled health services.	Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business.	**Completed** – Developed a Cultural Safety Action Plan and completed 85% of the actions – Online training about 'Asking the question?' completed by 89% of Administration and Intake staff – Online Cultural Sensitivity Training completed by 88% of staff – Aboriginal Liaison Officer delivered information at new staff orientation about Aboriginal and Torres Strait Islander demographics and cultural awareness – Implemented a new policy called Aboriginal and Torres Strait Islander Cultural Responsiveness to educate staff about cultural safety awareness – Engagement with Nomuckerlener First Nations Training, Consulting and mentoring to establish regular Welcome to Country and training programs
	Health service executives and senior leaders establish and maintain strong, ongoing partnerships with Aboriginal community-controlled organisations and/or recognised Aboriginal leaders within their local catchments. These partnerships must be based on regular, proactive engagement that prioritises the voices, self-determined priorities, and cultural knowledge of Aboriginal communities in the design, delivery, and evaluation of health and wellbeing services.	**Completed and ongoing** – Established the first gathering place in Cardinia Shire in partnership with Kinway, an Aboriginal owned-organisation, and Cardinia Shire Council. – Engagement with Bayside Health Aboriginal health team – Collaboration and planning for NAIDOC Week activities with local community Aboriginal leaders and ACCO

Improving Aboriginal health and wellbeing

Strengthen cultural safety in Victoria's health service system by fostering strong connections to Aboriginal culture, creating a holistic, accessible, and empowering health system.

Strategic priorities set by Minister for Health	Kooweerup Regional Health Service key deliverables	Progress
	Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways.	**Completed and ongoing** – Put in place culturally appropriate identification systems for pathways for referral to the Aboriginal Liaison Officer – Included Aboriginal and Torres Strait Islander information and cultural safety training in orientation for new staff. This is provided by the Aboriginal Liaison Officer – Reviewed and evaluated discharge plan forms to ensure appropriate referral pathways for consumers identifying as Aboriginal and Torres Strait Islander Provided new managers with information about the Aboriginal and Torres Strait Islander resource folders during their orientation. This supports discharge planning and referral pathways for consumers identifying as Aboriginal and Torres Strait Islander

Moving from Competition to Collaboration

We are committed to transforming Victoria's health system by partnering with care providers and health services to share knowledge, information, and resources.

Strategic priorities set by Minister for Health	Kooweerup Regional Health Service key deliverables	Progress
Collaborate within the Local Health Service Network to build a more integrated health system, with better access and experience for patients, strengthened workforce, consistently high-quality care, and more sustainable healthcare delivery.	Meet all objectives agreed to in the Local Health Service Network *Statement of Expectations* across priority areas (access, equity and flow, workforce, safety and quality, and shared services).	**Completed** – Actively participated in the Bayside Health Merger Realisation Program – Delivered optimisation of acute beds through collaboration and strengthening the medical model with Peninsula Health – Engaged with Monash Health to progress Family Violence initiatives with a focus on information sharing – Continued engagement/progress with Cardinia Shire Council's liveability plan – Established a Community Advisory Panel to ensure awareness of structures and avenues for feedback and governance – Established an Aged Care Project Control Group reporting to the Clinical Integration Committee to meet statutory requirements, compliance and good governance

Part B: Performance Priorities

High quality and safe care

Key Performance Measure	Target	Actual
Infection prevention and control		
Percentage of healthcare workers immunised for influenza	94%	99%
Adverse events		
Percentage of reported sentinel events for which a root cause analysis (RCA) report was submitted within 30 business days from notification of the event	All RCA reports submitted within 30 business days	Nil
Aged care		
Public sector residential aged care services overall star rating	Minimum rating of 3 stars	4 star
Patient experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	N/A[9]
Aboriginal Health		
Difference between the percentage of Aboriginal patients and non-Aboriginal patients who left against medical advice	0%	N/A[10]

Strong governance, leadership and culture

Key Performance Measure	Target	Actual
Organisational culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	80%	N/A[11]

Part C: Activity and Funding

Kooweerup Regional Health Service funding summary for 1 July 2025 – 30 June 2026

Funding Type	2025-26 activity achievement
Aged Care	
Residential aged care	20,286
HACC	1,210

9. Less than 10 responses were received for the period due to the relative size of the Health Service.
10. No Aboriginal and/or Torres Strait Islander patients during the reported period, or the denominator is less than 10.
11. Service transitioned to Bayside Health prior to 2025-26 survey. Separate result for Kooweerup Regional Health Service not available

Peninsula Health

Part A: Department of Health Strategic Plan

Innovate and improve access and care

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

Strategic priorities set by Minister for Health	Peninsula Health key deliverables	Progress
Align with the Victorian Clinical Governance Framework to strengthen clinical governance systems, ensuring safe, high-quality care.	– Demonstrate high quality care in which consumer engagement and input is actively sought, facilitated and used to drive system change to improve consumer experience and outcomes – Ensure that health service reporting, reviews and decision-making are underpinned by a safety culture and systems that are transparent, accurate and fair for staff and consumers. – Health services are able to show evidence of a comprehensive training program approach that includes performance management, accountability, and continuous improvement.	**Completed** Serious Adverse Patient Safety Event (SAPSE) process embedded SNAP accreditation completed Mandatory Training – Maturity self-assessments against the Victorian Clinical Governance Framework complete – Interim approach to clinical governance for the newly merged Bayside Health established
Improve access to timely emergency care by implementing system-wide patient flow strategies that reduce emergency department wait times and improve ambulance-to-hospital transfer times.	– Implement all relevant standards outlined in the Standards for Safe and Timely Ambulance and Emergency Care (STAEC) for Victorians and the accompanying Implementation Guide.	**Ongoing** – Ambulance Victoria standards implementation plan developed, and implementation has commenced and remains ongoing – Peninsula Care Group continues to achieve target for Ambulance offload. Peninsula University Hospital achieved 93% for the month of June and 94% end of year result. Rosebud achieved 98% for the month of June and 96% end of year result.

Innovate and improve access and care

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

Strategic priorities set by Minister for Health	Peninsula Health key deliverables	Progress
Maintain a commitment to delivering equitable and timely access to planned care and drive reform in alignment with the Planned Surgery Reform Blueprint	– Implement and scale theatre optimisation initiatives in planned surgery, for example same-day surgery and same-day surgery by default models of care, criteria-led discharge, monitoring of theatre measures, and high-throughput approaches such as high-intensity theatre lists. – Proactively manage planned surgery and specialist clinics (or outpatients) waitlists, for example validating and supporting patients into optimal care pathways such as evidence-based alternatives to surgery and optimisation pathways. A particular focus should be applied to long-waiting patients and priority population groups (for example, Aboriginal and Torres Strait Islander patients and under-18 patients).	**Ongoing** Bayside Health Peninsula continues to implement service transformation to support improvements in access to planned surgery in line with the Planned Surgery Reform Blueprint. Highlights include – Review of current and forecast surgery demand and future options completed – Quality improvement activities for surgical site infections, frailty care, total knee replacement readmissions and UTI – All priority population groups remain a focus for access to care. – Continued focus on providing access to children on the ENT waiting list by providing extra ENT sessions and maximising the number of paediatric patients on all day lists.

Innovate and improve access and care

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

Strategic priorities set by Minister for Health	Peninsula Health key deliverables	Progress
Support the implementation of the "Next Phase of Reform" to deliver inclusive, personalised, compassionate, integrated mental health and wellbeing care in the community.	– Progress mental health reform: Implement mental health services per department guidelines and engage in reform related initiatives to improve access to community mental health services, crisis reforms, headspace integration, youth and adolescent inpatient care, catchment removal as well as infant, child and youth age streaming. – Partner with Safer Care Victoria in one or more mental health improvement programs: elimination of restrictive intervention, improving sexual safety, implementation of the zero suicide framework and reducing compulsory treatment. – Progress partnerships, whether through a formal partnership, MoU or exchange of letters, with local community based mental health services (including Mental Health and Wellbeing Locals, Headspace and other local NGO providers) and deliver initiatives that align with the objectives of the Mental Health and Wellbeing Act 2022, and in accordance with the priorities outlined in Victoria's next phase of reform for Mental Health and Wellbeing.	**Completed** **Eliminating restrictive interventions** – Mental Health and Wellbeing Service (MHWS) won the *Excellence in Mental Health and Wellbeing* Victorian Public Healthcare Award for the elimination of seclusion for more than four years. – No seclusion rooms built in the new Peninsula University Hospital – Maintained zero seclusion and zero mechanical restraint – Research grant through WorkSafe awarded to support Alfred Care Group and St Vincent's Hospital (Melbourne) in the elimination of seclusion **Reducing Compulsory Treatment** – Educational and training partnership with Independent Mental Health Advocacy (IMHA) for inpatients and staff **Improving Sexual Safety** – Sexual safety plans implemented in inpatient settings. – New sexual safety risk assessment tool implemented – Improving Sexual Safety Initiative in all mental health residential facilities – PCG Sexual Safety resources being utilised by mental health services in Victoria **Towards Zero Suicide** – Piloting a safety planning tool - the HOPE (Hospital Post Suicidal Engagement) service – Full-day suicide risk training (Engaging, Understanding and Responding) delivered bi-monthly **Implementation of the Safer Care Victoria Ligature Point Audit Tool** – Implemented the Safer Care Victoria (SCV) Ligature Point Audit Tool (LPAT) which represents a major initiative to strengthen safety across Victoria's public mental health and wellbeing services. **Equally Well** – Implementation of the Equally Well Framework – Expanded physical health promotion initiatives for consumers – Established strategic partnerships to improve access to preventative healthcare **Infant, child and youth** – Completion of the $6 million infrastructure grant to expand the 17 Yuille Street site into a dedicated Infant Child and Youth (ICY) precinct

Innovate and improve access and care

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

Strategic priorities set by Minister for Health	Peninsula Health key deliverables	Progress
		Crisis service redesign – 140 employees have participated in family-sensitive practice and family therapy training. communities of practice established – Crisis Assessment and Treatment Team (CATT) workforce has grown to deliver an after hours, whole of lifespan crisis response **Partnerships** – Frankston Mental Health and Wellbeing Local continues in partnership with Wellways and Mentis Assist – Partnership with Wellways to support integrated wellbeing support service delivery in community mental health teams has continued – Early Intervention Psychosocial Response (EIPSR) program provided in partnership with Mentis Assist since 2019 – Youth PARC and Adult PARC delivered in partnership with Mind

Prudent, sustainable and effective use of resources

We are innovative and resourceful in balancing improved patient care, operational performance, and system management to ensure a financially secure health system. We invest in a skilled and future-ready workforce, maintaining a modern, safe, and resilient healthcare system for all Victorians.

Strategic priorities set by Minister for Health	Peninsula Health key deliverables	Progress
Develop and implement initiatives to strengthen financial sustainability. By delivering sustainable, responsible budgets, we can ensure a well-managed, viable, and sustainable health system for the future.	– Deliver the key initiatives outlined in the Budget Action Plan within Government parameters. – Utilise data analytics and performance metrics to identify areas of inefficiency and waste and make evidence-based decisions to improve financial sustainability and operational performance. – Use funding efficiently and effectively to optimise patient facing services. Undertake programs to reduce the cost of service delivery, improve safety, capacity and reduce unnecessary waiting.	**Completed** Implemented the Budget Action Plan and achieve the results targets Financial Management Improvement Plans implemented and substantially met Delivered a breakeven SOP operating result

A stronger workforce

We strive to foster an equitable, skilled and supported workforce that builds professional capabilities to meet current and future roles.

Strategic priorities set by Minister for Health	Peninsula Health key deliverables	Progress
Position Victoria as a leader in employee experience, capability, and capacity by focusing on future roles and professional development in line with the Victorian Health Workforce Strategy to ensure a regenerative and sustainable workforce	– Implement processes to sustain workforce supply and fulfill obligations, including those under the Gender Equality Act 2020 by improving employee experience in leadership, health and safety, flexibility, career development, and agility to ensure safe, high-quality care. – Collaborate with the department to improve workforce data analytics, generate actionable insights, and enhance strategic planning.	**Completed** Employee experience strong, with clear platform for improvement – indicated in 2026 People Matter results. Structured action planning approach established to target priority areas. Targeted initiatives are delivering measurable improvements in key drivers of engagement Core workforce capability and supply enablers embedded and strengthening sustainability. Key workforce levers embedded, including leadership capability programs, inclusive recruitment practices and performance and development frameworks Strong female representation and improved gender balance in governance reflect continued progress under the *Gender Equality Act 2020* Enhancements to workforce analytics are underway, including improved visibility of workforce movements, promotions and equity gaps Delivery of targeted safety and wellbeing programs has strengthened leader capability to manage risk, respond to incidents and support employee wellbeing



Baby Raiden, pictured with mother Jennifer and father Jackson, was one of the Special Care Nursery babies who were part of Peninsula University Hospital's moving day when the new hospital tower opened.

Improving Aboriginal health and wellbeing

Strengthen cultural safety in Victoria's health service system by fostering strong connections to Aboriginal culture, creating a holistic, accessible, and empowering health system.

Strategic priorities set by Minister for Health	Peninsula Health key deliverables	Progress
Enhance Delivery and Access to Culturally Safe Services, fostering strong connections to culture. Address racism and provide Aboriginal people with culturally safe healthcare and referral pathways between mainstream and community-controlled health services.	– Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business. – Health service executives and senior leaders establish and maintain strong, ongoing partnerships with Aboriginal community-controlled organisations and/or recognised Aboriginal leaders within their local catchments. These partnerships must be based on regular, proactive engagement that prioritises the voices, self-determined priorities, and cultural knowledge of Aboriginal communities in the design, delivery, and evaluation of health and wellbeing services. – Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways.	**Completed** – Creation of a Bayside Health First Peoples Board committee – Place-based diabetes programs at First Peoples' Health and Wellbeing in Frankston – Aboriginal Employment Strategy launched – Launch of Aboriginal Champions program – Launch of Elders Group exercise program in collaboration with Nairm Marr Djambana – Launch of ED – Cultural Awareness training session – Cultural immersion trainings for medical staff at Willum Warrain. – Aboriginal Hospital Liaison Officer (AHLO) role expanded to enable referrals for support across community and ambulatory care settings

Moving from Completion to Collaboration

We are committed to transforming Victoria's health system by partnering with care providers and health services to share knowledge, information, and resources.

Strategic priorities set by Minister for Health	Peninsula Health key deliverables	Progress
Collaborate within the Local Health Service Network to build a more integrated health system, with better access and experience for patients, strengthened workforce, consistently high-quality care, and more sustainable healthcare delivery.	Meet all objectives agreed to in the Local Health Service Network Statement of Expectations across priority areas (access, equity and flow, workforce, safety and quality, and shared services).	**Completed** Successful merger to form Bayside Health occurred on 1 January 2026 Bayside Health and Calvary Healthcare Bethlehem are working together to progress the requirements in the Statement of Expectations. Objectives in the Statement of Expectations are on track in line with timeframes agreed with the Department of Health

Part B: Performance Priorities

High quality and safe care

Key Performance Measure	Target	Actual
Infection prevention and control		
Percentage of healthcare workers immunised for influenza	94%	91%
Continuing care		
Average change in the functional independence measure (FIM) score per day of care for rehabilitation separations	≥ 0.645	0.805
Adverse events		
Percentage of reported sentinel events for which a root cause analysis (RCA) report was submitted within 30 business days from notification of the event	All RCA reports submitted within 30 business days	100%
Aged care		
Public sector residential aged care services overall star rating	Minimum rating of 3 stars	5 Star
Patient experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	91%
Aboriginal Health		
Difference between the percentage of Aboriginal patients and non-Aboriginal patients who left against medical advice	0%	1%
Difference between the percentage of Aboriginal patients and non-Aboriginal patients presenting to ED who did not wait to be treated	0%	Frankston 1% Rosebud 0%
Mental Health Patient Experience		
Percentage of consumers who rated their overall experience with a service in the last three months as positive	80%	74.2%
Percentage of families/carers reporting a 'very good' or 'excellent' overall experience of the service	80%	44.7%
Percentage of families/carers who report they 'always' or 'usually' felt their opinions as a carer were respected	90%	72.3%
Percentage of mental health consumers reporting they 'usually' or 'always' felt safe using this service	90%	82.8%
Mental Health follow-ups, readmissions, and seclusions		
Percentage of consumers followed up within 7 days of separation – inpatient	88%	96%
Percentage of consumers re-admitted within 28 days of separation - inpatient	< 14%	13%
Rate of seclusion episodes per 1,000 occupied bed days - inpatient	≤ 6	0

Strong governance, leadership, and culture

Key Performance Measure	Target	Actual
Organisational culture		
– Percentage of staff with an overall positive response to safety culture survey questions	80%	N/A[12]

Timely access to care

Key Performance Measure	Target	Actual
Planned Surgery		
Percentage of urgency category 1 planned surgery patients admitted within 30 days.	100%	100%
Percentage of all planned surgery patients admitted within the clinically recommended time	94%	87.6%
Number of patients admitted from the planned surgery waiting list	10,002	9,448
Percentage of patients on the waiting list who have waited longer than the clinically recommended time for their respective triage category	9.7%	13.9%
Optimisation of surgical inpatient length of stay (LOS), including through the use of virtual and home-based pre- and post-operative models of care	1.55	1.56
Emergency Care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	80%	Frankston: 94% Rosebud: 96%
Number of emergency patients with a length of stay (LOS) in the ED greater than 24 hours	Zero	Frankston: 1 Rosebud: 0
Average ED length of stay (LOS) for admitted patients, in minutes	Frankston: 580 Rosebud: 494	Frankston: 730 Rosebud: 530
Average ED length of stay (LOS) for non-admitted patients, in minutes	Frankston: 250 Rosebud: 240	Frankston: 275 Rosebud: 219
Mental Health		
Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours	65%	Frankston: 42% Rosebud: 48%
Percentage of departures from emergency departments to a mental health bed within 8 hours	80%	Frankston: 72% Rosebud: 40%
Number of admitted mental health occupied bed days	14,710	14,323
Number of community mental health service hours	88,036	91,318

12. *Service transitioned to Bayside Health prior to 2025-26 survey. Separate result for Peninsula Health not available

Key Performance Measure	Target	Actual
Specialist Clinics		
Percentage of patients referred by a GP or external specialist who attended a first appointment within the recommended timeframe	95%	94.7%
Home Based Care		
Percentage of admitted bed days delivered at home	8.7%	8.3%

Part C: Activity and funding

Peninsula Health funding summary for 1 July 2025 – 30 June 2026

Funding Type	2025-26 activity achievement
Consolidated Activity Funding	
Acute admitted, subacute admitted, emergency services, non-admitted, Admitted MH NWAU	123,823
Community mental health NWAU	9,395
Acute Admitted	
Acute admitted DVA	396
Acute admitted TAC	320
Acute Non-Admitted	
Radiotherapy - other	348
Subacute/Non-Acute, Admitted & Non-admitted	
Subacute - DVA	160
Transition care - home days	25,580
Aged Care	
HACC	20,467
Mental Health and Drug Services	
Mental health ambulatory	9,322
Mental health residential	9,490
Mental health subacute	10,927
Drug Services	3,045
Primary Health	
Community health / primary care programs	49,060

Legislation and other reporting requirements



Dr Heather Cleland is Head of the Victorian Adult Burns Unit at The Alfred.

Safe Patient Care Act 2015

Safe Patient Care (Nurse to Patient and Midwife to Patient Ratios) Act 2015

Bayside Health has no matters to report in relation to its obligations under section 40 of the *Safe Patient Care (Nurse to Patient and Midwife to Patient Ratios) Act 2015.*

Reporting of compliance regarding car parking fees

Bayside Health continues to work with our patients, carers, visitors, staff, local authorities and public transport providers to ensure car parking facilities can be accessed as safely, conveniently and economically as possible.

We continue to comply with the Department of Health hospital circular on car parking fees. We ensure all car parking charges and concessions are well publicised, including at car park entrances, wherever payment is made, inside the hospital and online at **baysidehealth.org.au**. Our Car Park Rates Policy is reviewed and seeks to reduce the financial burden for vulnerable patients who attend our health service.

Application and operation of Freedom of Information Act 1982

Rights of the public under the *Freedom of Information Act* are published on our website.

A request for documents must be in writing, or on an application form, sufficiently clear to enable a thorough search for documents, accompanied by a prescribed application fee, which can be waived for those experiencing financial hardship.

To make a request, you can contact the relevant FOI Office for your inquiry.

Alfred Care Group

Email: LSS@alfred.org.au

Phone: (03) 9076 5149

Mail: Freedom of Information Officer,
The Alfred,
PO Box 315,
Prahran, VIC, 3181

Peninsula Care Group

Email: PIRU@phcn.vic.gov.au

Phone: 9784 7748

Mail: FOI Office.
PO Box 52 Hastings Rd
Frankston 3199

Regional Care Group

Email: BCH.ROI@basscoasthealth.org.au

Phone: (03) 56713333

Mail: PO Box 120,
Wonthaggi VIC 3995

Email: sharon.shaw@gshs.com.au

Phone: 0356675508

Mail: Private bag 13.
Leongatha VIC 3953

Email: aileen.thoms@krhs.net.au

Phone: (03) 59979760

Mail: PO Box 53,
Kooweerup VIC 3981

	Alfred Care Group[2]	Peninsula Care Group	Regional Care Group
Freedom of information requests received 2025-26	4,386	1,348	138
Requests from:			
Members of Parliament	0	0	0
Media	1	0	0
Members of the public or agent making a request on behalf of a member of the public	4,385	1,348	138
FOI decisions made during the 12 months ending 30 June 2026	3,978	1,063	139
Decisions yet to be finalised	408		
Decisions made within the statutory 30-day time period	1,449	851	76
Decisions made outside time			
Made within a further 45 days (i.e. between 31 and 45 days)	2,085	110	54
Made in greater than 45 days	36	31	8
Document access			
Granted access to documents in full	3,510	938	135
Granted access in part	33	23	0
Denied access in full	13	26	1
Released outside the Act, or were withdrawn, had no documents, were not proceeded with, or not processed	422	n/a	n/a
Decisions made after mandatory extensions had been applied or extensions were agreed upon by the applicant	3[3]	16	0
Of requests finalised, the average number of days over/under the statutory time (including extended timeframes) to decide the request	N/A	N/A	N/A
During 2025-2026, the number of requests that were subject to a complaint/internal review by Office of the Victorian Information Commissioner.	5	6	0

2. Includes figures for Bass Coast Health
3. FOI officers routinely seek voluntary approval from applicants for an extension of time. Figures noted here represent occasions where mandatory extensions of time were applied

Compliance with building and maintenance provisions of Building Act 1993

Bayside Health complies with the *Building Act 1993,* utilising registered building practitioners on all building projects (with maintenance of their registered status for the duration of the works being a condition of their contract).

