Annual Report

2024–2025

the royal victorian eye and ear hospital

Acknowledgement of Country

The Eye and Ear would like to acknowledge and pay respect to the Traditional Custodians of this land. We acknowledge that the land we meet and work upon is the traditional lands of the Wurundjeri and pay our deep respects to Woi Wurrung Elders past, present and emerging and to all Elders of the Kulin Nation.

Contents

General information

The Royal Victorian Eye and Ear Hospital (Eye and Ear) has provided state-wide eye, ear, nose and throat health care since 1863. The hospital is accountable to Victorians, through the Victorian Minister for Health.

Manner of establishment and relevant Minister

The Eye and Ear was founded in 1863 by pioneering surgeon Dr Andrew Sexton Gray. The hospital is a public health service established under the *Health Services Act 1988 (Vic)*. The responsible Minister is the Minister for Health. During the reporting period the responsible Minister was the Hon. Mary-Anne Thomas, Minister for Health and Minister for Ambulance Services (1 July 2024 to 30 June 2025).

Powers and duties

The power and duties of the hospital are prescribed by the *Health Services Act 1988 (Vic)*.

Nature and range of services

The Eye and Ear provides a state-wide specialist tertiary and emergency eye, ear, nose and throat (ENT) health care service. It is internationally recognised as a leader in clinical service delivery, teaching and research in ophthalmology and otolaryngology.

As the largest public provider of ophthalmology and ENT services in Victoria, the hospital delivers more than half of Victoria's public eye surgery, and with its partners, all of Victoria's public cochlear implants. The Eye and Ear offers more than 100 specialist clinics dedicated to diagnosing, monitoring, and treating vision and hearing loss. It provides a 24-hour emergency eye and ENT health service, with care available in both outpatient and community settings. Most services provided at the Eye and Ear are on an outpatient or same-day basis. In 2024-2025 we provided more than 220,000 episodes of care to our patients including:

- 160,167 outpatient appointments
- 16,786 inpatient admissions
- 45,395 emergency attendances.

The hospital is a teaching and research centre and has key partnerships with the Centre for Eye Research Australia (CERA), The University of Melbourne, the Bionics Institute, and HEARnet.

Vision, mission and guiding principles

The Royal Victorian Eye and Ear Hospital is Australia's leading provider of eye, ear, nose and throat health care.

Vision

We will inspire and advance specialist eye and ENT care.

Mission

We improve health and wellbeing outcomes through excellence in:

- Clinical Care
- Teaching
- Education
- Research
- Innovation

Guiding Principles

Integrity, inclusive and accessible care, collaboration, excellence

Integrity
We act ethically, accept personal accountability, communicate openly and honestly and treat everyone with trust and respect.

Inclusive and Accessible Care
We are compassionate, thoughtful and responsive to the needs of our consumers.

Collaboration
We communicate openly, respect diversity of views and skills, and work effectively with partners and in multidisciplinary teams to deliver optimal outcomes.

Excellence
We give our personal best at all times, deliver exemplary care and experience, monitor performance, and seek continuous improvement through innovation.

Board Chair and Chief Executive Officer (CEO) report 2024-2025

Financial year 2024-2025 saw The Royal Victorian Eye and Ear Hospital (Eye and Ear) celebrate its first year in our newly redeveloped hospital. We are proud to serve our community and look forward to continuing to provide patients with outstanding eye, ear, nose and throat care in our new facilities.

The Eye and Ear maintains its accreditation by the Australian Council on Healthcare Standards (ACHS), having successfully achieved full accreditation during a Short Notice Accreditation Assessment conducted by ACHS in July 2024. Pleasingly, the hospital met all 148 National Safety and Quality Health Service (NSQHS) actions with no recommendations. This achievement reflects the Eye and Ear's ongoing commitment to clinical excellence, continuous improvement, and high-quality, safe care delivery.