We maintain all buildings, so they remain in a safe and serviceable condition, with routine inspections to ensure any necessary and scheduled maintenance programs are carried out. We also inspect all buildings' essential services for compliance, as required by legislation.

During the year, Bayside Health obtained building permits for new projects, where required, as well as certificates of final inspection for all completed projects.

Major works projects (greater than $50,000)

Alfred Care Group

- PET CT Project located on B1 of the PFMCC Building
- Hybrid Theatre Project located at the Alfred Centre
- High and Low Dependency Unit Upgrades Project to the Psychiatric Building
- 549 SKR Road fitout of Level GF, 1 and 2 Project as part staged decanting works for Alfred Health Urgent Infrastructure Project.
- Sandringham Hospital Outpatients Lift
- Cath Labs 1 and 2 Equipment Replacement Project
- South Block CT Replacement Project

Peninsula Care Group

- Peninsula University Hospital (PUH) Redevelopment, Frankston
- Biomedical Workshop construction, PUH, Frankston
- Infant Child and Youth (ICY) Precinct Project, 86 Williams st, Frankston
- Jasmine House Children's Services fit out, 125 Golf Links Rd, Frankston

Regional Care Group

- Kooweerup car park upgrade
- Kooweerup nurse call upgrade
- Kooweerup door access control upgrade
- Kirrak House kitchen upgrade (Wonthaggi)
- Phillip Island Community Hospital (Stage 2)
- Wonthaggi Hospital Security Access System Upgrade
- Wonthaggi Staff Accommodation Facility (Under Construction).

Number of building permits, occupancy permits or certificates of final inspection issued in relation to buildings owned

Alfred Care Group

- PET CT Project located on B1 of the PFMCC Building
- Hybrid Theatre Project located at the Alfred Centre
- High and Low Dependency Unit Upgrades Project to the Psychiatric Building
- 549 SKR Road fitout of Level GF, 1 and 2 Project as part staged decanting works for Alfred Health Urgent Infrastructure Project.
- Sandringham Hospital Outpatients Lift
- Cath Labs 1 and 2 Equipment Replacement Project
- South Block CT Replacement Project
- Level 3 Fitout Project at the PFMCC Building
- East Block Respiratory Clinics Relocation Project
- South Block Dental Relocation Project
- 1001 Nepean Highway Fitout for Bayside Payroll Department

Peninsula Care Group

- Peninsula University Hospital (PUH) Redevelopment, Frankston
  - 1 x Building Permit, 1 x Occupancy Permit
- Biomedical Workshop construction, PUH, Frankston
  - 1 x Building Permit, 1 x CFI
- Infant Child and Youth (ICY) Precinct Project, 86 Williams st, Frankston
  - 1 x Building Permit, 1 x Occupancy Permit
- Jasmine House Children's Services fit out, 125 Golf Links Rd, Frankston
  - 1 x Building Permit (in progress)

Regional Care Group

- Koorooman House linkway door – Building Permit (Leongatha)
- Kirrak House kitchen – Building Permit and Certificate of Final Inspection
- Phillip Island Community Hospital (Stage 2) – Occupancy Permit
- Wonthaggi Staff Accommodation Facility – Building Permit.

Mechanisms for inspection, reporting, scheduling and carrying out of maintenance works on existing buildings

Alfred Care Group

- Alfred Care Group manages the essential maintenance of all buildings as prescribed by the conditions and activities specified in the relevant building occupancy permit (by building). Alfred Care Group has recently refreshed the essential building safety maintenance determinations. A building surveyor has reviewed and aligned prescribed maintenance activities with current legislation.
- Alfred Care Group employs the services of Australian Essential Services Compliance to oversee the many contractors performing specialised trade works including fire and other life safety systems.

Peninsula Care Group

- Routine inspections, including Essential Safety Measures (ESM) audits and statutory maintenance, are undertaken in accordance with relevant Australian Standards and regulatory obligations.

Regional Care Group

- Preventative maintenance programs in place/ annual servicing. Maintenance works overseen by maintenance team/contractors.

Number of emergency orders and building orders issues in relation to buildings

- Nil reported for Alfred Care Group, Peninsula Care Group and Regional Care Group

Number of buildings that have been brought into conformity with buildings during the reporting period.

Alfred Care Group

- Alfred Care Group is finalising the detailed design stage of the VIDA managed Statewide Critical Infrastructure and Urgent Infrastructure funded packages. When completed, these works will provide a significant uplift in fire suppression (sprinklers) to the remaining overnight bed-based patient areas at Commercial Road. The works packages include modernisation of 5 wards located in the Main Ward Block and the construction of two new ward areas in the Philip Block.
- Nil reported for Peninsula Care Group and Regional Care Group

Application and operation of Public Interest Disclosures Act 2012

Bayside Health complies with its obligations under the *Public Interest Disclosure Act 2012* (Vic). Information about the protection of persons from detrimental action can be found in the Bayside Health policy on protected disclosure which is located on our website **baysidehealth.org.au**

Hard copies are available from the office of the Bayside Health Legal Office.

Complaints about misconduct or corruption involving public health services in Victoria can be made by individuals directly to the Independent Broad-based Anti-Corruption Commission (IBAC) on 1300 735 135 or via their website at **ibac.vic.gov.au**

Statement on National Competition Policy

Bayside Health continues to comply with government policy on competitive neutrality.

Application and operation of Carers Recognition Act 2012

Bayside Health has taken all practical measures to comply with its obligations under the Carers

Recognition Act 2012 (the Act). These include:

- promoting the principles of the Act to people in care relationships who receive our services and to the wider community (e.g. distributing printed material about the Act at community events or service points; providing links to state government resource materials on our website; providing digital and/or printed information about the Act to our partner organisations)
- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act (e.g. developing and implementing a staff awareness strategy about the principles in the Act and what they mean for staff;
- considering the care relationships principles set out in the Act when setting policies and providing services (e.g. reviewing our employment policies such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act,
- implementing priority actions in Victorian Carer Strategy 2025-2035.

Summary of the entity's environmental performance – FRD 24

Alfred Care Group

FRD24 Report: Alfred Health Organisation Hierarchy (Jul-25 to Jun-26)

GREENHOUSE GAS EMISSIONS	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
G1 Total Scope 1 (direct) greenhouse gas emissions (t CO2-e)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Carbon Dioxide	3,184.59	12,740.17	14,903.96
Methane	5.82	24.42	28.58
Nitrous Oxide	2.47	8.04	9.36
Total	**3,192.88**	**12,772.63**	**14,941.91**
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) (t CO2-e)	**2,964.02**	**12,547.69**	**14,690.15**
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) (t CO2-e)	**228.86**	**224.94**	**251.75**
Medical/Refrigerant gases			
Desflurane			
Isoflurane			3.22
Nitrous oxide	334.81	530.79	543.96
Sevoflurane	702.35	462.13	306.73
Total Scope 1 (direct) greenhouse gas emissions (t CO2-e)	**4,230.04**	**13,765.55**	**15,795.82**
G2 Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Electricity	31,502.33	27,458.50	25,744.79
Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)	**31,502.33**	**27,458.50**	**25,744.79**
G3 Total Scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (t CO2-e)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Commercial air travel	546.70	474.25	446.52
Waste emissions (WR5)	4,463.31	4,006.73	4,130.23
Indirect emissions from Stationary Energy	4,508.18	4,702.94	4,318.69
Indirect emissions from Transport Energy	58.07	57.06	63.91
Paper emissions	175.18	93.32	74.51
Water emissions	458.62	568.24	571.50
Any other Scope 3 emissions	0.00	0.00	0.00
Total Scope 3 greenhouse gas emissions (t CO2-e)	**10,210.05**	**9,902.54**	**9,605.35**

GREENHOUSE GAS EMISSIONS	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
G(Opt) Net greenhouse gas emissions (t CO2-e)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Gross greenhouse gas emissions (G1 + G2 + G3) (t CO2-e)	**45,942.42**	**51,126.59**	**51,145.97**
Total gross reported greenhouse gas emissions per bed-day (t CO2-e/OBD)	0.11	0.13	0.13
Carbon Neutral Electricity	0.00	0.00	0.00
Green Power Electricity	0.00	0.00	0.00
Purchased LGCs	-36,427.67	0.00	0.00
Any Reduction Measures Offsets purchased (EL4-related)	**-35,780.42**	**0.00**	**0.00**
Any Offsets purchased	**-35,780.42**		
Net greenhouse gas emissions (t CO2-e)	**10,161.99**	**51,126.59**	**51,145.97**

ELECTRICITY USE	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
EL1 Total electricity consumption segmented by source (MWh)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Purchased	47,021.93	41,536.56	39,131.58
Self-generated	302.85	6,162.49	6,078.95
EL1 Total electricity consumption (MWh)	**47,324.79**	**47,699.05**	**45,210.53**
EL2 On site-electricity generated (MWh) segmented by:	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Consumption behind-the-meter			
Solar Electricity	302.85	335.16	320.01
Cogeneration Electricity		5,827.32	5,758.94
Total Consumption behind-the-meter (MWh)	**302.85**	**6,162.49**	**6,078.95**
Exports			
Solar Electricity	7.54		
Cogeneration Electricity		861.88	933.30
Total Electricity exported (MWh)	**7.54**	**861.88**	**933.30**
EL2 Total On site-electricity generated (MWh)	**310.40**	**7,024.36**	**7,012.25**
EL3 On-site installed generation capacity (kW converted to MW) segmented by:	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Cogeneration Plant	6.00	6.00	6.00
Diesel Generator	9.83	9.83	9.83
Solar System	0.26	0.26	0.26
EL3 Total On-site installed generation capacity (MW)	**16.09**	**16.09**	**16.09**

ELECTRICITY USE	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
EL4 Total electricity offsets segmented by offset type (MWh)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
LGCs voluntarily retired on the entity's behalf	39,595.30	Not available	Not available
RPP (Renewable Power Percentage in the grid)	8,130.17	7,599.38	7,340.72
EL4 Total electricity offsets (MWh)	**47,021.93**	**7,599.38**	**7,340.72**

STATIONARY ENERGY	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	Notes
F1 Total fuels used in buildings and machinery segmented by fuel type (MJ)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
Natural gas	57,520,265.20	243,502,709.89	285,079,656.58	June 2026 figures are estimated due to data being unavailable at the time of reporting.
F1 Total fuels used in buildings (MJ)	**57,520,265.20**	**243,502,709.89**	**285,079,656.58**	
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (t CO2-e)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
Natural gas	2,964.02	12,547.69	14,690.15	June 2026 figures are estimated due to data being unavailable at the time of reporting.
F2 Greenhouse gas emissions from stationary fuel consumption (t CO2-e)	**2,964.02**	**12,547.69**	**14,690.15**	

TRANSPORTATION ENERGY	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type (MJ)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Non-executive fleet - Gasoline	3,110,360.00	2,986,453.40	3,351,600.00
Petrol	**3,110,360.00**	**2,986,453.40**	**3,351,600.00**
Non-executive fleet - E10	33,961.30	93,173.20	167,918.40
Petrol (E10)	**33,961.30**	**93,173.20**	**167,918.40**
Non-executive fleet - Diesel	233,927.60	245,970.80	211,528.00
Diesel	**233,927.60**	**245,970.80**	**211,528.00**
Total energy used in transportation (vehicle fleet) (MJ)	**3,378,248.90**	**3,325,597.40**	**3,731,046.40**
T2 Number and proportion of vehicles in the organisational boundary segmented by engine/ fuel type and vehicle category	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Petrol	115 (71%)	112 (70%)	112 (70%)
Diesel	6 (4%)	6 (4%)	6 (4%)
Electric	42 (25%)	42 (26%)	42 (26%)
T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type (t CO2-e)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Non-executive fleet - Gasoline	210.32	201.94	226.64
Petrol	**210.32**	**201.94**	**226.64**
Non-executive fleet - E10	2.07	5.67	10.23
Petrol (E10)	**2.07**	**5.67**	**10.23**
Non-executive fleet - Diesel	16.47	17.32	14.89
Diesel	**16.47**	**17.32**	**14.89**
Total Greenhouse gas emissions from transportation (vehicle fleet) (t CO2-e)	**228.86**	**224.94**	**251.75**
T4 Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Total distance travelled by commercial air travel	1,934,217.41	1,825,276.04	1,769,410.00

TOTAL ENERGY USE	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Total energy usage from stationary fuels (F1) (MJ)	57,520,265.20	243,502,709.89	285,079,656.58
Total energy usage from transport (T1) (MJ)	3,378,248.90	3,325,597.40	3,731,046.40
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)	**60,898,514.10**	**246,828,307.29**	**288,810,702.98**
E2 Total energy usage from electricity (MJ)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Total energy usage from electricity (MJ)	170,369,228.06	171,716,562.18	162,757,910.46
E3 Total energy usage segmented by renewable and non-renewable sources (MJ)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Renewable	170,369,227.87	28,573,674.17	27,595,403.71
Non-renewable (E1 + E2 - E3 Renewable)	60,898,514.29	389,971,195.30	423,973,209.73
E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Energy per unit of LOS (MJ/LOS)	541.49	1,018.44	1,115.11
Energy per unit of bed-day (LOS+Aged Care OBD) (MJ/OBD)	541.49	1,018.44	1,115.11
Energy per unit of Separations (MJ/Separations)	1,630.72	3,081.82	3,462.40
Energy per unit of floor space (MJ/m2)	745.51	1,358.34	1,465.04



Alfred Care Group is a proud participant in the Monash Innovation Guarantee (MIG) program. Through this initiative, Monash University students worked on real-world healthcare sustainability challenges, while also developing leadership skills.

SUSTAINABLE BUILDINGS AND INFRASTRUCTURE	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
B1 Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Alfred Care Group has established Construction Procurement Guidelines (CPG) which are aligned to Ministerial Directions for Public Construction Procurement in Victoria issued under the Project Development and Construction Management Act 1994 (Ministerial Directions). These guidelines apply specifically to Alfred Care Group's Public Construction Procurement activities for the provision of: Construction Works – which includes construction, maintenance, rehabilitation, alteration, extension or demolition of any building; or Construction Services – which includes services directly related to the delivery of Works such as architectural and design services. It does not include services indirectly related to the delivery of Works such as legal or commercial advisory services.			
B2 Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
N/A			
B3 NABERS Energy (National Australian Built Environment Rating system) ratings of newly completed/occupied Entity-owned office buildings and substantial tenancy fit-outs (itemised)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
N/A			
B4 Environmental performance ratings (eg. NABERS, Green Star, or ISCAIS rating scheme) of newly completed Entity-owned non-office building or infrastructure projects or upgrades with a value over $1 million	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
N/A – No NABERS rating was conducted in FY2024–25. New facilities and major upgrades have taken place in FY2025-26 (Peninsula University Hospital and Philip Island Community Hospital), however these will have not completed a full financial year of operation and would not be eligible for a NABERS rating during theFY2025-26 period reporting period.			
B5 Environmental performance ratings achieved for Entity-owned assets portfolio segmented by rating scheme and building, facility, or infrastructure type, where these ratings have been conducted	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
N/A			

SUSTAINABLE PROCUREMENT	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
Considerations for sustainable procurement are included in the implementation of Alfred Care Group's Social Procurement Framework. Details of the Social Procurement Framework are in the social procurement section of the annual report.			

WATER USE	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
W1 Total units of metered water consumed by water source (kL)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Potable water (kL)	326,937.58	347,395.24	340,567.65
Total units of water consumed (kL)	**326,937.58**	**347,395.24**	**340,567.65**

W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
Water per unit of LOS (kL/LOS)	0.78	0.85	0.85
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.78	0.85	0.85
Water per unit of Separations (kL/Separations)	2.34	2.58	2.63
Water per unit of floor space (kL/m2)	1.07	1.14	1.11

WASTE AND RECYCLING	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
WR1 Total units of waste disposed of by waste stream and disposal method (kg)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Landfill (total)			
General waste - bins	128,639.24	61,662.41	16,820.00
General waste - compactors	2,469,123.40	2,311,202.72	2,441,022.28
General waste - skips	245,817.76	178,499.98	191,850.88
Offsite treatment			
Clinical waste - incinerated	81,875.71	68,858.07	50,796.03
Clinical waste - sharps	100,754.76	53,215.30	50,472.35
Clinical waste - treated	433,617.25	430,957.60	442,573.41
Recycling/recovery (disposal)			
Batteries	2,868.73	3,389.84	1,174.54
Cardboard	133,532.53	67,736.22	49,017.59
Commingled	236,379.94	135,450.00	116,530.05
E-waste	5,248.62	15,999.00	11,072.00
Fluorescent tubes	739.26	1,156.61	565.03
Metals	2,534.78	1,239.54	1,390.22
Organics (food)	23,559.60	58,598.40	69,316.80
Packaging plastics/films	4,958.36	274.56	Not available
Paper (confidential)	60,136.40	43,871.06	94,928.96
PVC	4,379.37	4,653.94	2,357.25
Sterilization wraps	728.68	260.28	41.00
Toner & print cartridges	434.71	375.04	510.58
Total units of waste disposed (kg)	**3,935,329.09**	**3,437,400.59**	**3,540,438.96**

WASTE AND RECYCLING	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
WR1 Total units of waste disposed of by waste stream and disposal method (%)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Landfill (total)			
General waste	72.26%	74.22%	74.84%
Offsite treatment			
Clinical waste - incinerated	2.08%	2.00%	1.43%
Clinical waste - sharps	2.56%	1.55%	1.43%
Clinical waste - treated	11.02%	12.54%	12.50%
Recycling/recovery (disposal)			
Batteries	0.07%	0.10%	0.03%
Cardboard	3.39%	1.97%	1.38%
Commingled	6.01%	3.94%	3.29%
E-waste	0.13%	0.47%	0.31%
Fluorescent tubes	0.02%	0.03%	0.02%
Metals	0.06%	0.04%	0.04%
Organics (food)	0.60%	1.70%	1.96%
Packaging plastics/films	0.13%	0.01%	
Paper (confidential)	1.53%	1.28%	2.68%
PVC	0.11%	0.14%	0.07%
Sterilization wraps	0.02%	0.01%	0.00%
Toner & print cartridges	0.01%	0.01%	0.01%

WR2 Percentage of office sites covered by dedicated collection services for each waste stream	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
Printer cartridges	Not available	Not available	Not available
Batteries	Not available	Not available	Not available
e-waste	Not available	Not available	Not available
Soft plastics	Not available	Not available	Not available

WASTE AND RECYCLING	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Total waste to landfill per patient treated ((kg general waste)/PPT)	4.24	3.94	4.18
Total waste to offsite treatment per patient treated ((kg offsite treatment)/PPT)	0.92	0.85	0.86
Total waste recycled and reused per patient treated ((kg recycled and reused)/PPT)	0.71	0.51	0.55

WR4 Recycling rate (%)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Weight of recyclable and organic materials (kg)	475,500.98	333,004.50	346,904.01
Weight of total waste (kg)	3,935,329.09	3,437,400.59	3,540,438.96
Recycling rate (%)	**12.08%**	**9.69%**	**9.80%**

WR5 Greenhouse gas emissions associated with waste disposal (t CO2-e)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
t CO2-e	4,463.31	4,006.73	4,130.23

NORMALISATION FACTORS	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
ED Departures	110,596.00	105,148.00	103,457.00
FTE	8,987.00	8,885.00	8,669.00
LOS	420,855.00	407,701.00	401,608.00
OBD	420,855.00	407,701.00	401,608.00
PPT	671,199.00	647,581.00	634,408.00
Separations	139,748.00	134,732.00	129,343.00
TotalAreaM2	305,682.00	305,682.00	305,682.00

NOTE: Indicators are not reported where data is unavailable or an indicator is not relevant to the organisation's operations

Peninsula Care Group

FRD24 Report: Peninsula Health Organisation Hierarchy (Jul-25 to Jun-26)

GREENHOUSE GAS EMISSIONS	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	Notes
Note: Refrigerant usage data unavailable at the time of reporting for the PUH Tower from January to June				
G1 Total Scope 1 (direct) greenhouse gas emissions (t CO2-e)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
Carbon Dioxide	4,751.87	4,042.15	3,917.96	
Methane	8.63	7.25	7.04	
Nitrous Oxide	4.11	3.68	3.51	
Total	**4,764.61**	**4,053.09**	**3,928.50**	
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) (t CO2-e)	**4,398.41**	**3,693.04**	**3,581.89**	
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) (t CO2-e)	**366.20**	**360.04**	**346.61**	
Medical/Refrigerant gases				
Desflurane	5.38	33.67	15.09	
Nitrous oxide	1,114.14	1,110.28	919.07	
Refrigerant - R134A (HFC-134A)	822.04	822.04	698.46	
Refrigerant - R22 (HCFC-22)	62.57	62.57	99.21	
Refrigerant - R32 (HFC-32)	1.29	1.29	4.22	
Refrigerant - R401A (MP39) (blend HCFC-22/HFC-152a/HCFC-124)	8.71	8.71	8.16	
Refrigerant - R402A (HP80) (blend HFC-125/HC-290/HCFC-22)	6.87	6.87	6.41	
Refrigerant - R404A (HFC-404A)	20.66	20.66	17.23	
Refrigerant - R407A (blend HFC-32/ HFC-125/HFC-134a)	22.37	22.53	20.99	
Refrigerant - R407C (blend R32/R125/ R134a)	20.68	20.68	19.23	
Refrigerant - R410A (HFC-410A)	86.85	98.99	110.32	
Sevoflurane	80.08	58.49	18.29	
Total Scope 1 (direct) greenhouse gas emissions (t CO2-e)	**7,016.26**	**6,319.88**	**5,865.19**	