Our clinical services are delivered in partnership with patients, carers, the community, and other healthcare providers across metropolitan, regional and rural areas. In 2024-2025, we continued to experience high demand for our services, with the hospital caring for 160,167 outpatients, 16,786 inpatients and 45,395 emergency patients.

During this time, we were delighted to have hosted our hospital's patron Her Excellency Professor the Honourable Margaret Gardner AC. This was her first visit to the hospital since her inauguration as Governor of Victoria in 2023 and bestowing our hospital with her Vice-Regal Patronage.

From 1 July 2025, the Eye and Ear looks forward to officially forming the Parkville Local Health Service Network alongside Oral Health Victoria, Parkville Youth Mental Health and Wellbeing Service, Peter MacCallum Cancer Centre, Royal Children's Hospital, Royal Melbourne Hospital and Royal Women's Hospital. The new Local Health Service Networks will bring together our health services to create a more connected and supportive experience for patients, staff, and the community, which will assist us to provide world leading eye and ear, nose and throat care.

Leading Through Excellence

Achieving the best possible patient outcomes through leadership in training, education, research and innovation.

Digital Health

The Eye and Ear remains focused on progressing its Digital Health Strategy. In 2024–2025, the Eye and Ear made significant progress in advancing the business case for a contemporary Electronic Medical Record (EMR) and Patient Administration System (PAS). The planning undertaken to date to develop this business case has laid a strong foundation for any future rollout of an EMR/PAS.

In May 2025, the Eye and Ear successfully launched the eReferral Management System (ERMS), digitising all paper referrals and streamlining intake, triage, and communication. This rollout included integration with iCare Oculo, enabling optometrists and ophthalmologists to send referrals directly from their desktops. We look forward to continued ERMS-related process improvements in 2025-2026.

In this financial year, the Datos Digital Care Pathways platform project finalised the design of two patient pathways to support pre and post hospital care through an innovative mobile phone health check. The tool will be piloted with Day 1 post-operative cataract surgery patients and ocular rheumatology patients and includes robust clinical escalation to provide safe, high-quality care. Following the successful launch of the platform, further pathways will be developed. We look forward to implementing new phases of the Digital Care Pathway capabilities in the 2025-2026 financial year.

Working in partnership

Our ongoing collaboration with research and partner organisations continues to benefit all Victorians. In partnership with the Victorian Aboriginal Health Service, we produced a video showcasing the positive impact of our Specialist Eye Clinic on Aboriginal and Torres Strait Islander communities. This video, which will be shared and screened across other Victorian Aboriginal Community Controlled Health Organisations, aims to promote this culturally safe service and improve eye health outcomes within the community.

In addition, towards the end of 2024 we partnered with the Bendigo District Aboriginal Cooperative (BDAC) to provide an audiology screening and assessment service, on country, and help address increased audiology waiting lists. Funded by Rural Workforce Agency Victoria (RWAV), dedicated Eye and Ear audiologists and a member of our Mirring Ba Wirring Aboriginal Health team, travel monthly to

BDAC to provide culturally safe care for Aboriginal and/or Torres Strait islander people closer to home.

The Eye and Ear partnered with Western and Central Melbourne Integrated Cancer Service to develop educational video resources supporting patients undergoing plaque brachytherapy, a common treatment for patients diagnosed with ocular melanoma. These videos were launched in November 2024 and provide clear information on the procedure, preparation, and aftercare, empowering patients and carers, and fostering confidence during treatment.

The Eye and Ear and our research partner, the Centre for Eye Research Australia (CERA), celebrated another successful research forum following the establishment of our joint research strategy. These annual combined research forums allow staff from each organisation to present on groundbreaking research underway. We look forward to hosting this collaborative event again in November 2025.

Our relationship and collaboration with international leaders continues to thrive via our membership with the World Association of Eye Hospitals (WAEH). Our participation in the 18th annual meeting has led to several joint projects, research and initiatives. One such initiative encouraged hospitals in the network to learn from each other by establishing the Nurse Exchange Observership Program. The Eye and Ear partnered with Jakarta Eye Centre (JEC) to participate in this program. Two perioperative nurses travelled to Jakarta and two perioperative nurses from JEC visited the Eye and Ear in mid-May 2025. The insights and connections gained from this experience were shared at the WAEH Community of Practice for Nurses and Allied Health Personnel and the JEC International Meeting.

The Eye and Ear is proud to be the home of the Bionic Ear, providing services to patients in Victoria and supporting clinical reviews of cochlear practices in other states. After a decade of dedicated research and innovation by Professor Graeme Clark AC and his team, our hospital performed the world's first cochlear implant operation in 1978. Its success led to the hospital opening the world's first public Cochlear Implant Clinic in 1985. The clinic, turning 40 this year, continues to be a world leader in cochlear treatment and care. We look forward to celebrating this milestone with stakeholders and key research partners at the University of Melbourne's Department of Otolaryngology and Cochlear Ltd in the next financial year.

In addition, the Eye and Ear looks forward to a new partnership with Goulburn Valley Health which will extend cochlear treatment and care in regional Victoria. This partnership will be officially established in 2025-2026 and we expect the first case later in 2025.

The Eye and Ear's close relationship with Cochlear celebrated an exciting innovation in June 2025 with the launch of the newest cochlear device. Cochlear's Nucleus Nexa, the world's first and only 'smart' implant, was developed in consultation with leading Eye and Ear cochlear implant professionals, contributing expertise, research and clinical testing.

Advancing Specialist Care

Our consumers benefit from access to progressive, impactful and responsive care, and outstanding experiences.

Timely Emergency Care 2

In 2025, the Eye and Ear improved emergency care with the Fast Track Patient Flow Improvement initiative by optimising Fast Track services for ophthalmic and ENT patients. Using Plan-Do-Study-Act cycles, the team streamlined patient flow, staffing, and triage, expanded Fast Track coverage to full days including weekends, refined triage criteria, and incorporated eye registrar shifts. The ENT Fast Track began in March 2025, and the hours of operation were extended from May 2025.

Victorian Virtual Specialist Consults (VVSC)

The Eye and Ear formalised a service agreement with Northern Health to pilot an ophthalmology stream with the Victorian Virtual Specialist Consults (VVSC). Launched in June this year, this service offers optometrists both online and in-person access to ophthalmologists for patient case consultations. In addition, joint online consultations between an optometrist, patient, GP and/or allied health professional can be arranged. This service supports care within the community for optometrists and Victorians.

Intensive Retinal Laser

The Eye and Ear introduced the Intensive Retinal Laser Clinic in 2024-2025 delivering Panretinal photocoagulation (PRP) under local anaesthetic injection, in contrast to the traditional topical anaesthetic approach used in the existing retinal laser clinic (ERETLA).

The change improves patient comfort, reduces non-attendance, and enables completion of treatment in fewer sessions. Early outcomes have been promising and the ERETLA waitlist has decreased.

Notably, 100 per cent of patients who completed feedback recommended the new approach. The initiative also targets patients with diabetes, a high-risk cohort who previously had high rates of surgical intervention following missed appointments. It is a proactive strategy to reduce avoidable admissions and improve long-term outcomes. The funding for the program was supplied as part of the North East Metro Health Service Partnership and supported by Safer Care Victoria's Safer Together Program.

Surgical blitz
In 2024–2025, significant progress was achieved in reducing surgical waiting lists, with a strong focus on improving access for long-wait paediatric and Aboriginal and Torres Strait Islander patient cohorts. These sessions were aligned with school holiday periods in April, resulting in high satisfaction among families. Building on the lessons learned from the April initiative, we repeated and expanded the program in July. This included scheduling senior paediatric staff for the week before holidays and reviewing case orders to enhance theatre efficiency and reduce clinical risks.

This focused work resulted in a 33 per cent drop in the total paediatric long-wait patient cohort and a 31 per cent drop for the Aboriginal and Torres Strait Islander paediatric long-wait patient cohort. This was supported by early engagement with Aboriginal Health Liaison Officers (AHLOs) ensuring care was delivered in a culturally sensitive manner. The AHLOs receive monthly reports of overdue patients and collaborated with the patient services and access teams to optimise pre-and post-operative preparation and communication.