GREENHOUSE GAS EMISSIONS	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	Notes
G2 Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	The emissions calculation for electricity-related activities uses the market-based method, as opposed to the location-based method used in previous FRD report versions.
Electricity	16,708.12	13,421.75	13,234.11	
Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)	**16,708.12**	**13,421.75**	**13,234.11**	
G3 Total Scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (t CO2-e)	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	
Commercial air travel	14.69	23.34	40.93	
Waste emissions (WR5)	2,111.63	1,369.50	1,482.08	
Indirect emissions from Stationary Energy	2,611.07	2,111.41	1,913.41	
Indirect emissions from Transport Energy	92.19	90.67	87.37	
Paper emissions	0.00			
Water emissions	154.47	201.96	190.08	
Any other Scope 3 emissions	0.00	0.00	0.00	
Total Scope 3 greenhouse gas emissions (t CO2-e)	**4,984.05**	**3,796.88**	**3,713.88**	
G(Opt) Net greenhouse gas emissions (t CO2-e)	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	
Gross greenhouse gas emissions (G1 + G2 + G3) (t CO2-e)	**28,708.43**	**23,538.50**	**22,813.17**	
Total gross reported greenhouse gas emissions per bed-day (t CO2-e/OBD)	0.10	0.08	0.08	
Carbon Neutral Electricity	0.00	0.00	0.00	
Green Power Electricity	0.00	0.00	0.00	
Purchased LGCs	-19,208.96	0.00	0.00	
Any Reduction Measures Offsets purchased (EL4-related)	**-19,208.96**	**0.00**	**0.00**	
Any Offsets purchased	**-19,208.96**			
Net greenhouse gas emissions (t CO2-e)	**9,499.47**	**23,538.50**	**22,813.17**	

ELECTRICITY USE	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	Notes
EL1 Total electricity consumption segmented by source (MWh)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
Purchased	25,127.67	20,337.80	20,121.18	
Self-generated	208.38	234.92	81.84	
EL1 Total electricity consumption (MWh)	**25,336.06**	**20,572.72**	**20,203.02**	
EL2 On site-electricity generated (MWh) segmented by:	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
Consumption behind-the-meter				
Solar Electricity	208.38	234.92	81.84	
Total Consumption behind-the-meter (MWh)	**208.38**	**234.92**	**81.84**	
Exports				
Solar Electricity	13.60			
Total Electricity exported (MWh)	**13.60**			
EL2 Total On site-electricity generated (MWh)	**221.98**	**234.92**	**81.84**	
EL3 On-site installed generation capacity (kW converted to MW) segmented by:	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
Diesel Generator	14.56	14.56	14.56	
Solar System	0.19	0.19	0.19	
EL3 Total On-site installed generation capacity (MW)	**14.75**	**14.75**	**14.75**	
EL4 Total electricity offsets segmented by offset type (MWh)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
LGCs voluntarily retired on the entity's behalf	20,879.31			
RPP (Renewable Power Percentage in the grid)	4,500.37	3,723.61	3,774.59	
EL4 Total electricity offsets (MWh)	**25,127.67**	**3,723.61**	**3,774.59**	EL4 Total value capped to EL1 Purchased value

STATIONARY ENERGY	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
F1 Total fuels used in buildings and machinery segmented by fuel type (MJ)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Natural gas	85,282,644.80	71,434,049.20	69,335,426.80
Diesel	54,040.00	171,577.00	128,731.00
F1 Total fuels used in buildings (MJ)	**85,336,684.80**	**71,605,626.20**	**69,464,157.80**

F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (t CO2-e)	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
Natural gas	4,394.61	3,681.00	3,572.85
Diesel	3.79	12.04	9.04
F2 Greenhouse gas emissions from stationary fuel consumption (t CO2-e)	**4,398.41**	**3,693.04**	**3,581.89**

TRANSPORTATION ENERGY	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	Notes
T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type (MJ)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
Non-executive fleet - Gasoline	3,749,226.20	3,741,558.70	3,750,813.10	
Petrol	**3,749,226.20**	**3,741,558.70**	**3,750,813.10**	
Non-executive fleet - E10	28,205.00	26,058.80	19,938.20	
Petrol (E10)	**28,205.00**	**26,058.80**	**19,938.20**	
Non-executive fleet - Diesel	1,575,887.50	1,497,703.10	1,303,317.40	
Diesel	**1,575,887.50**	**1,497,703.10**	**1,303,317.40**	
Total energy used in transportation (vehicle fleet) (MJ)	**5,353,318.70**	**5,265,320.60**	**5,074,068.70**	

T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	Not reported by Eden Suite

TRANSPORTATION ENERGY	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	Notes
T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type (t CO2-e)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
Non-executive fleet - Gasoline	253.52	253.00	253.63	
Petrol	**253.52**	**253.00**	**253.63**	
Non-executive fleet - E10	1.72	1.59	1.21	
Petrol (E10)	**1.72**	**1.59**	**1.21**	
Non-executive fleet - Diesel	110.96	105.45	91.77	
Diesel	**110.96**	**105.45**	**91.77**	
Total Greenhouse gas emissions from transportation (vehicle fleet) (t CO2-e)	**366.20**	**360.04**	**346.61**	
T4 Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
Total distance travelled by commercial air travel	103,129.46	116,411.90	207,069.00	
T(opt1) Total vehicle travel associated with entity operations (1,000 km)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
Total vehicle travel associated with entity operations (1,000 km)				
T(opt2) Greenhouse gas emissions from vehicle fleet (t CO2-e per 1,000 km)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
t CO2-e per 1,000 km				



The Sustainable and Quality Use of Diagnostics in the ED initiative at Peninsula University Hospital focuses on reducing low-value diagnostic tests that create avoidable emissions.

TOTAL ENERGY USE	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	Notes
E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
Total energy usage from stationary fuels (F1) (MJ)	85,336,684.80	71,605,626.20	69,464,157.80	
Total energy usage from transport (T1) (MJ)	5,353,318.70	5,265,320.60	5,074,068.70	
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)	**90,690,003.50**	**76,870,946.80**	**74,538,226.50**	
E2 Total energy usage from electricity (MJ)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
Total energy usage from electricity (MJ)	91,209,802.44	74,061,807.93	72,730,865.08	
E3 Total energy usage segmented by renewable and non-renewable sources (MJ)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
Renewable	91,209,802.50	14,253,322.19	13,885,140.07	E3 Renewable value capped to EL1 Purchased value (consumed-behind-meter is never capped)
Non-renewable (E1 + E2 - E3 Renewable)	90,690,003.44	136,679,432.54	133,383,951.51	
E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
Energy per unit of LOS (MJ/LOS)	606.38	517.70	487.17	
Energy per unit of bed-day (LOS+Aged Care OBD) (MJ/OBD)	606.38	517.70	487.17	
Energy per unit of Separations (MJ/Separations)	1,736.33	1,438.96	1,423.40	
Energy per unit of floor space (MJ/m2)	1,917.38	1,582.02	1,544.31	

SUSTAINABLE BUILDINGS AND INFRASTRUCTURE	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	Notes
B1 Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**Not reported by Eden Suite**
N/A				
B2 Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**Not reported by Eden Suite**
Current Peninsula Health's leasing policy doesn't include green lease schedules. The construction of the newly completed Peninsula University Hospital is complying with the VHBA Guidelines for Sustainability in Capital Works. Sustainable design initiatives have also been implemented, such as Building Energy and Water efficiency, thermal performance and on-site renewable energy. A Climate Risk and Resilience Assessment has been undertaken to ensure design and operations have been informed of hazards and consequences of climate change impacts.				
B3 NABERS Energy (National Australian Built Environment Rating system) ratings of newly completed/occupied Entity-owned office buildings and substantial tenancy fit-outs (itemised)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**Not reported by Eden Suite**
Due to change of regulations in the National Australian Built Environment Rating System (NABERS) with the Department of Health, no NABERS ratings are available for the Financial Year 2025-2026 for our existing campuses. NABERS ratings for our newly completed Peninsula University Hospital will be provided after a full financial year of activity, in FY26/27.				
B4 Environmental performance ratings (eg. NABERS, Green Star, or ISCAIS rating scheme) of newly completed Entity-owned non-office building or infrastructure projects or upgrades with a value over $1 million	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**Not reported by Eden Suite**
N/A				
B5 Environmental performance ratings achieved for Entity-owned assets portfolio segmented by rating scheme and building, facility, or infrastructure type, where these ratings have been conducted	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**Not reported by Eden Suite**
No new ratings				

SUSTAINABLE PROCUREMENT	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	Notes
Peninsula Health's Social and Sustainable Procurement policy is advicing all staff to purchase goods and services that have reduced environmental impacts for similar qualiity and price value.				

WATER USE	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
Note: Estimates used for all sites from May to June 2026			
W1 Total units of metered water consumed by water source (kL)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Potable water (kL)	110,120.06	123,470.07	113,272.65
Reused water (kL)	41,502.07	4,232.88	8,542.45
Total units of water consumed (kL)	**151,622.13**	**127,702.95**	**121,815.09**
W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**
Water per unit of LOS (kL/LOS)	0.52	0.45	0.42
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.52	0.45	0.42
Water per unit of Separations (kL/Separations)	1.49	1.26	1.22
Water per unit of floor space (kL/m2)	1.65	1.39	1.32

WASTE AND RECYCLING	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	Notes
Note: The waste reporting methodology has been modified to improve data accuracy.				
WR1 Total units of waste disposed of by waste stream and disposal method (kg)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
Landfill (total)				
General waste - bins	589,875.20	305,402.05	306,330.09	
General waste - compactors	551,029.68	493,147.93	494,470.00	
General waste - skips	199,330.35	106,884.16	190,194.50	
Offsite treatment				
Clinical waste - incinerated	33,034.09	9,446.09	9,469.15	
Clinical waste - sharps	64,647.03	20,846.81	20,934.12	
Clinical waste - treated	197,109.15	120,792.72	121,730.35	
Recycling/recovery (disposal)				
Batteries	472.00	460.00	178.00	
Blister Packs	136.96	387.55	79.21	
Cardboard	169,270.00	492,024.78	492,237.38	
Commingled	84,080.00	95.04	95.04	
E-waste	7,911.00	7,610.00	8,311.00	
Fluorescent tubes	59.00	102.00	297.00	
Mattresses		1,567.75	19.05	
Organics (food)	14,430.00	19,560.34	19,620.00	

WASTE AND RECYCLING	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	Notes
Other recycling		696.96	849.42	
Paper (confidential)	121,646.00	151,362.78	131,461.52	
Paper (recycling)		1,600.73	1,605.12	
PVC	103.00	136.00	705.00	
Reused Medical Supplies and Equipment	105.31			
Sterilization wraps	47,147.00	715.00	330.00	
Toner & print cartridges	241.32	257.12	85.56	
Total units of waste disposed (kg)	**2,080,627.09**	**1,733,095.82**	**1,799,001.51**	

WR1 Total units of waste disposed of by waste stream and disposal method (%)	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
Landfill (total)			
General waste	64.41%	52.24%	55.09%
Offsite treatment			
Clinical waste - incinerated	1.59%	0.55%	0.53%
Clinical waste - sharps	3.11%	1.20%	1.16%
Clinical waste - treated	9.47%	6.97%	6.77%
Recycling/recovery (disposal)			
Batteries	0.02%	0.03%	0.01%
Blister Packs	0.01%	0.02%	0.00%
Cardboard	8.14%	28.39%	27.36%
Commingled	4.04%	0.01%	0.01%
E-waste	0.38%	0.44%	0.46%
Fluorescent tubes	0.00%	0.01%	0.02%
Mattresses		0.09%	0.00%
Organics (food)	0.69%	1.13%	1.09%
Other recycling		0.04%	0.05%
Paper (confidential)	5.85%	8.73%	7.31%
Paper (recycling)		0.09%	0.09%
PVC	0.00%	0.01%	0.04%
Reused Medical Supplies and Equipment	0.01%		
Sterilization wraps	2.27%	0.04%	0.02%
Toner & print cartridges	0.01%	0.01%	0.00%

WR2 Percentage of office sites covered by dedicated collection services for each waste stream	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	Not reported by Eden Suite
Printer cartridges				

WASTE AND RECYCLING	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	Notes
Batteries				
e-waste				
Soft plastics				

WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
Total waste to landfill per patient treated ((kg general waste)/PPT)	2.70	1.88	2.02
Total waste to offsite treatment per patient treated ((kg offsite treatment)/PPT)	0.59	0.31	0.31
Total waste recycled and reused per patient treated ((kg recycled and reused)/PPT)	0.90	1.40	1.34

WR4 Recycling rate (%)	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
Weight of recyclable and organic materials (kg)	445,601.59	676,576.07	655,873.29
Weight of total waste (kg)	2,080,627.09	1,733,095.82	1,799,001.51
Recycling rate (%)	**21.42%**	**39.04%**	**36.46%**

WR5 Greenhouse gas emissions associated with waste disposal (t CO2-e)	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
t CO2-e	2,111.63	1,369.50	1,482.08

NORMALISATION FACTORS	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	Notes
1000km (Corporate)				
1000km (Non-emergency)				
Aged Care OBD				
ED Departures	104,066.00	99,233.00	98,492.00	
FTE	4,850.00	4,793.00	4,706.00	
LOS	291,149.00	281,375.00	291,878.00	
OBD	291,149.00	281,375.00	291,878.00	
PPT	496,893.00	481,839.00	490,268.00	
Separations	101,678.00	101,231.00	99,898.00	
TotalAreaM2	92,077.00	92,077.00	92,077.00	

NOTE: Indicators are not reported where data is unavailable or an indicator is not relevant to the organisation's operations

REGIONAL CARE GROUP

Environmental performance RCG July 2025 – June 2026

ELECTRICITY USAGE

REQUIREMENT	SOURCE	July 2025 – June 2026
EL1. Total electricity consumption segmented by source (MWh). Purchased directly through an electricity retailer (including State Purchasing Contracts, HealthShare Victoria contracts or other retail contracts): – Main sites – Accommodation – Other	Facilities/Alinta	Total: 6,513.25 MWh
EL2 – On-site electricity generated (in megawatt hours) for large-scale renewable energy systems, (i.e., accredited under the Large-Scale Renewable Energy Target), small-scale renewable energy systems (where data is available), and any other electricity generation system (where data is available), segmented by: – Wind – Solar PV – Bioenergy.	Facilities/Solar Analytics	Solar: 818.45 MWh
EL3 – On-site installed generation capacity in megawatts (as at end of reporting period) segmented by: – Wind – Solar PV – Bioenergy	Facilities **(Chris)**	Solar PV: 1.123 MW
EL4 – Total electricity offsets (in megawatt hours) segmented by offset type including: – LGCs voluntarily retired by the entity – LGCs voluntarily retired on the entity's behalf – GreenPower or certified carbon neutral electricity purchased (e.g., through a retailer's contract option) – LGCs mandatorily retired (for RET liable entities only) or LGCs conveyed to an entity's retailer for mandatory retirement (where relevant)	Facilities	GreenPower: 44.595 MWh RPP (Renewable Power Percentage in the grid): 420.58 MWh LGCs voluntarily retired: 1,819.53 MWh **ELA Total electricity offsets [MWh]:** 2,284.71 MWh

STATIONARY FUEL USAGE

REQUIREMENT	SOURCE	July 2025 – June 2026
F1 – Total fuels used in buildings and machinery (in megajoules), segmented by fuel type (e.g., natural gas, LPG, diesel, petrol)	Facilities (natural gas and LPG) via manual computation Supply (Diesel)	Natural Gas: 22,670,425.9 MJ LPG: 1,057,812 MJ Diesel: 214,558 MJ Petrol: N/A
F2. Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (tonnes CO2-e)	Facilities (natural gas and LPG) via manual computation	Natural Gas: 1,1638.2 tonnes CO2 LPG: 64.11 tonnes CO2 Diesel: 15.062 tonnes CO2 Petrol: N/A
T1. Total energy used in transportation within the entity (in litres) segmented by fuel type	Supply (diesel and petrol) via WEX Motorpass	Diesel: 16,243.88 litres* Petrol: 54, 739.72 litres*
T2. Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type (e.g., petrol, diesel, hybrid electric, plug-in hybrid electric, battery electric) and vehicle category	Supply (diesel and petrol) via CarPool	Diesel: 10 vehicles* Petrol: 20 vehicles* Hybrid: 37 vehicles
T3. Greenhouse gas emissions from vehicle fleet segmented by fuel type and vehicle category (tonnes CO2-e) - total	Supply (diesel and petrol) via WEX Motorpass	Small: Hybrid – 37 Tonnes CO2-e; *^ Petrol – 38 Co2-e *^ Utility: Petrol – 6 CO2-e*^ Van: Petrol – 32 CO2-e*^
T4. Total distance travelled by commercial air travel (passenger kilometres)	Executive Community Relations	2,368 km

TOTAL ENERGY USAGE

REQUIREMENT	SOURCE	July 2025 – June 2026
E1. Total energy usage from fuels (megajoules)	Supply Facilities	25,793,406MJ
E2. Total energy usage from electricity (megajoules)	Facilities	25,028,488 MJ
E3. Total energy usage (megajoules) segmented into renewable and non-renewable sources	Facilities Supply E1 + E2	Renewable: 10,965,409 MJ Non-renewable: 41,437,280 MJ 52,402,690 MJ
E4. Units of energy used normalised by FTE, headcount, floor area or other entity or sector specific quantity		40,118 MJ/EFT

SUSTAINABLE BUILDING AND INFRASTRUCTURE

REQUIREMENT	SOURCE	July 2025 – June 2026
B1. Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings (qualitative)	Facilities	As part of the design process of new builds, Environmentally Sustainable Design principles are included. Items such as thermal performance, air tightness, water efficient sanitary fixtures, waste management strategies and Indoor Environmental quality are all considered. In addition, initiatives such as recycled water reuse, solar panels and provision for electric vehicles are considered where budget allows.
B2. Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule (qualitative)	Support Services	N/A – no new leases
B3. NABERS Energy (National Australian Built Environment Rating System) ratings of newly completed/occupied entity-owned office buildings and substantial tenancy fit-outs	Executive (Stephen Ritchie)	N/A – No NABERS rating was conducted for the FY2024–25 period.
B4 – Environmental performance ratings (e.g. NABERS, Green Star or Infrastructure Sustainability Council of Australia Infrastructure Sustainability rating scheme) of newly completed entity-owned non-office building or infrastructure projects or upgrades with a value over $1 million, where these ratings have been conducted (relevant rating, itemised)	Executive (Stephen Ritchie)	N/A – No NABERS rating was conducted for the FY2024–25 period.
B5. Environmental performance ratings achieved for entity-owned assets portfolio segmented by rating scheme and building, facility or infrastructure type, where these ratings have been conducted (number at each rating)	Support Services	No data available

SUSTAINABLE PROCUREMENT

REQUIREMENT	SOURCE	July 2025 – June 2026
Entities have annual reporting requirements under the Social Procurement Framework and should address progress against sustainable procurement objectives as part of that reporting	Contracts	Nil to report

WATER CONSUMPTION

REQUIREMENT	SOURCE	July 2025 – June 2026
W1. Total units of metered water consumed by water source (kilolitres)	Facilities via manual computation	56,373 kL
W2. Units of metered water consumed normalised by FTE, headcount, floor area or other entity or sector specific quantity	Facilities via manual computation	Total Water used (W1) divided by FTE= 40.96Kl/FTE

WASTE AND RECYCLING

REQUIREMENT	SOURCE	July 2025 – June 2026
WR1. Total units of waste disposed of by disposal method (kg and percentage of total) for the following material types/stream General Waste Cardboard/Paper Recycling E-Waste	Support Services (all apart from E-Waste) Information Technology (E-Waste only)	General Waste: 176,454 annual (85% total)* Cardboard/Paper: 18,230kg annual (9% total)*^ Recycling: 8,050kg annual (4.5% total)*^ E-Waste: 2,032 kg annual (1.5% total)*^ Total: 206,422.5kg total waste*
WR2. Dedicated collection services provided in offices (as percentage of total office locations) for: e-waste, printer cartridges, batteries and soft plastics	Support Services Information Technology	RCG does not have access to this information.
WR3. Total units of waste disposed normalised by FTE, headcount, floor area or other entity or sector specific quantity, by disposal method	Support Services	General Waste: 184 kg annually per 1.0 FTE* Cardboard/Paper: 22kg annually per 1.0 FTE*^ Recycling: 10 kg annually per 1.0 FTE*^ E-Waste: 2.5 kg annually per 1.0 FTE*^ Total: 215 kg annually per 1.0 FTE*
WR4. Recycling rate (percentage of total waste by weight)	Support Services	14.5% of total waste is recycled*^

GREENHOUSE GAS EMISSIONS

REQUIREMENT	SOURCE	July 2025 – June 2026
G1. Total Scope One (direct) greenhouse gas emissions (tonnes CO2, CH4, N2O, other and CO2-e)	Facilities	Fuel burned (not vehicle) total: 1,251 tonnes CO2
G2. Total Scope Two (indirect electricity) greenhouse gas emissions (tonnes CO2-e)	Facilities, using Carbon Footprint Calculator	Electricity used (E2): 4,524 tonnes CO2
G3. Total Scope Three (other indirect greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO2-e)	Facilities (all apart from Commercial air travel) People and Culture Community Relations (commercial air travel)	Commercial air travel: 0.28 tonne Waste emission (WR5): 50.77^ tonnes Indirect emissions from Stationary Energy: 327.8 tonnes Indirect emissions from Transport Energy: Nil Water emissions: 79.08 tonnes Total Scope Three greenhouse gas emissions (tonnes C02e): 457.93

*Data from legacy GSHS not available

^Data from legacy KWR not available



The Leongatha Hospital Maternity Garden was re-designed and constructed with the support of hospital sttaff, community volunteers and students from Leongatha Secondary College.

Additional information available on request

In accordance with FRD 22 and *Financial Management Act 1994*, health services must include the following statement in the Report of Operations:

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, details in respect of the items listed below have been retained by the health service and are available on request to the relevant ministers, members of parliament and the public, subject to the provisions of the *Freedom of Information Act 1982.*

The following information must be retained and made available upon request:

a. a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
b. details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
c. details of publications produced by the entity about itself, and how these can be obtained;
d. details of changes in prices, fees, charges, rates, and levies charged by the entity;
e. details of any major external reviews carried out on the entity;
f. details of major research and development activities undertaken by the entity;
g. details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
h. details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
i. details of assessments and measures undertaken to improve the occupational health and safety of employees;
j. a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
k. a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
l. details of all consultancies and contractors including:
    i. consultants/contractors engaged;
    ii. services provided; and
    iii. expenditure committed to for each engagement

This information is available on request from:

Public Affairs Department
Bayside Health
Phone: (03) 9076 2000
Email: annualreport@alfred.org.au

Financial information

Financial summary

The aggregated Operating Result of Bayside Health and the merged entities Alfred Health, Peninsula Health, Bass Coast Health, Gippsland Southern Health Service and Kooweerup Regional Health Service for the 2025-26 financial year was a surplus of $58.6m.