Eye and Ear research
Research is an important part of the work that we do here at the hospital, and we continued to take opportunities to educate our staff and community about the latest Eye and Ear research.

In July 2024 a special ear, nose and throat research forum was held, featuring Professor Stephen O'Leary which highlighted important cochlear research aimed at preserving residual hearing during cochlear implant surgery. Additionally, Associate Professor David Szmulewicz presented his research on genes, diseases and treatments for complex balance disorders.

In November 2024, the Eye and Ear launched its research publication *Innovate* 2023-24. *Innovate* brings together articles on our research projects, partnerships, exceptional staff and the patients we serve. Focused on our strategic pillars, these stories highlight advancements and achievements that benefit patients locally, nationally and internationally. It is available on our website for all to access.

Environmental Sustainability
In 2024–2025, the Eye and Ear strengthened its commitment to environmental sustainability through the establishment of the Sustainability Assessment Group (SAG), a dedicated working group reporting monthly to the hospital's Performance Expanded Executive Committee. This dedicated team, led by a former clinician, focuses on reducing waste, promoting implemented environmental initiatives and fosters a culture of environmental awareness by providing clinical and non-clinical staff opportunities to suggest sustainability ideas for consideration.

Educating our community
The Eye and Ear is passionate about educating our community with stories and awareness campaigns. In 2024-2025, the hospital, its clinicians and patients featured in a variety of news stories across print and television promoting awareness of bird related eye injuries, hearing loss and cognitive decline, gene therapy and more.

Shared learnings with Health Services
Collaborating with other health services leads to better patient care, improved planning and services, and future innovations. The Eye and Ear worked with health services within Victoria and interstate to exchange knowledge in areas such as perioperative care, theatre efficiency, patient queue and flow system, nurse led clinics and allied health-led models of care. The focus was on developing and implementing advanced scope of practice models across both.

Supporting and Growing Our People

Embedding a thriving culture of learning, safety and wellbeing through effective leadership.

PeopleHub Launch
The successful implementation of our new human resources system PeopleHub was realised at the end of 2024 with the final migration of staff services going live. The new system promotes ease of use with improved recruitment systems, interface and navigation, training modules, professional development review processes and more features that empower staff to feel confident in their training and development.

2023-2025 Workforce Recruitment, Retention and Wellbeing Plan

Throughout 2024-2025, the Eye and Ear continued its commitment to our *2023-2025 Workforce Recruitment, Retention and Wellbeing Plan* through several initiatives. The implementation of our new PeopleHub system also brought with it a new careers website, reinvigorating recruitment advertising with personalised profiles, employee benefits information, staff profiles and testimonials.

An emphasis on health safety and wellbeing through the financial year was supported by a large focus on Health and Safety Month in October. The month was dedicated to wellbeing initiatives, information sessions, employee benefit sessions and activities available to all staff with schedules planned for each week. This focus was further supported by ongoing training opportunities, professional development and support for staff, including psychosocial hazard training, non-clinical staff development training in partnership with St Vincent's Hospital Melbourne and occupational violence and aggression training.

Equity and Inclusion

In 2024, the Eye and Ear launched two key strategic planning publications: the *Disability Action Plan* (DAP) and the *Diversity, Equity and Inclusion Plan* (DEIP). These initiatives reaffirm the hospital's commitment to fostering an inclusive, equitable, and accessible environment for all patients, staff, and visitors. The DEIP outlines targeted actions to support cultural safety, gender equity and inclusive leadership, while the DAP focuses on removing barriers to access and participation for people with disabilities. Both plans were developed in consultation with staff, consumers, and community partners, and align with the hospital's broader strategic pillars. Implementation will be monitored through measurable outcomes and regular reporting to ensure meaningful and sustained progress.

The Eye and Ear also provided staff with opportunities to learn and understand how to better support patients living with a disability. At our new staff induction event we welcomed Guide Dogs Victoria to provide training on how to assist patients who are blind or have low vision at the hospital and in community. In addition, we invited the Office of the Public Advocate to come and present to hospital staff on why and how to engage patients with a disability in their own healthcare.

In November 2024, the Eye and Ear welcomed Victoria's Public Sector Gender Equality Commissioner, Dr Niki Vincent, who visited the Eye and Ear as part of the Commission's initiative to engage directly with all public sector organisations under its remit. The visit reinforced the Eye and Ear's commitment to embedding equity into all aspects of its operations and culture.

Aboriginal Health

Our commitment to providing a welcoming and culturally safe environment for our Aboriginal and Torres Strait Islander patients, visitors and staff remains a priority. During NAIDOC Week in 2024, we unveiled our Aboriginal art installation located on the ground floor of the hospital. The stunning installation features two large Aboriginal artworks, interspersed by Wathaurong glass panels in a light-filled atrium next to the hospital cafe. The Wathaurong glass and Aboriginal artwork installation is another visual statement of our hospital's commitment to providing a culturally safe environment for our Aboriginal and Torres Strait Islander patients, and to closing the healthcare gap for First Nations peoples with eye and ear, nose and throat medical conditions.

Under the guidance of our Mirring Ba Wirring Aboriginal Health team and Aunty Gina Bundle OAM, and the support from Western and Central Melbourne Integrated Cancer Services, work is underway to complete our possum skin cloak project which will be launched during NAIDOC Week 2025. Hospital departments and services, alongside our partners, patients and community, contributed a design to the cloak on what reconciliation means to them. During National Reconciliation Week workshops were held for staff to participate in learning about the cultural practice of cloak making, burning the designs onto the pelts and colouring their designs in with ochre.

Following a successful trial and additional funding submission to the North East Metro Health Service Partnership, the Saturday Aboriginal Health Liaison Officer (AHLO) role is recommencing for the remainder of the 2024-2025 financial year. This will provide onsite AHLO support for Aboriginal and Torres Strait Islander patients to access care at the hospital.

Executive, leaders and managers underwent an Aboriginal employment workshop facilitated by Chris Delamont, the First Nation's Recruitment Co-ordinator at St Vincent's Hospital Melbourne. The workshop was a deeply impactful and thought-provoking session on how we can work together to nurture the creation of positive employment and education opportunities for Aboriginal and/or Torres Strait Islander candidates.

Staff Recognition

Every year, the Eye and Ear's Excellence Awards celebrate individuals and teams who have contributed to achieving organisational excellence. The awards acknowledge creative and original thinking resulting in positive outcomes for our patients, an improved working environment, or improved hospital systems. Recipients of the 2024 Excellence Awards were:

Board Chair's Medal – Professor Robyn Guymer AM, Ophthalmologist

Administrative Excellence Award – Josephine Pickett, Manager Health Information Services

Allied Health Excellence Award – Emma Loughnan, Disability Liaison Officer and Social Worker

Nursing Excellence Award – Madeleine Tyrell, Nurse, Specialist Clinics

Dr J Aubrey Bowen Medal – Professor Lyndell Lim, Ophthalmologist

Team Excellence Award – Pharmacy

Acknowledgements

The Board Chair and CEO would like to thank Eye and Ear staff, volunteers, consumer representatives and Board Directors for their sustained engagement and dedication to the hospital. This commitment ensures that we continue to provide world-class care to our patients and the broader Victorian community.

The Eye and Ear is most grateful for the generosity of its supporters. Financial support from our loyal donors and philanthropic trusts and foundations helps the hospital continue to provide world leading care.

We thank Sandra Knight OAM, who stepped down from her role as CAC Lead Consumer and Chair CAC Consumer Working Group in February 2025, for her dedication to improving consumer advocacy across the hospital. In March 2025 we warmly welcomed consumer and long serving volunteer, Rama Appuswamy, who has taken up the position.