The operating surplus was primarily driven by one-off cash grant funding received and booked to revenue in June 2026 for the 2026-27 financial year's additional fortnightly pay-run that was paid on 1 July 2026.

The Operating Result reflects effective and efficient allocation of the organisations' resources in delivering safe, cost-effective and sustainable services within allocated budgets.

During the year, Bayside Health and the merged entities continued to find efficiency improvements while still meeting unplanned demand and providing timely access to safe high-quality care to improve patient outcomes, highlighting the strong governance, leadership and culture at the health services.

Bayside Health and the merged entities have significant ongoing requirements for property, plant and equipment, with the impact of these capital transactions resulting in a deficit Net Result from Transactions of $14.4m.

The increase in assets and liabilities was primarily due to the commissioning of Peninsula University Hospital that opened in January 2026.

The aggregated financial results for Bayside Health and the merged entities over the past five financial years are shown below.

	2026 $000	2025 $000	2024 $000	2023 $000	2022 $000
OPERATING RESULT	**58,626**	**(6,788)**	**(133,400)**	**915**	**910**
Total revenue	3,786,824	3,392,384	3,159,321	3,132,432	2,885,569
Total expenses	(3,801,199)	(3,468,854)	(3,281,488)	(3,086,073)	(2,842,853)
Net result from transactions	**(14,375)**	**(76,470)**	**(122,167)**	**46,359**	**42,716**
Total other economic flows	148	(2,636)	3,472	(18,737)	(26,041)
Net result	**(14,227)**	**(79,106)**	**(118,695)**	**27,622**	**16,675**
Total assets	4,764,661	3,593,454	3,604,936	2,852,762	2,629,427
Total liabilities	2,365,298	1,221,960	1,156,836	1,089,299	1,023,234
Net assets / Total equity	**2,399,363**	**2,371,494**	**2,448,100**	**1,763,463**	**1,606,193**

Reconciliation of net results from transactions and operating result

Operating result	**58,626**
Capital purpose income	206,788
Expenditure for capital purposes	(52,365)
Depreciation and amortisation	(227,424)
Net result from transactions	**(14,375)**
Comprising net transactions:	
– Prior to the Bayside Health merger	(15,206)
– Bayside Health	831
Net result from transactions	**(14,375)**

The operating result is the result for which the health service is monitored in its Statement of Priorities, also referred to as the net result before capital and specific items.

Years described in the table refer to financial years ended 30 June of the relevant year.

Information and communication technology (ICT) expenditure

The total ICT expenditure incurred during 2025-26 is $134.4 million (excluding GST)

Business as usual (BAU) ICT expenditure ($m)	Non-BAU ICT expenditure ($m)	Operational expenditure ($m)	Capital expenditure ($m)	Year
101.9	32.5	5.2	27.3	30 Jun 2026

Subsequent events

There were no subsequent events occurring after the balance sheet date.

Details of consultancies under $10,000

In 2025-26, there were 114 consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2025-26 in relation to these consultancies was $214,785 (excluding GST).

Details of consultancies over $10,000

In 2025-26 there were 10 consultancies where the total fees payable to the consultants were $10,000 or greater.

The total expenditure incurred during 2025-26 in relation to these consultancies was $693,934 (excl. GST). All consultancies were conducted in compliance with the procurement policies of Bayside Health and the Victorian Government.

Details of individual consultancies can be viewed at **alfred.org.au**

Consultant	Purpose of consultant	Total approved fees $	Expenditure 2025-2026 $	Future approved expenditure $
JTA Corporation	WorkCover premiums and certifications review	73,287	73,287	0
NOUS Group	Home care program services review	101,083	101,083	0
Escient Pty Ltd	Review of Mental Health Alcohol and Other Drugs Hub	158,741	158,741	0
Ashton Plastic Surgery Pty Ltd	Clinical assessment and report	34,091	34,091	0
Burnet Institute Incorporating Austin Research Institute	Scope definition, testing intervention design and functionality model presentation	37,500	37,500	0
Gerlan Consulting	HR and ER support for Bayside Health merger and EBA advice	27,500	27,500	0
Global Public Safety P/L	Security Risk Assessment	59,490	59,490	0
KPMG	Finance systems replacement implementation planning study	81,000	81,000	0
Monash University	Sustainable Health Systems research contribution	40,000	40,000	0
Scyne Advisory Pty Ltd	Cyber security policy uplift (ISO 27001)	81,242	81,242	0

Reviews and studies expenditure

Reviews or studies conducted have not been reported as they are commercially sensitive and doing so would be detrimental to Bayside Health's commercial operations.

Grants and transfer payments

Bayside Health has not made any grants and transfer payments.

Local Jobs First Act 2003 disclosures

The following information for contracts commenced and/or completed in the financial year have been disclosed under the *Local Jobs First Act 2003.*

Local Jobs First reporting				Apprentice roles		Trainee roles		Cadet roles		Employee roles	
No of projects	Av local content	Total contract value	No SME engaged	Created	Retained	Created	Retained	Created	Retained	Created	Retained
4	89.57%	$9,139,640	251	1.22	1.62	0	0	0	1.0307	3.6897	26.86

Social procurements

Bayside Health is committed to advancing the Victorian Government's Social Procurement Framework, with a focus on delivering meaningful social and environmental outcomes through our procurement activities. Our key objectives include:

- Expanding opportunities for Victorian Aboriginal people
- Promoting environmentally sustainable business practices
- Achieving environmentally sustainable outputs

In the 2025-26 financial year, we continued to focus on social procurement capability building within the procurement team, including training through HealthShare Victoria (HSV). Social procurement is embedded in our tendering process and as the health services procurement activity becomes more centralised under HSV, we will continue to work closely with HSV to further enhance SPF outcomes.

Social procurement outcomes 2025-26

Objective	Outcomes	Number of businesses engaged	Total expenditure
Opportunities for Victorian Aboriginal people	Using the Kinaway and Social Traders platforms, Bayside Health engaged a range of Victorian Aboriginal businesses, including Japarta Pty Ltd, Indigi Print Pty Ltd, Indigenous Cultural Connections Pty Ltd, Orana Commercial Relocation Pty Ltd, Pawa Catering, Winya Indigenous Office Furniture, The Couch Family, Jarrah Pty Ltd, Bayley Mifsud, Wathaurong Glass Limited, Kaptify, Jillian West, 3 Koalas Pty Ltd and Tarwin Cultural Services.	21	$217,062
Opportunities for Victorians with disability	Using the Social Traders platform and established commercial relationships, Bayside Health engaged a range of businesses, including Woodbine Incorporated, LaTrobe Valley Enterprises and Connecting 2 Australia.	8	$308,071
Sustainable Victorian social enterprises	Bayside Health engaged a range of Victorian social enterprises, including Streat Ltd, Meals with Impact Ltd, Asylum Seeker Innovation Hub, The Little Social Café, Brotherhood of Saint Lawrence, Villa Maria Catholic Homes, Leadership Victoria, Open Table, Scope (Aust) Ltd, Shapes and Sounds Pty Ltd, Seconds Out Round 2 Pty Ltd, Live Safe Education Pty Ltd, WW Aboriginal Association and Infoxchange.	28	$3,005,114

Attestations

Data integrity

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



Adj Prof Adam Horsburgh
Chief Executive
Melbourne
2 September 2026

Financial management compliance

I, Martin Foley, on behalf of the Responsible Body, certify that Bayside Health has No Material Compliance Deficiency with respect to the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.



Prof The Hon Martin Foley
Chair
Melbourne
2 September 2026

Conflict of interest

I, Adam Horsburgh, certify that Bayside Health has put in place appropriate internal controls and processes to ensure that it has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Bayside Health and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



Adj Prof Adam Horsburgh
Chief Executive
Melbourne
2 September 2026

Integrity, fraud and corruption

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



Adj Prof Adam Horsburgh
Chief Executive
Melbourne
2 September 2026

Compliance with Heath Share Victoria (HSV) purchasing policies

I, Adam Horsburgh, certify that Bayside Health certify that Bayside Health is fully compliant with respect to the HSV Purchasing Policies as required by the Health Services Act 1988 (Vic). Bayside Health has implemented appropriate internal controls, which have been critically reviewed throughout the year.



Adj Prof Adam Horsburgh
Chief Executive
Melbourne
2 September 2026



Staff offered a helping hand to patients and consumers as part of a successful move into the new Peninsula University Hospital.

Disclosure Index

The annual report of *Bayside Health* is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the department's compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
Standing Directions and Financial Reporting Directions		
Report of operations	**Page numbers to come in designed version. Links to matching criteria below.**	
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	7
FRD 22	Purpose, functions, powers, and duties	7
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Bayside Health Financial Statements

Financial Year ended 30 June 2026

Board member's, accountable officer's, and chief financial officer's declaration

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

We further state that, in our opinion, the information set out in the consolidated comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2026 and the financial position of Bayside Health and its controlled entities at 30 June 2026.

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

We authorise the attached financial statements for issue on 2 September 2026.

Board member	Accountable Officer	Chief Financial Officer
		
Prof The Hon Martin Foley	**Adj Prof Adam Horsburgh**	**Kemsley Fairhurst**
Board Chair	Chief Executive	Chief Financial Officer
2 September 2026	2 September 2026	2 September 2026

Auditor-General's Report

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Bayside Health

Opinion	I have audited the consolidated financial report of Bayside Health (the health service) and its controlled entities (together the consolidated entity), which comprises the: • consolidated balance sheet as at 30 June 2026 • consolidated comprehensive operating statement for the year then ended • consolidated statement of changes in equity for the year then ended • consolidated cash flow statement for the year then ended • notes to the financial statements, including material accounting policy information • Board member's, accountable officer's and chief financial officer's declaration. In my opinion, the financial report presents fairly the financial positions of the consolidated entity and the health service as at 30 June 2026 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the health service and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Key audit matters	Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. The following matter was addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

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

Key audit matter	How I addressed the matter
Bayside Health merger *Refer to Note 1.2 Bayside Health merger*	
The former Boards of Alfred Health, Bass Coast Health, Gippsland Southern Health and Kooweerup Regional Health Service agreed to merge with Peninsula Health, effective 1 January 2026. Peninsula Health changed its name to Bayside Health on 1 January 2026 and assumed all staff, assets and liabilities of Alfred Health, Bass Coast Health, Gippsland Southern Health and Kooweerup Regional Health Service. The 30 June 2026 financial report of Bayside Health includes the results of Peninsula Health for the period 1 July 2025 to 31 December 2025, and the consolidated results of all entities for the period 1 January 2026 to 30 June 2026. For the 2025–26 reporting period, the merger was still in its early stages. While a Board and supporting governance committees had been established for Bayside Health, many operations, financial systems and corporate functions continued to operate separately across the legacy health services. I considered this to be a key audit matter because: • the preparation and audit of the financial report was complex, with each former health service continuing to operate separate financial reporting and payroll systems • the merger involved the consolidation of five health services with significant assets and liabilities • the consolidation process was performed outside the underlying financial systems • judgement was required to map information from five separate general ledgers to enable consistent financial reporting across the merged entity • clear and comprehensive disclosures were required to explain the merger and the basis on which the financial report had been prepared.	My key procedures included: • obtaining an understanding of the consolidation process and evaluating the approach • assessing the design and operating effectiveness of key controls over the preparation and review of consolidated financial information • reviewing the consolidation model and assessing the appropriateness of the structure and function, including checking the consistency of accounting policies and their application • assessing the aggregation of financial data from the merging health services, agreeing the data to approved transfer documents and evaluating the mapping of that data to the consolidated financial report • performing substantive procedures over consolidation adjustments • assessing the completeness and accuracy of disclosures relating to the merger and consolidation in the financial report • reviewing management's reporting of the merging health services and assessing the data transferred from these entities on 1 January 2026 for accuracy and completeness.

Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994,* and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.
Auditor's responsibilities for the audit of the financial report	As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 health service's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board. • conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the health service's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the health service to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Auditor's responsibilities for the audit of the financial report (continued)	I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit. From the matters communicated with the Board, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. I describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



MELBOURNE
4 September 2026

Simone Bohan
as delegate for the Auditor-General of Victoria

Consolidated comprehensive operating statement

Bayside Health
For the financial year ended 30 June 2026

	Note	Consolidated 2026 $'000	2025 $'000
Revenue and income from transactions			
Revenue from contracts with customers	2.1 (a)	2,001,143	908,503
Government grants	2.1 (b)	412,894	115,504
Other income	2.1 (c)	124,901	26,212
Total revenue and income from transactions		**2,538,938**	**1,050,219**
Expenses from transactions			
Employee expenses	3.1 (a)	(1,733,265)	(783,161)
Depreciation and amortisation	4.2	(146,711)	(34,433)
Supplies and consumables	3.1 (d)	(341,740)	(126,916)
Other operating expenses	3.1 (e)	(316,391)	(112,512)
Total expenses from transactions		**(2,538,107)**	**(1,057,022)**
Net result from transactions - net operating balance		**831**	**(6,803)**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets		(1,910)	1,026
Net gain/(loss) on financial instruments		(3,191)	720
Other gain/(loss) from other economic flows		5,634	(3,451)
Total other economic flows included in net result		**533**	**(1,705)**
Net result		**1,364**	**(8,508)**
Total other comprehensive income		**-**	**-**
Comprehensive result		**1,364**	**(8,508)**

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

Consolidated balance sheet

Bayside Health
As at 30 June 2026

	Note	Consolidated 2026 $'000	2025 $'000
Financial assets			
Cash and cash equivalents	6.2	328,637	7,783
Receivables	5.1	198,036	81,887
Contract assets	5.2	46,002	7,812
Investments and other financial assets	5.3	93,603	14,783
Total financial assets		**666,278**	**112,265**
Non-financial assets			
Prepayments		21,549	4,356
Inventories		23,753	5,386
Property, plant, and equipment	4.1	4,048,246	602,832
Intangible assets		4,835	6,127
Total non-financial assets		**4,098,383**	**618,701**
Total assets		**4,764,661**	**730,966**
Liabilities			
Payables	5.4	356,754	82,270
Contract liabilities	5.5	43,894	3,630
Borrowings	6.1	1,236,370	99,494
Employee benefits	3.1(b)	728,280	218,501
Total liabilities		**2,365,298**	**403,895**
Net assets		**2,399,363**	**327,071**
Equity			
Property, plant, and equipment revaluation surplus		234,044	234,044
General purpose surplus		76,519	-
Restricted specific purpose reserve		128,359	16,565
Contributed capital		2,105,855	196,803
Accumulated deficit		(145,414)	(120,341)
Total equity		**2,399,363**	**327,071**

This Statement should be read in conjunction with accompanying notes.

Consolidated cash flow statement

Bayside Health
For the financial year ended 30 June 2026

	Note	Consolidated 2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts from Government		2,036,931	957,059
Commercial activities, patient and hospital fees received		101,585	22,254
Donations and bequests received		19,227	-
GST received from ATO		49,802	22,848
Other receipts		120,675	31,659
Total receipts		**2,328,220**	**1,033,820**
Payments to employees		(1,590,998)	(772,616)
Payments for supplies and consumables		(592,841)	(205,672)
Other payments		(84,799)	(34,800)
Total payments		**(2,268,638)**	**(1,013,088)**
Net cash flows from operating activities	8.1	**59,582**	**20,732**
Cash flows from investing activities			
Proceeds from sale of non-financial assets		403	1,803
Purchase of non-financial assets		(82,123)	(17,586)
Proceeds from sale of financial assets		5,443	-
Net cash flows used in investing activities		**(76,377)**	**(15,783)**
Cash flows from financing activities			
Repayment of borrowings		(27,383)	(13,360)
Receipt of accommodation deposits		862	-
Net cash flows used in financing activities		**(26,521)**	**(13,360)**
Net decrease in cash and cash equivalents held		**(43,316)**	**(8,411)**
Cash and cash equivalents at beginning of year		7,783	16,194
Transfer on administrative restructure	8.10	364,170	-
Cash and cash equivalents at end of year	**6.2**	**328,637**	**7,783**

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

Consolidated statement of changes in equity

Bayside Health
For the Financial Year Ended 30 June 2026

	Property, Plant and Equipment Revaluation Surplus $'000	General Purpose Surplus $'000	Restricted Specific Purpose Reserve $'000	Contributed Capital $'000	Accumulated Surplus/ (Deficit) $'000	Total $'000
Balance at 1 July 2024	**234,044**	**-**	**38,714**	**196,803**	**(133,982)**	**335,579**
Net result for the year	-	-	-	-	(8,508)	(8,508)
Movement in reserves	-	-	(22,149)	-	22,149	-
Balance at 30 June 2025	**234,044**	**-**	**16,565**	**196,803**	**(120,341)**	**327,071**
Administrative restructure (note 8.10)	-	81,568	80,308	1,866,885	-	2,028,761
Capital contribution	-	-	-	42,167	-	42,167
Net result for the year	-	-	-	-	1,364	1,364
Movement in reserves	-	(5,049)	31,486	-	(26,437)	-
Balance at 30 June 2026	**234,044**	**76,519**	**128,359**	**2,105,855**	**(145,414)**	**2,399,363**

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

Note 1 About this report

These financial statements represent the consolidated financial statements of Bayside Health and its controlled entities for the year ended 30 June 2026.

This section explains the basis of preparing the financial statements.

Structure

1.1 Basis of preparation
1.2 Bayside Health merger
1.3 Abbreviations and terminology used in the financial statements
1.4 Principles of consolidation
1.5 Material accounting estimates and judgements
1.6 Accounting standards issued but not yet effective
1.7 Reporting entity
1.8 Economic dependency

Note 1.1 Basis of preparation

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

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

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

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of Bayside Health and the consolidated entities.

The financial statements have been prepared on a going concern basis (refer to Note 1.8 Economic Dependency).

The financial statements are presented in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Bayside Health on 2 September 2026.

Note 1.2 Bayside Health merger

In December 2024, Alfred Health, Peninsula Health and Kooweerup Regional Health Service announced their intention to voluntarily merge to form Bayside Health from 1 January 2026, with Bass Coast Health and Gippsland Southern Health Service announcing their intention to be part of the merger in February 2025.

The Boards of Alfred Health, Peninsula Health, Bass Coast Health, Gippsland Southern Health Service and Kooweerup Regional Health Service collectively wrote to the Department of Health in February 2025 seeking support for a voluntary merger of the five health services as Bayside Health.

The Department of Health provided formal in-principle support in February 2025 and advised that the voluntary merger is to proceed using the powers under Part 13 of the *Health Services Act 1988* This was followed by approval for the merger from the Minister for Health in August 2025, which included notice that 1 January 2026 would be the transfer date for all staff to Bayside Health.

The Governor-in-Council Order allocating all the property, rights and liabilities of Alfred Health, Bass Coast Health, Gippsland Southern Health Service and Kooweerup Regional Health Service to Bayside Health (previously Peninsula Health) commencing 1 January 2026 was made on 18 November 2025.

Effective 1 January 2026, Peninsula Health changed its name to Bayside Health and merged with Alfred Health, Bass Coast Health, Gippsland Southern Health Service and Kooweerup Regional Health Service, collectively referred to as the transferring entities.

The Bayside Health merger has been accounted for as a transfer of net assets through contributed capital in accordance with FRD 119 *Transfers through Contributed Capital*, AASB 1004 *Contributions* and AASB *Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities:*

- Assets and liabilities of the transferring entities have been recognised at their carrying amounts at the date of transfer (1 January 2026).

- No goodwill or gain/loss on acquisition has been recognised.
- The net asset position transferred has been recognised as an increase in contributed capital.

The assets and liabilities transferred on 1 January 2026 by the transferring entities are detailed in Note 8.10.

The consolidated comprehensive operating statement includes the results of:

- Peninsula Health for the full year to 30 June 2025 (comparative period) and six months from 1 July 2025 to 31 December 2025.
- Bayside Health including the transferring entities from 1 January 2026 to 30 June 2026.

Revenue and expenses for the period prior to the merger date are not included in the consolidated comprehensive operating statement for the transferring entities as reflected in note 8.10.

Comparative information for the year ended 30 June 2025 comprises Peninsula Health only and is not restated for the merger, thereby limiting comparability between reporting periods.

Note 1.3 Abbreviations and terminology used in the financial statements

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

Reference	Title
AASB	Australian Accounting Standards Board
AASs	Australian Accounting Standards, which include Interpretations
CBS	Centralised Banking System
DH	Department of Health
DTF	Department of Treasury and Finance
FMA	*Financial Management Act 1994*
FRD	Financial Reporting Direction
NWAU	National Weighted Activity Unit
VAGO	Victorian Auditor General's Office

Note 1.4 Principles of consolidation

The financial statements include the assets and liabilities of Bayside Health and its controlled entities as a whole as at the end of the financial year and the consolidated results and cash flows for the period of control.

Bayside Health controls the following entities:

- Alfred Hospital Whole Time Medical Specialists' Private Practice Trust;
- John F Marriott for HIV Trust;
- Marriott for HIV Ltd;
- Alfred Intensive Care Foundation; and
- Alfred Intensive Care Foundation Ltd.

Details of the controlled entities are set out in Note 8.8.

The transactions and balances of the parent entity are not disclosed separately in the financial statements.

An entity is considered to be a controlled entity where Bayside Health has the power to govern the financial and operating policies of an organisation so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are considered.

Bayside Health consolidates the results of its controlled entities from the date on which Bayside Health gains control until the date Bayside Health ceases to have control. Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

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

Note 1.5 Material accounting estimates and judgements

Management makes estimates and judgements when preparing the financial statements.

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

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

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

- Note 2.1 Revenue and income from transactions;
- Note 3.1 Expenses incurred in the delivery of services;
- Note 4.1 Property, plant and equipment;
- Note 4.2 Depreciation and amortisation;
- Note 5.1 Receivables;
- Note 5.2 Contract assets;
- Note 5.5 Payables;
- Note 5.6 Contract liabilities;
- Note 6.1(a) Lease liabilities; and
- Note 7.4 Fair value determination.