We extend our deepest thanks to David Anderson, who is stepping down at the end of the 2024-2025 financial year as Board Director and Chair of the Board Finance Sub-Committee.

We are grateful for the ongoing support that the hospital has received from the Department of Health.

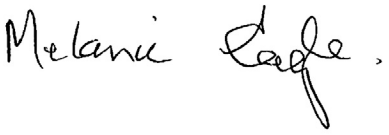
Thank you

On behalf of the Eye and Ear staff, volunteers and consumers, we would like to express our immense gratitude for the invaluable contribution of our Board Chair Dr Sherene Devanesen AM who finished her decade long tenure at the end of the 2024-2025 financial year. Dr Devanesen has been a steadfast advocate for excellence in governance, patient care and community engagement.
Her time as Board Chair is marked by a deep commitment to advancing the hospital's mission and ensuring Victorians have access to our world-class specialist care.

From 1 July 2025, the Eye and Ear welcomes incoming Chair, Melanie Eagle.

Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for The Royal Victorian Eye and Ear Hospital for the year ending 30 June 2025.



Melanie Eagle
Chair, Board of Directors
2 October 2025

Board of Directors and Board committees

The Board of Directors is appointed by the Governor in Council on the recommendation of the Victorian Minister for Health and is governed by the principles contained within the Health Services Act 1988 (Vic).

The Board provides governance of The Royal Victorian Eye and Ear Hospital and is responsible for its financial performance, strategic directions, the quality of its health care services and strengthening community involvement through greater partnerships.

The Eye and Ear by-laws enable the Board to delegate certain responsibilities. The by-laws are supported by the delegation of executive and operational responsibility, enabling designated executives and staff to perform their duties by exercising specified authority. The Board meets monthly during the year, excluding January.

Dr Sherene Devanesen AM MBBS, Dip(Obs) RACOG, FRACMA, FACHSM, FIML, FHKCCM, GAICD
Appointed 14 April 2015 to 30 June 2025
Chair Board of Directors
Member Audit Committee, Finance Committee, Remuneration Committee

Dr Devanesen was the former Chief Executive Officer of Yooralla. Before joining Yooralla in 2014, Dr Devanesen was Chief Executive Officer of Peninsula Health. With more than 30 years of experience in the management of health services and medical administration, her experience has provided her with a strong reputation in consumer consultation and engagement and in achieving quality outcomes for human and community services. Dr Devanesen is a Fellow of The Royal Australasian College of Medical Administrators, the Australasian College of Health Service Management, the Australian Institute of Managers and Leaders and the Hong Kong College of Community Medicine. She is also a graduate of the Australian Institute of Company Directors. Dr Devanesen is a member of the Northern Health Board. At the 2024 King's Birthday Honours, Dr Devanesen received a Member of the Order of Australia for her significant service to community health through governance and administrative roles.

Mr David Anderson BCOM, MCOM (Finance), GAICD
Appointed 26 April 2016 to 30 June 2024, reappointed 13 August 2024 to 30 June 2025
Chair Finance Committee
Member Audit Committee, Remuneration Committee

Mr Anderson brings a wealth of experience in finance and audit. He has held senior finance positions in the Department of Water Resources and the Department of Health and Human Services within the Victorian Government for over 20 years and was Executive Director of Finance at Peninsula Health for 16 years to 2018. Mr Anderson has recently undertaken work for the Department of Health and HealthShare Victoria and is a director of Grampians Health. He has demonstrated commitment to the wider community, and roles include being a Fellow of the Healthcare Financial Management Association (HFMA) and previously treasurer of Statewide Autistic Services (Vic).

Mr Simon Brewin MBL, GDHSM, BBus, GAICD
Appointed 1 July 2017
Deputy Board Chair
Chair Primary Care and Population Health Advisory Committee
Member Finance Committee, Quality and Safety Committee.

Mr Brewin is an experienced non-executive director holding several health-related board appointments including, up until 1 May 2025, at Uniting AgeWell Ltd and Guardian Network. He is experienced in corporate and clinical governance, risk and compliance and strategy.

Previously Mr Brewin held senior appointments in the Victorian healthcare sector including executive director roles at Alfred Health, Monash Health and Peninsula Health. Mr Brewin is a graduate of the Australian Institute of Company Directors, past state branch president of the Australasian College of Health Service Management and The Royal Victorian Eye and Ear Hospital nominee as Director to the Board of the Centre for Eye Research Australia (CERA).

Ms Janice Brown BE, GDACG, CA, AGIA
Appointed 20 February 2025

Ms Brown is a Chartered Accountant with over 30 years of experience in financial accounting, assurance, compliance and risk management. In addition to being a Financial Assurance Director at PwC, Ms Brown has been a Chief Financial Officer in superannuation, health insurance and disability service entities, all in the for-purpose sector. Throughout her career, she has gained extensive experience with financial reporting and analysis, mergers, regulatory reform, investment and capital management and strategic planning. Ms Brown is also a qualified Company Secretary, has strong corporate governance skills and is an Associate Member of the Governance Institute of Australia.

Ms Christine McLoughlin BSW (Hon), MAICD
Appointed 1 July 2024
Member Audit Committee, Quality and Safety

Ms. McLoughlin has 15 years of experience in public health, leading People and Culture functions at Alfred Health and Monash Health. She integrates culture development with process and system design and has leadership and human resources experience across manufacturing, state government and consulting firms. She collaborates with leaders to develop high-performance cultures and teams that facilitate thriving environments for individuals and groups. Beginning her career as a social worker, she established child protection and corporate training units for the state government and directed KPMG's leadership training unit. Currently, she serves on the board of Gippsland Southern Health Service and offers consulting services to a health service in South Australia.

Mr Bruce Mildenhall BA, GD Rec, GAICD
Appointed 1 July 2018
Chair Community Advisory Committee
Member Finance Committee (to February 2025), Quality and Safety Committee

Mr Mildenhall has an extensive background in governance at a public sector and community level. He served as the State MP for Footscray for 14 years including seven years as Parliamentary Secretary to the Premier and nine years as a councillor with the City of Footscray. In the health sector, he served on the board of a primary health service for more than 20 years. He also chaired the board of the largest residential aged care service in the western suburbs for nine years, led a review of mental health workforce training and been a board member of the Victorian Health Promotion Foundation and a metropolitan hospital. Beyond these involvements, he is a graduate of the Australian Institute of Company Directors and was a senior manager in the Victorian Public Service before entering parliament.

Mr Bruce Ryan BSc (maj. Comp Science and Statistics)
Appointed 1 July 2017
Chair Audit Committee
Member Remuneration Committee

Mr Ryan has extensive information and communications technology (ICT) management expertise within the Victorian public health sector and other Victorian government settings. He worked with the Department of Health to assist with delivery of large-scale ICT projects and worked closely with Eastern Health during the redevelopment of Box Hill Hospital and commissioning of advanced electronic records management there. Mr Ryan is also a former Chief Information Officer at Yooralla.

Dr Susan Sdrinis MBBS, FRACMA, MPH, MHSM, GAICD
Appointed 1 July 2022
Chair Quality and Safety Committee
Member Community Advisory Committee, Primary Care and Population Health Advisory Committee, Remuneration Committee

Dr Susan Sdrinis is a medical practitioner and specialist medical administrator. She has held roles as Executive Director Medical Services and Director Medical Services in Victorian public hospitals, as a Senior Medical Advisor in the Victorian Department of Health, and board director. Her interests are in the areas of clinical governance, medical governance and professional issues, and mentoring clinician managers and medical administrators in training. Dr Sdrinis is a Fellow of the Royal Australasian College of Medical Administrators and a Graduate of the Australian Institute of Company Directors.