Note 1.6 Accounting standards issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Bayside Health are not expected to have material impact on the financial statements:

- AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*
- AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*
- AASB 18 *Presentation and Disclosure of Financial Statements*

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

Note 1.7 Reporting entity

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

Bayside Health's principal address is:
2 Hastings Road
Frankston, Victoria, 3199

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

Note 1.8 Economic dependency

Bayside Health is a public health service governed and managed in accordance with the *Health Services Act 1988* and its results form part of the Victorian General Government consolidated financial position. Bayside Health provides essential services and is dependent on the continued financial support of the State Government, particularly the Department of Health, and Commonwealth funding via the National Health Reform Agreement (NHRA). The State of Victoria plans to continue Bayside Health's operations and, on that basis, the financial statements have been prepared on a going concern basis.

Note 2 Funding delivery of our services

Bayside Health's overall objective is to provide quality health services and community care through embracing a collaborative approach. Bayside Health is predominantly funded by grant funding for the provision of services. Bayside Health also receives income from the supply of services.

Structure

2.1 Revenue and income from transactions

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Identifying performance obligations	Bayside Health applies material judgement when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criterion is met, the contract/funding agreement is treated as a contract with a customer, requiring Bayside Health to recognise revenue as or when the health service transfers promised goods or services to the beneficiaries. If this criterion is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	Bayside Health applies material judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining timing of capital grant income recognition	Bayside Health applies material judgement to determine when its obligation to construct an asset is satisfied. Costs incurred are used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.

Note 2.1 Revenue and income from transactions

	Note	Consolidated 2026 $'000	2025 $'000
Revenue from contracts with customers	2.1(a)	2,001,143	908,503
Government grants	2.1(b)	412,894	115,504
Other income	2.1(c)	124,901	26,212
Total revenue and income from transactions		**2,538,938**	**1,050,219**

Note 2.1(a) Revenue from contracts with customers

	Consolidated 2026 $'000	2025 $'000
Government grants (State) - operating	1,694,897	825,730
Government grants (Commonwealth) - operating	175,543	45,617
Patient and resident fees	48,742	16,564
Private practice fees	41,201	75
Commercial activities [1]	40,760	20,517
Total revenue from contracts with customers	**2,001,143**	**908,503**
Bayside Health disaggregates revenue by the timing of revenue recognition.		
Goods and services transferred to customers:		
At a point in time	1,939,804	884,620
Over time	61,339	23,883
Total revenue from contracts with customers	**2,001,143**	**908,503**

(1) Commercial activities represent business activities which Bayside Health enters into to support its operations.

How we recognise revenue from contracts with customers

Government operating grants

Revenue from government operating grants that are enforceable and contain sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15 *Revenue from contracts with customers*.

In contracts with customers, the 'customer' is typically a funding body, who is the party that promises funding in exchange for Bayside Health's goods or services. Bayside Health funding bodies often direct that goods or services are to be provided to third party beneficiaries, including individuals or the community at large. In such instances, the customer remains the funding body that has funded the program or activity, however the delivery of goods or services to third party beneficiaries is a characteristic of the promised good or service being transferred to the funding body.

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

Government grant	Performance obligation
Activity Based Funding (ABF) paid as NWAU	NWAU is a measure of health service activity expressed as a common unit against which the National Efficient Price (NEP) is paid. The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity. Revenue is recognised at point in time, which is when a patient is discharged.
Pharmaceutical Benefits Scheme	The Pharmaceutical Benefits Scheme is a Commonwealth government funded program whereby a rebate is paid to Bayside Health in respect of specified medicine dispensed to patients. The performance obligation is satisfied at the time of medication being dispensed to the patient.

Patient and resident fees

Patient and resident fees are charges that can be levied on patients for some services they receive. Patient and resident fees are recognised at a point in time when the performance obligation, the provision of services, is satisfied, except where the patient and resident fees relate to accommodation charges. Accommodation charges are calculated daily and are recognised over time, to reflect the period accommodation is provided.

Private practice fees

Private practice fees include recoupments from various private practice organisations for the use of hospital facilities. Private practice fees are recognised over time as the performance obligation, the provision of facilities, is provided to customers. Private practice fees include Radiology and Pharmacy services which are recognised at a point in time.

Commercial activities

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

Note 2.1(b) Government grants

	Consolidated 2026 $'000	2025 $'000
Government grants		
Government grants (State) - operating	337,433	85,191
Government grants (Commonwealth) - operating	3,988	-
Government grants (State) - capital	70,411	30,313
Government grants (Commonwealth) - capital	1,062	-
Total Government grants	**412,894**	**115,504**

How we recognise Government grants

Government operating grants

Bayside Health recognises income of not-for-profit entities under AASB 1058 *Income of not-for-profit entities* where it has been earned under arrangements that are either not enforceable or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations or that are not enforceable, is recognised when Bayside Health has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, Bayside Health recognises any related contributions by owners, increases in liabilities, decreases in assets or revenue (related amounts) in accordance with other AASs. Related amounts may take the form of:

- contributions by owners, in accordance with AASB 1004 *Contributions*;
- revenue or contract liability arising from a contract with a customer, in accordance with AASB 15 *Revenue from contracts with customers;*
- a lease liability in accordance with AASB 16: *Leases;*
- a financial instrument, in accordance with AASB 9: *Financial Instruments*; and
- a provision, in accordance with AASB 137: *Provisions, Contingent Liabilities and Contingent Assets.*

Capital grants

Where Bayside Health receives a capital grant it recognises a liability, equal to the financial asset received less amounts recognised under other AASs.

Income is recognised in accordance with AASB 1058 progressively as the asset is constructed which aligns with Bayside Health's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

Note 2.1(b) Government grants (continued)

Non-cash contributions from the Department of Health

The DH makes some payments on behalf of Bayside Health as follows:

Supplier	Description
Victorian Managed Insurance Authority	The DH purchases non-medical indemnity insurance for Bayside Health which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Victorian Infrastructure Delivery Authority	The DH made payments to the Victorian Infrastructure Delivery Authority to fund capital works projects on behalf of Bayside Health.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements with the DH.
Exemplar Health Consortium	The DH made payments to Exemplar Health Consortium on behalf of Bayside Health for the operation and maintenance of the Peninsula University Hospital.

Note 2.1(c) Other income

	Consolidated 2026 $'000	2025 $'000
Operating activities		
Other capital purpose income	4,928	-
Capital donations	13,471	-
Salary and other recoveries	40,279	2,487
Research and sundry income	24,347	2,812
Other income from operating activities	26,509	15,948
Total other sources of income	**109,534**	**21,247**
Non-operating activities		
Dividends and interest	9,290	3,992
Other income from non-operating activities	6,077	973
Total other sources of income	**15,367**	**4,965**
Total other income	**124,901**	**26,212**

Other income includes salary and non-salary recoveries and are recognised as income upon receipt.

Note 3 The cost of delivering our services

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

Structure

3.1 Expenses incurred in the delivery of services

Material judgements and estimates

This section contains the following material judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	Bayside Health applies material judgement when classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Bayside Health does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave (LSL) entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if Bayside Health has a conditional right to defer payment beyond 12 months. LSL entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.
Measuring employee benefit liabilities	Bayside Health applies material judgement when measuring its employee benefit liabilities. The health service applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees. Expected future payments incorporate: – an inflation rate of 4.15%, reflecting the future wage and salary levels. – durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 13.35% and 88.18%. – discounting at the rate of 4.74%, as determined with reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.

Note 3.1 Expenses incurred in the delivery of services

	Note	Consolidated 2026 $'000	2025 $'000
Employee expenses	3.1(a)	1,733,265	783,161
Supplies and consumables	3.1(d)	341,740	126,916
Other operating expenses	3.1(e)	316,391	112,512
Total expenses incurred in the delivery of services		**2,391,396**	**1,022,589**

Note 3.1(a) Employee expenses

	Consolidated 2026 $'000	2025 $'000
Salaries and wages	1,513,500	687,320
On-costs	163,464	72,733
Agency expenses	20,070	7,621
Fee for service medical officer expenses	10,735	1,587
WorkCover premium	25,496	13,900
Total employee expenses	**1,733,265**	**783,161**

How we recognise employee expenses

Employee expenses include salaries and wages, fringe benefits tax, leave entitlements, termination payments, WorkCover payments and agency expenses.

Note 3.1(b) Employee benefits in the balance sheet

	Consolidated 2026 $'000	2025 $'000
Current employee benefits and related on-costs		
Accrued days off		
Unconditional and expected to be settled wholly within 12 months (i)	8,129	2,391
	8,129	**2,391**
Annual leave		
Unconditional and expected to be settled wholly within 12 months (i)	215,828	61,352
Unconditional and expected to be settled wholly after 12 months (ii)	33,457	9,815
	249,285	**71,167**
Long service leave		
Unconditional and expected to be settled wholly within 12 months (i)	40,488	9,836
Unconditional and expected to be settled wholly after 12 months (ii)	286,551	84,403
	327,039	**94,239**
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months (i)	34,301	9,817
Unconditional and expected to be settled after 12 months (ii)	44,461	13,537
	78,762	**23,354**
Total current employee benefits and related on-costs	**663,215**	**191,151**
Non-current employee benefits and related on-costs		
Conditional long service leave	57,136	23,897
Provisions related to employee benefit on-costs	7,929	3,453
Total non-current employee benefits and related on-costs	**65,065**	**27,350**
Total employee benefits and related on-costs	**728,280**	**218,501**

(i) The amounts disclosed are nominal amounts.

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

Note 3.1(b) Employee benefits in the balance sheet (continued)

Provision for related on-costs movement schedule

	Consolidated 2026 $'000	2025 $'000
Carrying amount at start of year	26,807	24,617
Transfer on administrative restructure	55,236	-
Additional provisions recognised	37,986	11,586
Amounts incurred during the year	(32,659)	(9,737)
Net gain/(loss) arising from revaluation of long service liability	(679)	341
Carrying amount at end of year	**86,691**	**26,807**

How we recognise employee benefits

Employee benefit recognition

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

No provision has been made for personal leave as all personal leave is non-vesting and it is not considered probable that the average personal leave taken in the future will be greater than the benefits accrued in the future. As personal leave is non-vesting, an expense is recognised in the comprehensive operating statement as personal leave is taken.

Annual leave and accrued days off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as current liabilities because Bayside Health does not have an unconditional right to defer settlement of these liabilities.

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

- Nominal value – if Bayside Health expects to wholly settle within 12 months, or
- Present value – if Bayside Health does not expect to wholly settle within 12 months.

Long service leave

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

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

The components of this current LSL liability are measured at:

- Nominal value – if Bayside Health expects to wholly settle within 12 months or
- Present value – if Bayside Health does not expect to wholly settle within 12 months.

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

Termination benefits

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

Provisions

Employment on-costs such as workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Note 3.1(c) Superannuation

	Paid contribution for the year		Contribution outstanding at year end	
	Consolidated 2026 $'000	2025 $'000	Consolidated 2026 $'000	2025 $'000
Defined benefit plans:				
Aware Superannuation Fund	29	6	26	-
ESS Super - Emergency Services & State Super	52	54	-	-
Defined contribution plans:				
Aware Superannuation Fund	59,914	30,046	4,795	640
Hesta Superannuation Fund	51,367	22,571	4,751	497
Other Funds	46,378	19,700	4,034	444
Total	**157,741**	**72,377**	**13,606**	**1,581**

How we recognise superannuation

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

Defined benefit superannuation plans

A defined benefit plan provides benefits based on years of service and final average salary. The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by Bayside Health to the superannuation plans in respect of the services of current Bayside Health's staff during the reporting period.

Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

Bayside Health does not recognise any unfunded defined benefit liability in respect of the plans because the health service has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The DTF discloses the State's defined benefits liabilities in its disclosure for administered items. Superannuation contributions paid or payable for the reporting period, however, are included as part of employee benefits in the comprehensive operating statement of Bayside Health.

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

Defined contribution superannuation plans

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

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

Note 3.1(d) Supplies and consumables

	Consolidated 2026 $'000	2025 $'000
Drug supplies	161,954	43,222
Medical and surgical supplies (including prostheses)	95,012	43,078
Diagnostic and radiology supplies	54,528	32,013
Other supplies and consumables	30,246	8,603
Total supplies and consumables	**341,740**	**126,916**

Supplies and consumables

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

Note 3.1(e) Other operating expenses

	Consolidated 2026 $'000	2025 $'000
Repairs and maintenance	53,944	26,755
Finance costs	44,120	4,733
Medical indemnity insurance	38,038	18,435
Facility management services	31,875	-
IT costs	17,996	4,303
Training and development	17,538	5,812
Fuel, light, power, and water	12,616	5,370
Patient Transport	10,205	5,232
Client Brokerage Costs	9,487	10,683
Telecommunication costs	5,167	3,894
Security Services	3,232	4,039
Other administration expenses	72,173	23,256
Total other operating expenses	**316,391**	**112,512**

How we recognise expenses from transactions

Expense recognition

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

Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

The DH also makes certain payments on behalf of Bayside Health. These amounts have been brought to account in determining the operating result for the year, by recording them as revenue and recording a corresponding expense.

Note 4 Key assets to support service delivery

Bayside Health controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to Bayside Health to be utilised for delivery of those services.

Structure

4.1 Property, plant & equipment
4.2 Depreciation and amortisation
4.3 Impairment of assets

Material judgements and estimates

This section contains the following material judgements and estimates:

Key judgements and estimates	Description
Estimating useful life of property, plant, and equipment	Bayside Health assigns an estimated useful life to each item of property, plant, and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the Bayside Health is reasonably certain to exercise a purchase option contained within the lease, in which case the useful life reverts to the estimated useful life of the underlying asset. Bayside Health applies material judgement to determine whether or not it is reasonably certain to exercise such purchase options.

Note 4.1 Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Land at fair value - Crown	330,331	43,696	(478)	-	329,853	43,696
Land at fair value - Freehold	128,808	44,734	(6,532)	-	122,276	44,734
Buildings at fair value	3,309,116	477,476	(137,168)	(37,802)	3,171,948	439,674
Leasehold improvements	10,950	-	(873)	-	10,077	-
Works in progress at cost	85,546	21,546	-	-	85,546	21,546
Plant, equipment and vehicles at fair value	513,031	203,038	(184,485)	(149,856)	328,546	53,182
Total property, plant and equipment	**4,377,782**	**790,490**	**(329,536)**	**(187,658)**	**4,048,246**	**602,832**

Note 4.1 Property, plant and equipment (continued)

How we recognise property, plant and equipment

Items of property, plant and equipment are initially measured at cost and are subsequently measured at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, being far below the fair value of the asset, the deemed cost is its fair value at the date of acquisition. Assets transferred as part of an amalgamation/machinery of government change are transferred at their carrying amounts.

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

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

Peninsula University Hospital

Peninsula University Hospital commenced operations in January 2026 as part of the Frankston Hospital redevelopment. As part of the project, buildings and related assets with a fair value of $1,113.0 million were transferred from the Department of Health to Bayside Health through an equity contribution. The transfer also included the recognition of a finance liability of $1,074.1 million and a legacy asset write-off of $2.7 million. The net impact of the transfer resulted in an increase in contributed capital of $41.6 million.

Note 4.1(a) Reconciliations of carrying amount by class of asset

	Note	Land $'000	Buildings $'000	Leasehold Improvements $'000	Plant & equipment and motor vehicles $'000	Furniture & fittings $'000	Works in progress $'000	Total $'000
Balance at 1 July 2024		**88,430**	**452,741**	**-**	**48,882**	**2,341**	**10,887**	**603,281**
Additions		-	5,253	-	15,463	135	12,588	33,439
Disposals		-	(2)	-	(600)	(2)	-	(604)
Net transfers between classes		-	15	-	1,889	25	(1,929)	-
Depreciation	4.2	-	(18,333)	-	(14,545)	(406)	-	(33,284)
Balance at 30 June 2025	**4.1**	**88,430**	**439,674**	**-**	**51,089**	**2,093**	**21,546**	**602,832**
Transfer on administrative restructure		370,709	1,736,319	10,608	180,355	2,083	68,249	2,368,323
Additions		-	1,085,018	-	96,336	151	41,595	1,223,100
Disposals		-	(976)	-	(2,503)	(2)	-	(3,481)
Net transfers between classes		-	11,157	342	34,345	-	(45,844)	-
Depreciation	4.2	(7,010)	(99,244)	(873)	(34,967)	(435)	-	(142,528)
Balance at 30 June 2026	**4.1**	**452,129**	**3,171,948**	**10,077**	**324,655**	**3,890**	**85,546**	**4,048,246**

Land and Buildings Carried at Valuation

Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that the movements were not material (less than or equal to 10%). As such, an independent revaluation was not required per FRD 103 *Non-Financial Physical Assets*. In accordance with FRD 103, Bayside Health has elected to apply the practical expedient in FRD 103 and has therefore not applied the amendments to AASB 13 *Fair Value Measurement*. The amendments to AASB 13 will be applied at the earlier of the interim revaluation or next scheduled revaluation in 2029, in accordance with Bayside Health's revaluation cycle.

4.1(b) Right-of-use assets included in property, plant and equipment

The following tables are right-of-use assets included in the property, plant and equipment balance, presented by subsets of buildings and plant and equipment.

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Concessionary land	40,205	9,898	(7,010)	-	33,195	9,898
Buildings	128,256	85,296	(37,841)	(25,927)	90,415	59,369
Plant, equipment and vehicles	60,391	32,201	(16,208)	(11,093)	44,183	21,108
Total right-of-use assets	**228,852**	**127,395**	**(61,059)**	**(37,020)**	**167,793**	**90,375**

Reconciliations of the carrying amounts of each class of asset

	Concessionary land $'000	Buildings $'000	Plant, equipment and vehicles $'000	Total $'000
Balance at 1 July 2024	**9,898**	**64,348**	**15,778**	**90,024**
Additions	-	2,358	10,602	12,960
Disposals	-	-	(580)	(580)
Depreciation	-	(7,337)	(4,692)	(12,029)
Balance at 30 June 2025	**9,898**	**59,369**	**21,108**	**90,375**
Transfer on administrative restructure	30,307	38,045	5,705	74,058
Additions	-	5,889	24,435	30,324
Disposals	-	(976)	(865)	(1,841)
Depreciation	(7,010)	(11,912)	(6,200)	(25,123)
Balance at 30 June 2026	**33,195**	**90,415**	**44,183**	**167,793**

4.1(b) Right-of-use assets included in property, plant and equipment (continued)

How we recognise right-of-use assets

Initial recognition

When Bayside Health enters a contract, which provides the health services with the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease.

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1(a) for further information) the contract gives rise to a right-of-use asset and corresponding lease liability, which is recognised at the lease commencement date.

The right-of-use asset is initially measured at cost and comprises the initial measurement of the corresponding lease liability, adjusted for:

- any lease payments made at or before the commencement date
- any initial direct costs incurred and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Subsequent measurement

Right-of-use assets are subsequently measured at cost less accumulated depreciation, impairment and any adjustments for remeasurement of the lease liability.

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

Note 4.2 Depreciation and amortisation

	Consolidated 2026 $'000	2025 $'000
Depreciation		
Land	7,010	-
Buildings	99,244	18,333
Leasehold improvements	873	-
Plant, equipment and vehicles	34,966	14,545
Furniture and fittings	435	406
Total depreciation	**142,528**	**33,284**
Amortisation		
Software	4,183	1,149
Total amortisation	**4,183**	**1,149**
Total depreciation and amortisation	**146,711**	**34,433**

How we recognise depreciation

All buildings, plant and equipment and other non-financial physical assets (excluding items under assets held for sale, land, and investment properties) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value over its estimated useful life.

Right-of-use assets, including right-of-use land, are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the health service anticipates exercising a purchase option, the specific right-of-use asset is depreciated over the useful life of the underlying asset.

How we recognise amortisation

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

Useful lives of non-current assets

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

	2026	2025
Buildings (including leased assets)	2 to 60 years	20 to 60 years
Plant, equipment, furniture and fittings and motor vehicles (including leased assets)	1 to 51 years	2 to 20 years
Intangible assets	3 to 7 years	3 to 7 years
Leasehold improvements	3 to 40 years	3 to 40 years
Right-of-use assets (land)	10 to 51 years	10 to 40 years

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

Note 4.3 Impairment of assets

How we recognise impairment

Impairment of property, plant and equipment

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 *Impairment of Assets* does not apply to such assets that are regularly revalued.

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

Bayside Health did not record any impairment losses for the year ended 30 June 2026 (30 June 2025: Nil).

Note 5 Other assets and liabilities

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

Structure

5.1 Receivables
5.2 Contract assets
5.3 Investments and other financial assets
5.4 Payables
5.5 Contract liabilities

Material judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring deferred capital grant income	Where Bayside Health has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. Bayside Health applies material judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.
Measuring contract liabilities	Bayside Health applies material judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

Note 5.1 Receivables

	Note	Consolidated 2026 $'000	2025 $'000
Current receivables			
Contractual			
Inter hospital debtors		5,461	457
Trade receivables		13,752	2,394
Patient fees		24,831	4,887
Allowance for impairment losses		(5,657)	(474)
Total contractual receivables		**38,387**	**7,264**
Statutory			
GST receivable		8,343	1,686
Total statutory receivables		**8,343**	**1,686**
Total current receivables		**46,730**	**8,950**
Non-current receivables			
Contractual			
Long service leave - Department of Health		151,306	72,937
Total contractual receivables		**151,306**	**72,937**
Total non-current receivables		**151,306**	**72,937**
Total receivables		**198,036**	**81,887**
Financial assets classified as receivables			
Total receivables		198,036	81,887
GST receivable		(8,343)	(1,686)
Total financial assets classified as receivables	**7.1**	**189,693**	**80,201**

Note 5.1 Receivables (continued)

How we recognise receivables

Receivables consist of:

- **Contractual receivables** include debtors that relate to the provision of goods and services. These receivables are classified as financial instruments and are categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables include Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 *Financial Instruments* for initial measurement of the statutory receivables and as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

Note 5.2 Contract assets

	Note	Consolidated 2026 $'000	2025 $'000
Current			
Contract assets		46,002	7,812
Total contract assets	**5.2(a)**	**46,002**	**7,812**

Note 5.2(a) Movement in contract assets

	Consolidated 2026 $'000	2025 $'000
Balance at the beginning of the year	**7,812**	**5,985**
Transfer on administrative restructure	44,249	-
Add: Additional costs incurred that are recoverable from the customer	46,002	7,812
Less: Transfer to revenue recognition	(52,061)	(5,985)
Total contract assets	**46,002**	**7,812**

How we recognise contract assets

Contract assets relate to the Bayside Health's right to consideration in exchange for goods or services transferred to customers for works completed but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional and at the time an invoice is issued. Contract assets are expected to be recovered during the next financial year.

Note 5.3 Investments and other financial assets

	Operating Fund	
	Consolidated 2026 $'000	2025 $'000
Current		
Financial assets at amortised cost		
Term deposit > 3 months	1,450	-
Financial assets at fair value through the net result		
Managed investment schemes	14,682	14,783
Total current financial assets	**16,132**	**14,783**
Non-current		
Financial assets at amortised cost		
Managed funds	524	-
Financial assets at fair value through net result		
Managed investment schemes	76,947	-
Total non-current financial assets	**77,471**	**-**
Total investments and other financial assets	**93,603**	**14,783**
Represented by:		
Health service investments	14,682	14,783
Held in trust investments	78,921	-
Total investments and other financial assets	**93,603**	**14,783**

How we recognise investments and other financial assets

Bayside Health's investments and other financial assets are made in accordance with Standing Direction 3.7.2 - *Treasury Management*, including the Central Banking System.

Bayside Health manages its investments and other financial assets in accordance with an investment policy approved by the Board. Investments held by the controlled entities, Whole Time Medical Specialists' Private Practice Trust, John F Marriott for HIV Trust and Alfred Intensive Care Foundation are managed by their respective trustees.

Investments held by Bayside Health's controlled subsidiaries do not fall within the scope of the Standing Directions as they are not public entity funds (i.e. not controlled by the government). However, such investments are consolidated into Bayside Health's financial statements as Bayside Health has control. Refer to Note 8.8 for further information.

Investments are recognised when Bayside Health enters into a contract to either purchase or sell the investment (i.e. when it becomes a party to the contractual provisions of the investment). Investments are initially measured at fair value, net of transaction costs.

Bayside Health classifies its other financial assets between current and non-current assets based on the Board's intention at balance date with respect to the timing of disposal of each asset. Term deposits with original maturity dates of three to twelve months are classified as current, whilst term deposits with original maturity dates in excess of 12 months are classified as non-current.

All financial assets, except for those measured at fair value through the comprehensive operating statement, are subject to annual review for impairment. Further information regarding impairment is disclosed in Note 7.2(a).

Note 5.4 Payables

	Note	Consolidated 2026 $'000	2025 $'000
Current payables			
Contractual			
Payables		28,254	20,851
Accrued salaries and wages		120,233	16,633
Accrued expenses		106,340	29,934
Deferred capital grant income	5.4(a)	48,216	7,338
Salary packaging		4,631	1,662
Superannuation		11,373	1,581
Inter hospital creditors		450	739
Amounts payable to governments and agencies		4,449	2,950
Refundable accommodation deposits		32,808	582
Total contractual payables		**356,754**	**82,270**
Total current payables		**356,754**	**82,270**
Total payables		**356,754**	**82,270**
Total payables		356,754	82,270
Deferred grant income		(48,216)	(7,338)
Total financial liabilities classified as payables	7.1	**308,538**	**74,932**

How we recognise payables

Payables consist of:

- **Contractual payables**, including payables that relate to the purchase of goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Bayside Health prior to the end of the financial year that are unpaid.
- **Statutory payables**, including Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

The normal credit terms for accounts payable are usually Net 60 days.

Note 5.4(a) Movement in deferred capital grant income

	Consolidated 2026 $'000	2025 $'000
Opening balance of deferred capital grant income	7,338	14,498
Transfer on administrative restructure	52,687	-
Grant consideration for capital works received during the year	37,151	7,883
Deferred capital grant income recognised as income due to completion of capital works	(48,960)	(15,043)
Closing balance of deferred capital grant income	**48,216**	**7,338**

How we recognise deferred capital grant income

Grant consideration was received from the Department of Health to support the construction of various capital construction projects.

Capital grant income is recognised progressively as the asset is constructed, since this is the time when Bayside Health satisfies its obligations. The progressive percentage of costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result, Bayside Health has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Bayside Health expects to recognise all of the remaining deferred capital grant income for capital works by June 2027.

Note 5.5 Contract liabilities

	Consolidated 2026 $'000	2025 $'000
Opening balance of contract liabilities	3,630	2,630
Transfer on administrative restructure	200,849	-
Add: payments received for performance obligations yet to be completed during the period	118,948	-
Add: grant consideration for sufficiently specific performance obligations received during the year	1,739,828	827,599
Less: revenue recognised in the reporting period for the completion of a performance obligation	(1,099,465)	(826,599)
Less: grant revenue for sufficiently specific performance obligations work recognised consistent with the performance obligations met during the year	(919,896)	-
Total contract liabilities	**43,894**	**3,630**
Represented by		
Current contract liabilities	30,431	3,630
Non-current contract liabilities	13,463	-

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of funding provided by the DH. The balance of contract liabilities was broadly consistent with the prior period when taking into account the amounts transferred on administrative restructure. This is primarily due to the similarities in the funding arrangements provided by the DH. In both reporting periods, the Department of Health allowed for the funding to be deferred into following periods subject to the satisfaction of criteria stated in AASB 15 *Revenue from contracts with customers* and associated guidance was provided for satisfaction of performance obligations.

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

Note 6 How we finance our operations

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

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provides additional, specific financial instrument disclosures.

Structure

6.1 Borrowings
6.2 Cash and cash equivalents
6.3 Commitments for expenditure

Material judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	Bayside Health applies material judgement to determine if a contract is or contains a lease by considering if the health service: – has the right-to-use an identified asset – has the right to obtain substantially all economic benefits from the use of the leased asset and – can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	Bayside Health applies material judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	Bayside Health discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Bayside Health uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions. For leased land and buildings, Bayside Health estimates the incremental borrowing rate to be between 1.21% and 5.77%. For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 1.25% and 6%.

Material judgements and estimates (continued)

Key judgements and estimates	Description
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend, or terminate the lease if Bayside Health is reasonably certain to exercise such options. Bayside Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: – If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. – If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. – The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1 Borrowings

	Note	Consolidated 2026 $'000	2025 $'000
Current borrowings			
TCV loan (i)		3,484	1,540
Lease liability (ii)	6.1(a)	26,997	11,902
Financial liability		19,707	-
Total current borrowings		**50,188**	**13,442**
Non-current borrowings			
TCV loan (i)		10,974	12,779
Lease liability (ii)	6.1(a)	121,336	73,273
Financial liability		1,053,872	-
Total non-current borrowings		**1,186,182**	**86,052**
Total borrowings	**7.1**	**1,236,370**	**99,494**

(i)These are secured loans with a weighted average interest rate of 4.93% (2025: 4.1%).

(ii) Secured by the assets leased.

How we recognise borrowings

Borrowings refer to interest bearing liabilities mainly raised from advances from the Treasury Corporation of Victoria (TCV) and other funds raised through lease liabilities, and other interest-bearing arrangements.

Borrowings are classified as financial instruments. Interest bearing liabilities are classified at amortised cost and recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Interest expense

Peninsula University Hospital commenced operations in January 2026 as part of the Frankston Hospital redevelopment. As part of the project, buildings and related assets were transferred from the Department of Health to Bayside Health through an equity contribution and included the recognition of a finance liability of $1,074m. DH will make payments to Exemplar Health Consortium for a term of 25 years to operate and maintain the hospital. The financial liability will be reduced over the 25 year term via DH non-cash contributions.

	Consolidated 2026 $'000	2025 $'000
Interest on lease liabilities	5,675	4,117
Interest on financial liabilities	37,824	-
Interest on loans from TCV	621	616
Total interest expense	**44,120**	**4,733**

Interest expense includes costs incurred in connection with the borrowing of funds and includes interest on bank overdrafts and short term and long-term borrowings, interest component of lease repayments and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest expense is recognised in the period in which it is incurred.

Bayside Health recognises borrowing costs immediately as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset.

Defaults and breaches

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

Note 6.1(a) Lease liabilities

Bayside Health's lease liabilities are summarised below:

	Consolidated 2026 $'000	2025 $'000
Current lease liabilities		
Lease liability	26,997	11,902
Total current lease liabilities	**26,997**	**11,902**
Non-current lease liabilities		
Lease liability	121,336	73,273
Total non-current lease liabilities	**121,336**	**73,273**
Total lease liabilities	**148,333**	**85,175**

Note 6.1(a) Lease liabilities (continued)

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

	Consolidated 2026 $'000	2025 $'000
Not longer than one year	33,706	15,917
Longer than one year but not longer than five years	103,835	53,079
Longer than five years	38,864	38,618
Minimum future lease liability	**176,405**	**107,614**
Less unexpired finance expenses	(28,072)	(22,439)
Present value of lease liability	**148,333**	**85,175**

How we recognise lease liabilities

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

To apply this definition, Bayside Health ensures the contract meets the following criteria:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Bayside Health and for which the supplier does not have substantive substitution rights,
- Bayside Health has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and Bayside Health has the right to direct the use of the identified asset throughout the period of use, and
- Bayside Health has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Bayside Health's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased land	10 to 99 years
Leased buildings	1 to 15 years
Leased plant, equipment, furniture, fittings, and vehicles	1 to 5 years

All leases are recognised on the balance sheet, with the exception of low value leases (less than $10,000 AUD) and short-term leases of less than 12 months. Bayside Health has elected to apply the practical expedients for short-term leases and leases of low-value assets. As a result, no right-of-use asset or lease liability is recognised for these leases; rather, lease payments are recognised as an expense on a straight-line basis over the lease term, within "other operating expenses" (refer to Note 3.1).

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Bayside Health incremental borrowing rate. Our lease liability has been discounted by rates of between 1.21% to 6%.

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

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

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

- Property leases with options for extension and termination
- Equipment leases with options for extension and termination

These terms are used to maximise operational flexibility in terms of managing contracts. Extension and termination options held are exercisable only by the health service and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term and lease liability if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Subsequent measurement

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

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

Leases with significantly below market terms and conditions

Bayside Health holds lease arrangements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. These are commonly referred to as concessionary lease arrangements.

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

Note 6.1(a) Lease liabilities (continued)

Description of leased asset	Our dependence on lease	Nature and terms of lease
Land and Buildings located at: – 17-23 Yuille Street, Frankston – 87-91 Beach Street, Frankston – 185 High Street, Hastings	The lease of land and buildings are the premises from which Bayside Health provides a part of its healthcare services. Bayside Health's dependence on this lease is high. This level of dependency stems from the inability for Bayside Health to source an equivalent substitute site with equal facilities and amenities within a comparable area for the given value.	**17-23 Yuille Street, Frankston** Lease payments of $104 are required per annum. The lease commenced in 2013 and had a lease term of 10 years and is now ongoing on a month to month arrangement. Restrictions placed on the use of the asset include requirement to provide healthcare services. **87-91 Beach Street, Frankston** Lease payments of $104 are required per annum. The lease commenced in 2014 and has a lease term of 10 years and is now ongoing on a month to month arrangement. Restrictions placed on the use of the asset include requirement to provide healthcare services. **185 High Street, Hastings** Lease payments of $104 are required per annum. The lease commenced in 2009 and has a lease term of 40 years which includes extension options. A portion of the land footprint is spatially apportioned via concessionary sublease to the Queen Elizabeth Centre who controls and occupies 24.3% of the total land area for operating an Early Parenting Centre. Bayside Health retains control and occupation of the remaining 75.7% for operating the Hastings Community Health Centre. Restrictions placed on the use of the asset include requirement to provide healthcare services.
Land located at 28 and 30 Adelaide Street (Armadale)	The leased land is used for the operation of a residential mental Bayside Health (eating disorders). Bayside Health's dependence on this lease is considered high. The asset has a purpose-built facility to allow the operation of a residential mental Bayside Health (eating disorders) with limited available substitutes.	Lease payments of $104 are required per annum. The leases commenced in July 2023 and have a lease term of 10 years. Restrictions placed on the use of the asset are that it be used for the operation of a residential mental Bayside Health (eating disorders).

Description of leased asset	Our dependence on lease	Nature and terms of lease
Land located at 75 Alma Road (St Kilda)	The leased land is used for the operation of a Community Care Unit residential mental Bayside Health. Bayside Health's dependence on this lease is considered high. The asset has a facility to allow the operation of a Community Care Unit residential mental Bayside Health with limited available substitutes.	Lease payments of $104 are required per annum. The lease commenced in July 2023 and has a lease term of 10 years. Restrictions placed on the use of the asset are that it be used for the operation of a Community Care Unit residential mental Bayside Health.
Land located at 580 Swanston Street (Carlton)	The leased land is used for the operation of a Sexual Health Centre. Bayside Health's dependence on this lease is considered high. The asset has a facility to allow the operation of a Sexual Health Centre with limited available substitutes.	Lease payments of $104 are required per annum. The lease commenced in November 2023 and has a lease term of 20 years. Restrictions placed on the use of the asset are that it be used for the operation of a Sexual Health Centre.
Land located at 99 Commercial Road (Melbourne)	The leased land is used for the operation of health and research services. Bayside Health's dependence on this lease is considered high. The asset has had significant capital works to allow the provision of health and research services on The Alfred campus.	Lease payments of $104 are required per annum. The lease commenced in June 2008 and has a lease term of 99 years. Restrictions placed on the use of the asset are that it be used for the provision of health, laboratory and research services.
Land and buildings located at 56 Church Street, Cowes	The lease of land and buildings are the premises from which Bayside Health provides a part of its healthcare services. Bayside Health's dependence on this lease is high. This level of dependency stems from the inability for Bayside Health to source an equivalent substitute site with equal facilities and amenities within a comparable area for the given value.	Lease payments of $104 are required per annum. The lease commenced in 2025 and has a lease term of 50 years with no extension options. Restrictions placed on the use of the asset include requirement to operate a community hospital.

Note 6.2 Cash and cash equivalents

	Note	Consolidated 2026 $'000	2025 $'000
Cash on hand (excluding monies held in trust)		38	10
Cash at bank - CBS (excluding monies held in trust)		295,395	7,213
Total cash held for operations		**295,433**	**7,223**
Cash at bank (monies held in trust)		361	-
Cash at bank - CBS (monies held in trust)		32,843	560
Total cash held as monies in trust		**33,204**	**560**
Total cash and cash equivalents	7.1	**328,637**	**7,783**

Note 6.3 Commitments for expenditure

30 June 2026	Less than 1 year $'000	1-5 Years $'000	Over 5 years $'000	Total $'000
Capital expenditure commitments	71,940	817	-	72,757
Operating expenditure commitments	166,920	101,027	5,825	273,772
Non-cancellable short term and low value lease commitments	544	-	-	544
Total commitments (inclusive of GST)	**239,404**	**101,844**	**5,825**	**347,073**
Less GST recoverable	21,764	9,259	530	(31,553)
Total commitments (exclusive of GST)	217,640	92,585	5,295	315,520

30 June 2025	Less than 1 year $'000	1-5 Years $'000	Over 5 years $'000	Total $'000
Capital expenditure commitments	4,385	-	-	4,385
Operating expenditure commitments	6,841	6,135	-	12,976
Total commitments (inclusive of GST)	**11,226**	**6,135**	**-**	**17,361**
Less GST recoverable	1,021	558	-	(1,578)
Total commitments (exclusive of GST)	**10,205**	**5,577**	**-**	**15,783**

How we disclose our commitments

Our commitments relate to expenditure and short term and low value leases.

Expenditure commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

Short term and low value leases

Bayside Health discloses short term and low value lease commitments which are excluded from the measurement of right-of-use assets and lease liabilities. Refer Note 6.1 for further information.

Note 7 Risks, contingencies, and valuation uncertainties

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

Structure

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

Material judgements and estimates

This section contains the following material judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of non-financial assets	Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use. In determining the highest and best use, Bayside Health has assumed the current use is its highest and best use. Bayside Health uses a range of valuation techniques to estimate fair value. The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Subsequently, the health service applies material judgement to categorise and disclose such assets within a fair value hierarchy, which includes: – Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Bayside Health does not categorise any fair values within this level. – Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Bayside Health categorises non-specialised land and right-of-use concessionary land in this level. – Level 3, where inputs are unobservable. Bayside Health categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture, and fittings in this level.

Note 7.1 Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Bayside Health's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, fines, and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Financial instruments categorisation

Consolidated 30 June 2026	Note	Financial assets at amortised cost $'000	Financial assets at fair value through net result $'000	Financial liabilities at amortised cost $'000	Total $'000
Contractual financial assets					
Cash and cash equivalents	6.2	328,637	-	-	328,637
Receivables	5.1	189,693	-	-	189,693
Investments and other financial assets	5.3	1,974	91,629	-	93,603
Total financial assets (i)		**520,304**	**91,629**	**-**	**611,933**
Financial liabilities					
Payables	5.4	-	-	308,538	308,538
Borrowings	6.1	-	-	1,236,370	1,236,370
Total financial liabilities (i)		**-**	**-**	**1,544,908**	**1,544,908**

Note 7.1 Financial instruments (continued)

30 June 2025	Note	Financial Assets at Amortised Cost $'000	Financial Assets at Fair Value Through Net Result $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual financial assets					
Cash and cash equivalents	6.2	7,783	-	-	7,783
Receivables	5.1	80,201	-	-	80,201
Investments and other financial assets	5.3	-	14,783	-	14,783
Total financial assets [(i)]		**87,984**	**14,783**	**-**	**102,767**
Financial liabilities					
Payables	5.4	-	-	74,932	74,932
Borrowings	6.1	-	-	99,494	99,494
Total financial liabilities [(i)]		**-**	**-**	**174,426**	**174,426**

(i) The carrying amount excludes statutory receivables (i.e., GST receivable) and statutory payables (i.e., GST payable and deferred capital grant income).

How we categorise financial instruments

Categories of financial assets

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

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

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

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

Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following criteria are met, and the assets are not designated as fair value through net result:

- the assets are held by Bayside Health solely to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

These assets are initially recognised at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method less any impairment.

Bayside Health recognises the following assets in this category:

- cash and cash equivalents
- receivables and contract assets (excluding statutory receivables).

Categories of financial liabilities

Financial liabilities are recognised when Bayside Health becomes a party to the contractual provisions to the instrument. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

Financial liabilities at amortised cost

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

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period. The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Bayside Health recognises the following liabilities in this category:

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

Offsetting financial instruments

Financial instrument assets and liabilities are offset, and the net amount presented in the consolidated balance sheet when, and only when, Bayside Health has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where Bayside Health does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency, or bankruptcy, they are reported on a gross basis.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- Bayside Health retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement or
- Bayside Health has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset, or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where Bayside Health has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Bayside Health's continuing involvement in the asset.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Reclassification of financial instruments

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

A financial liability reclassification is not permitted.

Note 7.2 Financial risk management objectives and policies

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

Details of the significant accounting policies and methods adopted, included the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability, and equity instrument above are disclosed throughout the financial statements.

Bayside Health's exposure to financial risks including credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk is deemed insignificant based on prior periods' data and current assessment of risk. Bayside Health manages these financial risks in accordance with its financial risk management policy.

Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

Note 7.2(a) Credit risk

Bayside Health has assessed there is no material credit risk.

Note 7.2(b) Liquidity risk

Bayside Health's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk in that Bayside Health provides essential services to the Victorian health system and it is highly likely that the State of Victoria will continue providing ongoing financial support to the entity.

Note 7.2(c) Market risk

Bayside Health's exposures to market risk are primarily through interest rate risk, and equity price risk. Bayside Health has assessed there is no material market risk.

Note 7.3 Contingent assets and contingent liabilities

As at 30 June 2026, Bayside Health has a pending asset receipt of the Phillip Island Community Hospital from the Victorian Department of Health. The transfer will be executed in accordance with FRD 119 *Transfers through Contributed Capital*. The estimated financial impact is $61.3 million, representing the current carrying value of the asset.

The Board are not aware of any other contingent assets or liabilities at balance date.

How we measure and disclose contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service, or
- present obligations that arise from past events but are not recognised because:
  - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations or
  - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

Note 7.4 Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

- Financial assets and liabilities at fair value through net result
- Financial assets and liabilities at fair value through other comprehensive income

Property, plant, and equipment, with the exception of right-of-use assets arising under AASB 16 *Leases*, which are measured using the cost model

In addition, the fair value of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure.

Valuation hierarchy

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

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

Bayside Health has managed investment schemes which have been assessed as Level 2 and Level 3 on the fair value hierarchy and have a total carrying value of $91.6 million (2025: $14.78 million).

Bayside Health determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There have been no transfers between levels during the period.

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

Note 7.4(a) Fair value determination of investments and other financial assets

	Note	Carrying amount 30 June 2026 $'000	Fair value measurement at end of reporting period using: Level 1 $'000	Level 2 $'000	Level 3 $'000
Managed investment schemes	5.3	91,629	80,154	11,475	-
Total investments and other financial assets at fair value		**91,629**	**80,154**	**11,475**	**-**

	Note	Carrying amount 30 June 2025 $'000	Fair value measurement at end of reporting period using: Level 1 $'000	Level 2 $'000	Level 3 $'000
Managed investment schemes	5.3	14,783	-	14,783	-
Total investments and other financial assets at fair value		**14,783**	**-**	**14,783**	**-**

Managed investment schemes

Bayside Health invests in managed funds, which are not quoted in an active market. The managed funds invest in both listed securities and debt securities:

- **Listed Securities:** The listed securities are valued at fair value with reference to a quoted (unadjusted) market price from an active market. Bayside Health categorises these instruments as Level 1.
- **Debt securities:** In the absence of an active market, the fair value of the debt securities and government bonds are valued using observable inputs, such as recently executed transaction prices in securities of the issuer or comparable issuers and yield curves. Adjustments are made to the valuations when necessary to recognise differences in the instrument's terms. To the extent that the significant inputs are observable, Bayside Health categorises these investments as Level 2.
- **Managed investment funds:** The head managed investment fund invests in other managed funds, which may not be quoted in an active market and which may be subject to restrictions on redemptions. In measuring this fair value, the net asset value (NAV) of the funds is adjusted, as necessary, to reflect restrictions and redemptions, future commitments and other specific factors of the fund. In measuring fair value, consideration is also paid to any transactions in the shares of the fund. Bayside Health classifies these funds as Level 2.

Note 7.4(b) Fair value determination of non-financial physical assets

	Note	Carrying amount 30 June 2026 $'000	Fair value measurement at end of reporting period using: Level 1[(i)] $'000	Level 2[(i)] $'000	Level 3[(i)] $'000
Non-specialised land		28,640	-	28,640	-
Specialised land		390,294	-	-	390,294
Total land at fair value	4.1	**418,934**	**-**	**28,640**	**390,294**
Specialised buildings		3,091,610	-	270	3,091,340
Total buildings at fair value	4.1	**3,091,610**	**-**	**270**	**3,091,340**
Plant, equipment, furniture, fittings and vehicles at fair value		284,363	-	-	284,363
Total plant, equipment, and vehicles at fair value	4.1	**284,363**	**-**	**-**	**284,363**
Total non-financial physical assets at fair value		**3,794,907**	**-**	**28,910**	**3,765,997**

	Note	Carrying amount 30 June 2025 $'000	Fair value measurement at end of reporting period using: Level 1[(i)] $'000	Level 2[(i)] $'000	Level 3[(i)] $'000
Non-specialised land		-	-	-	-
Specialised land		88,430	-	-	88,430
Total land at fair value	4.1	**88,430**	**-**	**-**	**88,430**
Specialised buildings		439,674	-	270	439,404
Total buildings at fair value	**4.1**	**439,674**	**-**	**270**	**439,404**
Plant, equipment, furniture, fittings and vehicles at fair value		53,182	-	-	53,182
Total plant, equipment and vehicles at fair value	4.1	53,182	-	-	53,182
Total non-financial physical assets at fair value		**581,286**	**-**	**270**	**581,016**

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

How we measure fair value of non-financial physical assets

The fair value of non-financial physical assets reflects their highest and best use, considering whether market participants would use the asset similarly or sell it for that purpose. This assessment takes into account the asset's characteristics and any physical, legal, or contractual restrictions.

Bayside Health assumes the current use reflects highest and best use unless market or other factors indicate otherwise. Potential alternative uses are only considered when it is virtually certain that restrictions will no longer apply.

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

Where an independent valuation has not been undertaken at balance date, Bayside Health perform a fair value assessment to estimate possible changes in value since the date of the last independent valuation with reference to VGV indices.

An adjustment is recognised if the assessment concludes that the fair value of non-financial physical assets has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or fair value assessment). Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value since the last independent valuation, being equal to or in excess of 40%, Bayside Health would obtain an interim independent valuation prior to the next scheduled independent valuation.

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* amended AASB 13 *Fair Value Measurement* by adding Appendix F *Australian implementation guidance for not-for-profit public sector entities*. Appendix F explains and illustrates the application of the principles in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable annual reporting periods beginning on or after 1 January 2024. FRD 103 permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation (whichever is earlier).

An independent valuation of Bayside Health's non-financial physical assets was performed by the VGV on 30 June 2024. Fair value assessments have therefore been performed for all classes of assets in this purpose group at 30 June 2025 and the decision was made that the movements were not material (less than or equal to 10%). As such, an independent revaluation was not required per FRD 103. In accordance with FRD 103, Bayside Health will apply Appendix F of AASB 13 prospectively in its next scheduled formal revaluation in 2029 or interim revaluation process (whichever is earlier). Bayside Health does not expect the impact to be material to the financial statements.

There were no changes in valuation techniques throughout the period to 30 June 2026.

Non-specialised land

Non-specialised land is valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land, an independent valuation was performed by the VGV to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location, and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2024.

Specialised land and specialised buildings

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset.

During the reporting period, Bayside Health held Crown Land. The nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value.

The market approach is also used for specialised land although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued. Specialised assets contain significant, unobservable adjustments; therefore, these assets are classified as Level 3 under the market based direct comparison approach.

The CSO adjustment reflects the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and considers the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

Note 7.4(b) Fair value determination of non-financial physical assets (continued)

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

An independent valuation of Bayside Health's specialised land and specialised buildings was performed by the VGV. The effective date of the valuation is 30 June 2024.

Vehicles

Bayside Health acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by the health service who set relevant depreciation rates during use of reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

Plant and Equipment

Plant and equipment (including medical equipment, computers and communication equipment) are held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the current replacement cost is used to estimate the fair value.

Reconciliation of level 3 fair value measurement

	Note	Land $'000	Buildings $'000	Plant, equipment, furniture, fittings, and vehicles $'000	Total $'000
Balance at 1 July 2024		**88,430**	**452,465**	**51,223**	**592,118**
Net additions		-	3,928	16,361	20,289
Net Transfers between classes		-	1,614	1,668	3,282
Depreciation and amortisation		-	(18,333)	(16,070)	(34,403)
Balance at 30 June 2025	7.4(b)	**88,430**	**439,674**	**53,182**	**581,286**
Transfer on administrative restructure		370,709	1,746,927	182,438	2,300,074
Net additions		-	1,084,042	93,981	1,178,023
Net Transfers between classes		-	11,499	34,345	45,844
Depreciation and Amortisation		(7,009)	(100,117)	(35,402)	(142,528)
Balance at 30 June 2026	7.4(b)	**452,130**	**3,182,025**	**328,545**	**3,962,700**

Fair value determination of level 3 fair value measurement

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Specialised land (Crown/freehold)	Market approach	Community Service Obligations Adjustments (i)
Specialised buildings	Current replacement cost approach	– Cost per square metre
		– Useful life
Plant, equipment and vehicles	Current replacement cost approach	– Cost per unit
		– Useful life

(i) A community service obligation (CSO) of 20% was applied to the Bayside Health's specialised land.

Note 8 Other disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

8.1 Reconciliation of net result to net cash flow from operating activities
8.2 Responsible persons disclosure
8.3 Remuneration of executives
8.4 Related parties
8.5 Remuneration of auditors
8.6 Ex-gratia expenses
8.7 Events occurring after the balance sheet date
8.8 Controlled entities
8.9 Equity
8.10 Administrative restructure
8.11 Financial information of Alfred Health
8.12 Financial information of Bass Coast Health
8.13 Financial information of Gippsland Southern Health Service
8.14 Financial information of Kooweerup Regional Health Service

Note 8.1 Reconciliation of net result to net cash flows from operating activities

	Note	2026 $'000	2025 $'000
Net result		1,364	(8,508)
Non-cash movements:			
Loss/(gain) on sale or disposal of non-financial assets		5,470	(1,026)
Loss/(gain) on financial instruments		3,088	(720)
Depreciation of non-current assets	4.2	142,528	33,284
Amortisation of non-current assets	4.2	4,183	1,149
Other non-cash movements		(1,634)	-
Gain on revaluation of long service leave liability		(12,789)	(2,780)
Non-cash investment income		(3,900)	-
Movements in Assets and Liabilities:			
Decrease/(increase) in receivables and contract assets		75,476	(14,093)
Decrease in inventories		1,950	65
Decrease in prepaid expenses		19,198	1,975
Decrease in payables and contract liabilities		(202,348)	(6,461)
Increase in employee entitlement provisions		26,996	17,847
Net cash inflow from operating activities		**59,582**	**20,732**

Note 8.2 Responsible persons disclosures

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

The Governing Board and Accountable Officer reflect the Directors and Accountable Officer of Peninsula Health for the period 1 July 2025 to 31 December 2025 and the Directors and Accountable Officer of Bayside Health for the period 1 January 2026 to 30 June 2026.

	Period
The Honourable Mary-Anne Thomas MP:	
Minister for Health	1 Jul 2025 - 15 Apr 2026
Minister for Ambulance Services	1 Jul 2025 - 15 Apr 2026
The Honourable Harriet Shing MP:	
Minister for Health	16 Apr 2026 - 30 Jun 2026
Minister for Ambulance Services	16 Apr 2026 - 30 Jun 2026
The Honourable Melissa Horne MP:	
Minister for Health Infrastructure	1 Jul 2025 - 30 Jun 2026
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	1 Jul 2025 - 30 Jun 2026
Minister for Ageing	1 Jul 2025 - 30 Jun 2026
Minister for Multicultural Affairs / Minister for Multicultural and Multifaith Victoria	1 Jul 2025 - 30 Jun 2026
The Honourable Lizzie Blandthorn MP:	
Minister for Children	1 Jul 2025 - 30 Jun 2026
Minister for Disability	1 Jul 2025 - 30 Jun 2026
Governing Board 1 July 2025 to 31 December 2025	
Ms Karen Corry (Board Chair)	1 Jul 2025 – 31 Dec 2025
Ms Rita Cincotta	1 Jul 2025 – 31 Dec 2025
Dr Mark Frydenberg	1 Jul 2025 – 31 Dec 2025
Ms Sylvia Hadjiantoniou	1 Jul 2025 – 31 Dec 2025
Mr Peter Joyce	1 Jul 2025 – 31 Dec 2025
Dr Tony Kambourakis	1 Jul 2025 – 31 Dec 2025
Ms Kirsten Mander	1 Jul 2025 – 31 Dec 2025

	Period
Governing Board from 1 January 2026	
Prof The Hon Martin Foley (Board Chair)	1 Jan 2026 - 30 Jun 2026
Ms Karen Corry	1 Jan 2026 - 30 Jun 2026
Ms Athina Georgiou	1 Jan 2026 - 30 Jun 2026
Mr Peter Joyce	1 Jan 2026 - 30 Jun 2026
Ms Kirsten Mander	1 Jan 2026 - 30 Jun 2026
Ms Linda McCrorey	1 Jan 2026 - 30 Jun 2026
Prof Christina Mitchell AO	1 Jan 2026 - 30 Jun 2026
Ms Chloe Shorten	1 Jan 2026 - 30 Jun 2026
Mr Kushal Shah	1 Jan 2026 - 30 Jun 2026
Ms Karinda Taylor	1 Jan 2026 - 30 Jun 2026
Mr Ian Thompson	1 Jan 2026 - 30 Jun 2026
Accountable Officer	
Ms Helen Cooper	1 Jul 2025 - 31 Dec 2025
Adj Prof Adam Horsburgh	1 Jan 2026 - 30 Jun 2026

Remuneration of Responsible Persons

The number of Responsible Persons is shown in their relevant income bands:

Income Band	2026 No.	2025 No.
$0 - $10,000	1	1
$20,000 - $29,999	7	-
$30,000 - $39,999	3	-
$40,000 - $49,999	-	7
$50,000 - $59,999	3	-
$70,000 - $79,999	1	1
$250,000 - $259,999	1	-
$350,000 - $359,999	1	-
$430,000 - $439,999	-	1
Total	**17**	**10**

Note 8.2 Responsible persons disclosures (continued)

	2026 $'000	2025 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**1,140**	**852**

Amounts relating to Responsible Ministers are reported within the State's Annual Financial Report.

Note 8.3 Remuneration of executives

The number of executive officers, other than Ministers and the Accountable Officer, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full-time equivalent executive officers over the reporting period.

	Total Remuneration	
Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.4)	**2026 $'000**	**2025 $'000**
Short-term benefits	2,391	1,920
Post-employment benefits	216	176
Other long-term benefits	144	69
Termination benefits	-	165
Total remuneration [(i)]	**2,751**	**2,330**
Total number of executives	16	9
Total annualised employee equivalent [(ii)]	**6**	**7**

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Bayside Health under AASB 124 Related Party Disclosures and are also reported within Note 8.4 Related Parties.

(ii) Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered, and is disclosed in the following categories:

Short-term employee benefits

Salaries and wages, annual leave or personal leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits

Pensions and other retirement benefits (such as superannuation guarantee contributions) paid or payable on a discrete basis when employment has ceased.

Other long-term benefits

Long service leave, other long-service benefit, or deferred compensation.

Termination benefits

Termination of employment payments, such as severance packages.

Other factors

Several factors affected total remuneration payable to executives over the year.

Remuneration of Peninsula Health Executives is reported for the period from 1 July 2025 to 31 December 2025. Remuneration of Bayside Executives is reported from the date of appointment as a Bayside Executive to 30 June 2026 or the date they ceased to hold a Bayside Executive position.

The prior year disclosure reflects the remuneration of Peninsula Health Executives.

Note 8.4 Related parties

Bayside Health is a wholly owned and controlled entity of the State of Victoria. Related parties of the health service include:

- all key management personnel (KMP) and their close family members and personal business interests
- cabinet ministers (where applicable) and their close family members
- all health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.
- Controlled entities – Alfred Hospital Whole Time Medical Specialists' Private Practice Trust, John F Marriott for HIV Trust, Marriott for HIV Ltd, Alfred Intensive Care Foundation and Alfred Intensive Care Foundation Ltd

KMPs are those people with the authority and responsibility for planning, directing, and controlling the activities of the Bayside Health, directly or indirectly.

Key management personnel

The Board of Directors and the Executive Directors of the Bayside Health and its controlled entities are deemed to be KMPs.

KMPs reflect Peninsula Health's Board and Executive for the period 1 July 2025 to 31 December 2025 and Bayside Health's Board, Executive and Controlled Entities Trustees and Directors for the period 1 January 2026 to 30 June 2026.

Entity	KMPs	Position Title
Board		
Peninsula Health Board 1st July 2025 to 31 December 2025		
Peninsula Health	Ms Karen Corry	Chair of the Board
Peninsula Health	Ms Rita Cincotta	Board Member
Peninsula Health	Dr Mark Fydenberg	Board Member
Peninsula Health	Ms Syliva Hadjiantoniou	Board Member
Peninsula Health	Mr Peter Joyce	Board Member
Peninsula Health	Dr Tony Kambourakis	Board Member
Peninsula Health	Ms Kirsten Mander	Board Member
Bayside Health Board 1st January 2026 to 30th June 2026		
Bayside Health	Prof The Hon Martin Foley	Chair of the Board
Bayside Health	Ms Athina Georgiou	Board Member
Bayside Health	Ms Linda McCrorey	Board Member
Bayside Health	Prof Christina Mitchell AO	Board Member
Bayside Health	Mr Kushal Shah	Board Member
Bayside Health	Ms Chloe Shorten	Board Member
Bayside Health	Ms Karinda Taylor	Board Member
Bayside Health	Mr Ian Thompson	Board Member
Bayside Health	Ms Karen Corry	Board Member
Bayside Health	Mr Peter Joyce	Board Member
Bayside Health	Ms Kirsten Mander	Board Member

Note 8.4 Related parties (continued)

Entity	KMPs	Position Title
Executive		
Peninsula Health Executive 1st July 2025 to 31 December 2025		
Peninsula Health	Ms Helen Cooper	Chief Executive Officer
Peninsula Health	Ms Trudy Ararat	Executive Director - People, Culture and Governance
Peninsula Health	Mr Paul Butler	Executive Director - Digital, Strategy and Capital
Peninsula Health	Ms Jana Gazarek	Executive Director - Operations
Peninsula Health	Mr Osman Kasso	Interim Executive Director - Finance and Commercial
Peninsula Health	Dr Shyaman Menon	Executive Director - Medical Services and Clinical Governance
Peninsula Health	Ms Fiona Reed	Executive Director - Nursing and Midwifery
Bayside Health Executive 1st January 2026 to 30th June 2026		
Bayside Health	Mr Adam Horsburgh	Chief Executive (appointed 1 January 2026)
Bayside Health	Ms Simone Alexander	Chief Executive - Alfred Care Group (appointed 1 January 2026)
Bayside Health	Ms Jana Gazarek	Interim Chief Executive - Peninsula Care Group (appointed 7 April 2026)
Bayside Health	Ms Helen Cooper	Chief Executive - Peninsula Care Group (resigned 3 April 2026)
Bayside Health	Ms Louise Sparkes	Chief Executive - Regional Care Group (appointed 1 January 2026)
Bayside Health	Dr Tony Kambourakis	Chief Medical Officer and Executive Director Clinical Governance (23 February 2026)
Bayside Health	Ms Fiona Reed	Interim Chief Nursing & Midwifery Officer (appointed 23 March 2026)
Bayside Health	Mr Kemsley Fairhurst	Chief Financial Officer (appointed 1 January 2026)
Bayside Health	Dr Sudeep Saraf	Chief Digital Health Officer (appointed 14 April 2026)
Bayside Health	Mr Paul Butler	Executive Director Capital and Planning (appointed 31 March 2026)
Bayside Health	Ms Anna Phillips	Chief People and Culture Officer (appointed 18 May 2026)

Entity	KMPs	Position Title
Controlled Entities 1st January to 30th June 2026		
Alfred Hospital Whole Time Medical Specialists' Private Practice Trust	Mr Lynton Norris	Trustee (Chair)
Alfred Hospital Whole Time Medical Specialists' Private Practice Trust	Dr David Daly	Trustee
Alfred Hospital Whole Time Medical Specialists' Private Practice Trust	Ms Su Ann Teoh	Trustee
Marriott for HIV Ltd as Trustee for John F Marriott for HIV Trust	Mr William O'Shea	Director (Chair)
Marriott for HIV Ltd as Trustee for John F Marriott for HIV Trust	Ms Melanie Eagle	Director
Marriott for HIV Ltd as Trustee for John F Marriott for HIV Trust	Prof Jennifer Hoy	Director
Marriott for HIV Ltd as Trustee for John F Marriott for HIV Trust	Ms Natalie McDonald	Director
Alfred Intensive Care Foundation Ltd as Trustee for Alfred Intensive Care Foundation	Dr Dashiell Gantner	Director (Chair)
Alfred Intensive Care Foundation Ltd as Trustee for Alfred Intensive Care Foundation	Dr Julia Coull	Director
Alfred Intensive Care Foundation Ltd as Trustee for Alfred Intensive Care Foundation	Ms Simone Alexander	Director
Alfred Intensive Care Foundation Ltd as Trustee for Alfred Intensive Care Foundation	Prof Steven McGloughlin	Director

The compensation detailed below excludes the salaries and benefits the Portfolio Ministers receive. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

Note 8.4 Related parties (continued)

Compensation - KMPs	Consolidated 2026 $'000	2025 $'000
Short-term Employee Benefits	3,421	2,685
Post-employment Benefits	298	248
Other Long-term Benefits	172	83
Termination Benefits	-	165
Total (i)	**3,891**	**3,181**

(i) KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Significant transactions with government related entities

Bayside Health received funding from the DH of $1,832.7m (2025: $887.4m) and indirect contributions of $94.8m (2025: $13.8 m). Balances outstanding as at 30 June 2026 are $3.0 m (2025: $7.4 m).

Expenses incurred by Bayside Health in delivering services and outputs are in accordance with HealthShare Victoria requirements. Goods and services including procurement, diagnostics, patient meals and multi-site operational support are provided by other Victorian Health Service Providers on commercial terms.

Professional medical indemnity insurance and other insurance products are obtained from the Victorian Managed Insurance Authority.

The Standing Directions of the Minister of Finance require Bayside Health to hold cash (in excess of working capital) in accordance with the State of Victoria's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victoria unless an exemption has been approved by the Minister for Health and the Treasurer.

Transactions with KMPs and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occurs on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the HealthShare Victoria and Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with Bayside Health, there were no related party transactions that involved key management personnel, their close family members, or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2026 (2025: none).

Except for the transaction listed below, there were no other related party transactions required to be disclosed for the Bayside Health Board of Directors in 2026.

Controlled entities related party transactions

- Adj Prof Adam Horsburgh (Chief Executive) is the Board President of the Victoria Hospitals Industrial Association;
- Mr Lynton Norris is a trustee of the Alfred Hospital Whole Time Medical Specialist's Private Practice Trust, and a Board Director at the Australian Health Practitioner Regulation Agency (AHPRA), and a director and shareholder of Aristotle Cloud Services Australia Pty Ltd; and
- Prof. Christina Mitchell (Board member of Bayside Health) is the Executive Dean of the Faculty of Medicine, Nursing and Health Sciences in Monash University.

All transactions between the above entities and Bayside Health relate to reimbursements made by Bayside Health to the entities for the provision of goods and services and the transfer of funds by way of distributions made to Bayside Health and are in the normal course of business and are on normal commercial terms and conditions. These transactions are therefore not required to be disclosed.

Bayside Health has an agreement to provide management services to the WTMS Trust and for the year ended 30 June 2026 charged an amount of $0.05m (30 June 2025: $nil). WTMS provides donation funding for the benefit of Bayside Health and its employees and for the year ended 30 June 2026 donated $0.2m (30 June 2025 $nil).

Bayside Health has an agreement to provide management services to John F Marriott Trust and for the year ended 30 June 2026 charged an amount of $0.02m (30 June 2025: $nil). John F Marriott Trust provides donation funding for the benefit of Bayside Health and its employees and for the year ended 30 June 2026 donated $0.2m (30 June 2025: $nil).

Bayside Health has an agreement to provide management services to Alfred IC Foundation Trust and for the year ended 30 June 2026 charged an amount of $0.01m (30 June 2025: $nil). Alfred IC Foundation Trust provides donation funding for the benefit of Bayside Health and its employees and for the year ended 30 June 2026 donated $nil (30 June 2025: $nil).

Note 8.5 Remuneration of auditors

	Consolidated 2026 $'000	2025 $'000
Victorian Auditor-General's Office		
Audit of the financial statements	466	195
Total remuneration of auditors	**466**	**195**

Note 8.6 Ex-gratia expenses

	Consolidated 2026 $'000	2025 $'000
Bayside Health has made the following ex gratia expenses:		
Forgiveness or waiver of debt	-	25
Compensation for economic loss	86	4
Total ex-gratia expenses	**86**	**29**

Includes ex-gratia for both individual items and in aggregate that are greater than or equal to $5,000.

Ex-gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write-off) that are not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity.

Note 8.7 Events occurring after the balance sheet date

There are no events occurring after the balance sheet date.

Note 8.8 Controlled entities

Bayside Health's interest in controlled entities are detailed below. These entities were previously controlled entities of Alfred Health and become controlled entities of Bayside Health on 1 January 2026 following the voluntary merger.

The amounts are included in the consolidated financial statements under their respective categories:

	Country of residence	Ownership Interest %
Name of entity		
Alfred Hospital Whole Time Medical Specialists' Private Practice Trust	Australia	100%
John F Marriott for HIV Trust	Australia	100%
Marriott for HIV Ltd	Australia	100%
Alfred Intensive Care Foundation	Australia	100%
Alfred Intensive Care Foundation Ltd	Australia	100%

Controlled entities contribution to the consolidated results

	2026 $'000	2025 $'000
Net result/(loss) for the period 1 January 2026 to 30 June 2026		
Alfred Hospital Whole Time Medical Specialists' Private Practice Trust	(128)	-
John F Marriott for HIV Trust	32	-
Marriott for HIV Ltd	-	-
Alfred Intensive Care Foundation	(24)	-
Alfred Intensive Care Foundation Ltd	-	-

Contingent liabilities and capital commitments

There are no known contingent liabilities or capital commitments held by controlled entities at balance date.

Controlled entities

AASB 10 *Consolidated Financial Statements* is applied in the preparation of consolidated financial statements for a group of entities under the control of the parent. AASB 10 requires the satisfaction of all of the following three criteria for control to exist over an entity for financial reporting purposes:

- The investor has power over the investee;
- The investor has exposure, or rights to variable returns from its involvement with the investee; and
- The investor has the ability to use its power over the investee to affect the amount of investor's returns.

Alfred Hospital Whole Time Medical Specialists' Private Practice Trust (WTMS) is a charitable trust set up principally for the benefit of the Alfred Hospital. Bayside Health has the powers noted above due to its ability to appoint and remove the majority of the trustees.

The John F Marriott for HIV Trust is a charitable trust set up principally for the benefit of Bayside Health. Marriott for HIV Ltd is the corporate trustee of the trust and Bayside Health has the powers noted above due to its ability to appoint and remove the majority of the directors of the trustee company.

Marriott for HIV Ltd, a wholly owned entity, was established on 29 May 2020 to act as the trustee of John F Marriott for HIV Trust.

Alfred Intensive Care Foundation is a charitable trust set up principally for the benefit of Bayside Health. Alfred Intensive Care Foundation Ltd is the corporate trustee of the trust and Bayside Health has the powers noted above due to its ability to appoint and remove the majority of the directors of the trustee company.

Alfred Intensive Care Foundation Ltd, a wholly owned entity, was established on 12 February 2025 to act as the trustee of Alfred Intensive Care Foundation.

Note 8.9 Equity

Property, plant, and equipment revaluation surplus

The properly, plant, and equipment revaluation surplus arises on the revaluation of infrastructure, land, and buildings. The revaluation surplus is not normally transferred to the accumulated surpluses/(deficits) on derecognition of the relevant asset.

General purpose surplus

The general purpose surplus is established where Bayside Health has generated own source tied funds for specific purpose with conditions or obligations attached.

Restricted specific purpose reserves

The specific restricted purpose reserve is established where Bayside Health has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

Note 8.10 Administrative restructure

The table below represents the carrying value of the net assets in the balance sheets of the former entities of Alfred Health, Bass Coast Health, Gippsland Southern Health Service, Kooweerup Regional Health Service as at 31 December 2025

The net assets transferred to Bayside Health as a result of the administrative restructure in accordance with AASB 1004 *Contributions* and FRD119 *Transfer through Contributed Capital*, are recognised in the balance sheet at the carrying amount of those assets in the former entities balance sheets immediately before transfer.

Additional financial information for the former health services transferred to Bayside Health under the administrative restructure is provided in Notes 8.11 to 8.14.

Note 8.10 Administrative restructure (continued)

	Alfred Health $'000	Bass Coast Health $'000	Gippsland Southern Health Service $'000	Kooweerup Regional Health Service $'000	Total $'000
Financial assets					
Cash and cash equivalents	267,393	50,199	22,823	23,755	364,170
Receivables	90,118	7,365	4,088	1,146	102,717
Contract assets	42,831	225	1,188	5	44,249
Investments and other financial assets	82,823	-	-	-	82,823
Total financial assets	**483,165**	**57,789**	**28,099**	**24,906**	**593,959**
Non-financial assets					
Prepayments	31,987	3,200	1,608	552	37,347
Inventories	19,693	418	115	92	20,318
Property, plant, and equipment	2,048,031	183,351	111,838	25,103	2,368,323
Intangible assets	827	-	-	-	827
Total non-financial assets	**2,100,538**	**186,969**	**113,561**	**25,747**	**2,426,815**
Total assets	**2,583,703**	**244,758**	**141,660**	**50,653**	**3,020,774**
Liabilities					
Payables	206,525	22,028	14,736	13,421	256,710
Contract liabilities	178,143	17,994	3,639	1,073	200,849
Borrowings	53,746	1,411	485	68	55,710
Employee benefits	434,846	26,678	12,162	5,058	478,744
Total liabilities	**873,260**	**68,111**	**31,022**	**19,620**	**992,013**
Net assets	**1,710,443**	**176,647**	**110,638**	**31,033**	**2,028,761**
Contributed Capital	1,548,860	176,354	110,638	31,033	1,866,885
General purpose surplus transfer	81,568	-	-	-	81,568
Restricted specific purpose reserve transfer	80,015	293	-	-	80,308
Total transfer of net assets	**1,710,443**	**176,647**	**110,638**	**31,033**	**2,028,761**

Note 8.11 Financial information of Alfred Health

The financial information below relates to Alfred Health prior to its transfer to Bayside Health on 1 January 2026. The net assets transferred have been recognised through contributed capital as disclosed in Note 8.10.

Alfred Health

Comprehensive operating statement
For the period 1 July 2025 to 31 December 2025

	2026 Part Year $'000	2025 Full Year $'000
Revenue and income from transactions		
Revenue from contracts with customers	915,522	1,610,187
Government grants	119,661	311,098
Other income	77,051	164,479
Total revenue and income from transactions	**1,112,234**	**2,085,764**
Expenses from transactions		
Employee expenses	(758,021)	(1,441,253)
Depreciation and amortisation	(69,768)	(139,755)
Supplies and consumables	(199,140)	(390,764)
Other operating expenses	(95,541)	(166,515)
Total expenses from transactions	**(1,122,470)**	**(2,138,287)**
Net result from transactions - net operating balance	**(10,236)**	**(52,523)**
Other economic flows included in net result		
Net (loss)/gain on sale of non-financial assets	(78)	199
Net gain on financial instruments	804	5,671
Other losses from other economic flows	(1,330)	(7,194)
Total other economic flows included in net result	**(604)**	**(1,324)**
Net result	**(10,840)**	**(53,847)**
Total other comprehensive income	**-**	**-**
Comprehensive result	**(10,840)**	**(53,847)**

Note 8.11 Financial information of Alfred Health (continued)

Alfred Health

Balance sheet
As at 31 December 2025

	2026 Part Year $'000	2025 Full Year $'000
Financial assets		
Cash and cash equivalents	267,393	117,974
Receivables	90,118	106,576
Contract assets	42,831	41,309
Investments and other financial assets	82,823	80,430
Total financial assets	**483,165**	**346,289**
Non-financial assets		
Prepayments	31,987	35,853
Inventories	19,693	16,844
Property, plant, and equipment	2,048,031	2,048,620
Intangible assets	827	1,049
Total non-financial assets	**2,100,538**	**2,102,366**
Total assets	**2,583,703**	**2,448,655**
Liabilities		
Payables	206,525	200,472
Contract liabilities	178,143	44,695
Borrowings	53,746	57,092
Employee benefits	434,846	425,113
Total liabilities	**873,260**	**727,372**
Net assets	**1,710,443**	**1,721,283**
Equity		
Property, plant, and equipment revaluation surplus	1,750,598	1,750,598
General purpose surplus	81,568	73,659
Restricted specific purpose reserve	80,015	87,612
Contributed capital	342,004	342,004
Accumulated deficit	(543,742)	(532,590)
Total equity	**1,710,443**	**1,721,283**

Alfred Health

Statement of changes in equity
For the period 1 July 2025 to 31 December 2025

	Property, Plant and Equipment Revaluation Surplus $'000	General Purpose Surplus $'000	Restricted Specific Purpose Reserve $'000	Contributed Capital $'000	Accumulated Surplus/ (Deficit) $'000	Total $'000
Balance at 30 June 2025	**1,750,598**	**73,659**	**87,612**	**342,004**	**(532,590)**	**1,721,283**
Net result for the year	-	-	-	-	(10,840)	(10,840)
Movement in reserves	-	7,909	(7,597)	-	(312)	-
Balance at 31 December 2025	**1,750,598**	**81,568**	**80,015**	**342,004**	**(543,742)**	**1,710,443**

Note 8.11 Financial information of Alfred Health (continued)

Alfred Health

Cash flow statement
For the period 1 July 2025 to 31 December 2025

	2026 Part Year $'000	2025 Full Year $'000
Cash Flows from operating activities		
Receipts from Government	1,073,600	1,766,171
Commercial activities, patient and hospital fees received	102,332	131,767
Donations and bequests received	15,073	4,346
GST received from ATO	27,916	40,143
Other receipts	65,947	160,748
Total receipts	**1,284,868**	**2,103,175**
Payments to employees	(742,423)	(1,376,889)
Payments for supplies and consumables	(279,431)	(591,136)
Other payments	(34,367)	(78,344)
Total payments	**(1,056,221)**	**(2,046,369)**
Net cash flows from operating activities	**228,647**	**56,806**
Cash Flows from investing activities		
Proceeds from sale of non-financial assets	696	1,905
Purchase of non-financial assets	(72,234)	(108,387)
Proceeds from sale of financial assets	1,158	6,914
Capital donations and bequests received	-	11,457
Net cash flows used in investing activities	**(72,406)**	**(88,111)**
Cash flows from financing activities		
Capital contribution	-	2,500
Repayment of borrowings	(6,822)	(11,280)
Net cash flows used in financing activities	**(6,822)**	**(8,780)**
Net increase/(decrease) in cash and cash equivalents held	**149,419**	**(40,085)**
Cash and cash equivalents at beginning of year	117,974	158,059
Cash and cash equivalents at end of year	**267,393**	**117,974**

Note 8.12 Financial information of Bass Coast Health

The financial information below relates to Bass Coast Health prior to its transfer to Bayside Health on 1 January 2026. The net assets transferred have been recognised through contributed capital as disclosed in Note 8.10.

Bass Coast Health

Comprehensive operating statement
For the period 1 July 2025 to 31 December 2025

	2026 Part Year $'000	2025 Full Year $'000
Revenue and income from transactions		
Revenue from contracts with customers	82,648	143,674
Government grants	7,371	17,584
Other income	3,186	14,389
Total revenue and income from transactions	**93,205**	**175,647**
Expenses from transactions		
Employee expenses	(65,865)	(124,812)
Depreciation and amortisation	(6,204)	(12,317)
Supplies and consumables	(13,937)	(29,855)
Other operating expenses	(8,627)	(16,193)
Total expenses from transactions	**(94,633)**	**(183,177)**
Net result from transactions - net operating balance	**(1,428)**	**(7,530)**
Other economic flows included in net result		
Net gain on sale of non-financial assets	18	197
Net (loss)/gain on financial instruments	(1)	38
Other gains from other economic flows	-	97
Total other economic flows included in net result	**17**	**332**
Net result	**(1,411)**	**(7,198)**
Total other comprehensive income	**-**	**-**
Comprehensive result	**(1,411)**	**(7,198)**

Note 8.12 Financial information of Bass Coast Health (continued)

Bass Coast Health

Balance sheet
As at 31 December 2025

	2026 Part Year $'000	2025 Full Year $'000
Financial assets		
Cash and cash equivalents	50,199	29,260
Receivables	7,365	8,621
Contract assets	225	-
Total financial assets	**57,789**	**37,881**
Non-financial assets		
Prepayments	3,200	761
Inventories	418	334
Property, plant, and equipment	183,351	183,670
Total non-financial assets	**186,969**	**184,765**
Total assets	**244,758**	**222,646**
Liabilities		
Payables	22,028	16,806
Contract liabilities	17,994	1,395
Borrowings	1,411	1,499
Employee benefits	26,678	24,930
Total liabilities	**68,111**	**44,630**
Net assets	**176,647**	**178,016**
Equity		
Property, plant, and equipment revaluation surplus	53,366	53,366
Restricted specific purpose reserve	293	293
Contributed capital	19,452	19,410
Accumulated surplus	103,536	104,947
Total equity	**176,647**	**178,016**

Bass Coast Health

Statement of changes in equity
For the period 1 July 2025 to 31 December 2025

	Property, Plant and Equipment Revaluation Surplus $'000	General Purpose Surplus $'000	Restricted Specific Purpose Reserve $'000	Contributed Capital $'000	Accumulated Surplus/ (Deficit) $'000	Total $'000
Balance at 30 June 2025	**53,366**	**-**	**293**	**19,410**	**104,947**	**178,016**
Net result for the year	-	-	-	-	(1,411)	(1,411)
Contributed capital	-	-	-	42	-	42
Balance at 31 December 2025	**53,366**	**-**	**293**	**19,452**	**103,536**	**176,647**

Note 8.12 Financial information of Bass Coast Health (continued)

Bass Coast Health

Cash flow statement
For the period 1 July 2025 to 31 December 2025

	2026 Part Year $'000	2025 Full Year $'000
Cash Flows from operating activities		
Receipts from Government	103,455	156,157
Commercial activities, patient and hospital fees received	4,156	4,033
Donations and bequests received	457	10
GST received from ATO	2,954	171
Other receipts	2,923	9,917
Total receipts	**113,945**	**170,288**
Payments to employees	(59,985)	(120,869)
Payments for supplies and consumables	(24,279)	(32,783)
Other payments	(3,649)	(12,380)
Total payments	**(87,913)**	**(166,032)**
Net cash flows from operating activities	**26,032**	**4,256**
Cash Flows from investing activities		
Proceeds from sale of non-financial assets	(36)	345
Purchase of non-financial assets	(6,388)	(6,438)
Capital donations and bequests received	-	1,457
Net cash flows used in investing activities	**(6,424)**	**(4,636)**
Cash flows from financing activities		
Repayment of borrowings	(146)	(233)
Receipt of borrowings	-	1,022
Receipt of accommodation deposits	1,477	271
Net cash flows from financing activities	**1,331**	**1,060**
Net increase in cash and cash equivalents held	**20,939**	**680**
Cash and cash equivalents at beginning of year	29,260	28,580
Cash and cash equivalents at end of year	**50,199**	**29,260**

Note 8.13 Financial information of Gippsland Southern Health Service

The financial information below relates to Gippsland Southern Health Service prior to its transfer to Bayside Health on 1 January 2026. The net assets transferred have been recognised through contributed capital as disclosed in Note 8.10.

Gippsland Southern Health Service

Comprehensive operating statement
For the period 1 July 2025 to 31 December 2025

	2026 Part Year $'000	2025 Full Year $'000
Revenue and income from transactions		
Revenue from contracts with customers	29,982	47,147
Government grants	127	6,936
Other income	964	3,777
Total revenue and income from transactions	**31,073**	**57,860**
Expenses from transactions		
Employee expenses	(25,161)	(48,597)
Depreciation and amortisation	(3,690)	(7,305)
Supplies and consumables	(2,029)	(4,161)
Other operating expenses	(3,257)	(7,287)
Total expenses from transactions	**(34,137)**	**(67,350)**
Net result from transactions - net operating balance	**(3,064)**	**(9,490)**
Other economic flows included in net result		
Net gain on sale of non-financial assets	53	14
Other gain from other economic flows	149	5
Total other economic flows included in net result	**202**	**19**
Net result	**(2,862)**	**(9,471)**
Total other comprehensive income	**-**	**-**
Comprehensive result	**(2,862)**	**(9,471)**

Note 8.13 Financial information of Gippsland Southern Health Service (continued)

Gippsland Southern Health Service

Balance sheet
As at 31 December 2025

	2026 Part Year $'000	2025 Full Year $'000
Financial assets		
Cash and cash equivalents	22,823	20,023
Receivables	4,088	3,971
Contract assets	1,188	426
Total financial assets	**28,099**	**24,420**
Non-financial assets		
Prepayments	1,608	419
Inventories	115	127
Property, plant, and equipment	111,838	114,958
Total non-financial assets	**113,561**	**115,504**
Total assets	**141,660**	**139,924**
Liabilities		
Payables	14,736	14,642
Contract liabilities	3,639	8
Borrowings	485	246
Employee benefits	12,162	11,415
Total liabilities	**31,022**	**26,311**
Net assets	**110,638**	**113,613**
Equity		
Property, plant, and equipment revaluation surplus	99,333	99,333
Restricted specific purpose reserve	-	113
Contributed capital	24,787	24,787
Accumulated deficit	(13,482)	(10,620)
Total equity	**110,638**	**113,613**

Gippsland Southern Health Service

Statement of changes in equity
For the period 1 July 2025 to 31 December 2025

	Property, Plant and Equipment Revaluation Surplus $'000	General Purpose Surplus $'000	Restricted Specific Purpose Reserve $'000	Contributed Capital $'000	Accumulated Surplus/ (Deficit) $'000	Total $'000
Balance at 30 June 2025	**99,333**	**-**	**113**	**24,787**	**(10,620)**	**113,613**
Net result for the year	-	-	-	-	(2,862)	(2,862)
Movement in reserves	-	-	(113)	-	-	(113)
Balance at 31 December 2025	**99,333**	**-**	**-**	**24,787**	**(13,482)**	**110,638**

Note 8.13 Financial information of Gippsland Southern Health Service (continued)

Gippsland Southern Health Service

Cash flow statement
For the period 1 July 2025 to 31 December 2025

	2026 Part Year $'000	2025 Full Year $'000
Cash Flows from operating activities		
Receipts from Government	29,168	47,868
Commercial activities, patient and hospital fees received	3,206	5,884
Donations and bequests received	-	7
GST received from ATO	469	1,665
Other receipts	920	3,448
Total receipts	**33,763**	**58,872**
Payments to employees	(21,819)	(41,670)
Payments for supplies and consumables	(6,471)	(12,631)
GST paid to ATO	-	(1,620)
Other payments	(2,458)	(4,693)
Total payments	**(30,748)**	**(60,614)**
Net cash flows from/(used in) operating activities	**3,015**	**(1,742)**
Cash Flows from investing activities		
Proceeds from sale of non-financial assets	61	37
Purchase of non-financial assets	(384)	(1,129)
Capital donations and bequests received	-	126
Net cash flows used in investing activities	**(323)**	**(966)**
Cash flows from financing activities		
Repayment of borrowings	(56)	(43)
Receipt of accommodation deposits	164	452
Net cash flows from financing activities	**108**	**409**
Net increase/(decrease) in cash and cash equivalents held	**2,800**	**(2,299)**
Cash and cash equivalents at beginning of year	20,023	22,322
Cash and cash equivalents at end of year	**22,823**	**20,023**

Note 8.14 Financial information of Kooweerup Regional Health Service

The financial information below relates to Kooweerup Regional Health Service prior to its transfer to Bayside Health on 1 January 2026. The net assets transferred have been recognised through contributed capital as disclosed in Note 8.10.

Kooweerup Regional Health Service

Comprehensive operating statement
For the period 1 July 2025 to 31 December 2025

	2026 Part Year $'000	2025 Full Year $'000
Revenue and income from transactions		
Revenue from contracts with customers	10,001	10,417
Government grants	-	8,839
Other income	1,373	3,638
Total revenue and income from transactions	**11,374**	**22,894**
Expenses from transactions		
Employee expenses	(9,102)	(17,481)
Depreciation and amortisation	(1,051)	(1,460)
Supplies and consumables	(413)	(871)
Other operating expenses	(1,286)	(3,206)
Total expenses from transactions	**(11,852)**	**(23,018)**
Net result from transactions - net operating balance	**(478)**	**(124)**
Other economic flows included in net result		
Net gain on sale of non-financial assets	-	14
Other gain from other economic flows	-	28
Total other economic flows included in net result	**-**	**42**
Net result	**(478)**	**(82)**
Total other comprehensive income	**-**	**-**
Comprehensive result	**(478)**	**(82)**

Note 8.14 Financial information of Kooweerup Regional Health Service (continued)

Kooweerup Regional Health Service

Balance sheet
As at 31 December 2025

	2026 Part Year $'000	2025 Full Year $'000
Financial assets		
Cash and cash equivalents	23,755	23,815
Receivables	1,146	1,620
Contract assets	5	-
Total financial assets	**24,906**	**25,435**
Non-financial assets		
Prepayments	552	240
Inventories	92	92
Property, plant, and equipment	25,103	25,496
Total non-financial assets	**25,747**	**25,828**
Total assets	**50,653**	**51,263**
Liabilities		
Payables	13,421	14,214
Contract liabilities	1,073	567
Borrowings	68	91
Employee benefits	5,058	4,880
Total liabilities	**19,620**	**19,752**
Net assets	**31,033**	**31,511**
Equity		
Property, plant, and equipment revaluation surplus	22,452	22,452
Contributed capital	4,715	4,715
Accumulated surplus	3,866	4,344
Total equity	**31,033**	**31,511**

Kooweerup Regional Health Service

Statement of changes in equity
For the period 1 July 2025 to 31 December 2025

	Property, Plant and Equipment Revaluation Surplus $'000	General Purpose Surplus $'000	Restricted Specific Purpose Reserve $'000	Contributed Capital $'000	Accumulated Surplus/ (Deficit) $'000	Total $'000
Balance at 30 June 2025	**22,452**	**-**	**-**	**4,715**	**4,344**	**31,511**
Net result for the year	-	-	-	-	(478)	(478)
Balance at 31 December 2025	**22,452**	**-**	**-**	**4,715**	**3,866**	**31,033**

Note 8.14 Financial information of Kooweerup Regional Health Service (continued)

Kooweerup Regional Health Service

Cash flow statement
For the period 1 July 2025 to 31 December 2025

	2026 Part Year $'000	2025 Full Year $'000
Cash Flows from operating activities		
Receipts from Government	8,824	15,941
Commercial activities, patient and hospital fees received	1,912	3,225
Donations and bequests received	2	7
GST received from ATO	295	(9)
Other receipts	1,387	3,515
Total receipts	**12,420**	**22,679**
Payments to employees	(8,740)	(16,701)
Payments for supplies and consumables	(1,821)	(1,760)
Other payments	(412)	(2,304)
Total payments	**(10,973)**	**(20,765)**
Net cash flows from operating activities	**1,447**	**1,914**
Cash Flows from investing activities		
Proceeds from sale of non-financial assets	(4)	14
Purchase of non-financial assets	(709)	(613)
Net cash flows used in investing activities	**(713)**	**(599)**
Cash flows from financing activities		
Repayment of borrowings	(25)	(57)
(Repayments)/Receipt of accommodation deposits	(769)	3,534
Net cash flows (used in)/from financing activities	**(794)**	**3,477**
Net (decrease)/increase in cash and cash equivalents held	**(60)**	**4,792**
Cash and cash equivalents at beginning of year	23,815	19,023
Cash and cash equivalents at end of year	**23,755**	**23,815**



A friendly and welcoming environment is offered at Leongatha Hospital.

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