Mr Kyle Vander-Kuyp OLY
Appointed 8 August 2023
Member Quality and Safety Committee, Primary Care and Population Health Advisory Committee

Mr Vander-Kuyp joined the Board in August 2023 and brings a wealth of experience across government, corporate, not-for-profits and community organisations. Mr Vander-Kuyp is an Elder and Respected Person at Koori Court. He is a strong advocate for Aboriginal and Torres Strait Islander people and culture, travelling extensively to provide mentorship, development opportunities, and cultural support for Indigenous youth. Mr Vander-Kuyp is a former athlete who represented Australia at the Olympics and every major international competition over a 20-year career. He has held positions across many organisations including as an Ambassador to the Department of Human Services where he raised awareness for better access to services such as Medicare, Australian Hearing and Centrelink. In addition, he is the Founder and Director at Killara Foundation, an Ambassador and Speaker at Beyond Blue, a Chair of Directors at Connecting Home, advisor on many RAP Working Groups including Tennis Australia, Australian Athletics Australian Olympic Committee and Commonwealth Games Australia.

Board Committees

Audit Committee

The Audit Committee membership comprises the following non-executive directors: Mr Bruce Ryan (Chair), Mr David Anderson, Ms Janice Brown (from February 2025), Dr Sherene Devanesen AM, and Ms Christine McLoughlin.

The committee meets at least four times per year and assists the Board in monitoring compliance with laws, regulations, standards and internal controls.

Key responsibilities for the Audit Committee include monitoring the hospital's strategic and operational risks, developing the hospital's strategic internal audit plan, oversight of the Internal Audit Program, review of the draft annual accounts and review of relevant risk policies and procedures. All Audit Committee members are independent of management.

Finance Committee

The Finance Committee membership comprises non-executive directors Mr David Anderson (Chair), Mr Simon Brewin, Ms Janice Brown (from February 2025), Dr Sherene Devanesen AM and Mr Bruce Mildenhall (to February 2025). External advice is provided by Mr Grant Cashin.

The committee meets at least seven times per year and assists the Board in fulfilling its duties for effective financial management of the hospital.

Key responsibilities for the Finance Committee include oversight of the annual operating and capital budget, review of the financial management reports, advising the Board on financial implications associated with major projects and reviewing relevant financial policies and procedures. All Finance Committee members, including the advisor, are independent of management.

Quality and Safety Committee

The Quality and Safety Committee membership comprises non-executive directors Dr Susan Sdrinis (Chair), Mr Simon Brewin, Ms Christine McLoughlin, Mr Bruce Mildenhall and Mr Kyle Vander-Kuyp. Consumer members are Ms Ileana Guizzo and Ms Robyn Johnston. The committee meets quarterly and provides leadership and strategic direction on the quality of services at the Eye and Ear. The committee's focus is the delivery of the highest level of quality and safety to patients, families and staff and ensuring that all relevant standards are met. Innovation to improve quality and safety systems is a priority. All Quality and Safety Committee members are independent of management.

Remuneration Committee

The Remuneration Committee membership comprises non-executive directors Dr Sherene Devanesen AM (Chair), Mr David Anderson, Mr Bruce Ryan and Dr Susan Sdrinis.

The committee meets at least annually and makes assessments and recommendations to the Board about the performance against the agreed performance plan, remuneration and terms and conditions of employment for the CEO.

It also provides oversight of the remuneration of executive directors of the hospital. All Remuneration Committee members are independent of management.

Community Advisory Committee

The Community Advisory Committee membership includes non-executive directors Mr Bruce Mildenhall (Chair) and Dr Susan Sdrinis. Consumer members are Ms Sandra Knight OAM (Lead Consumer to February 2025), Mr Ramakrishnan (Rama) Appuswamy (Lead Consumer from March 2025), Ms Jayne Howley (on Leave of Absence from February 2025), Mr Mick Shaddock, Mr Desbele (Des) G. Temelso, Ms Carolyn Tran (to January 2025), Ms Stephanie Thow-Tapp, Mr Ted Woods, Mr Anthony Sonego (from February 2025), Ms Nora Refahi (from February 2025) and Ms Debra Simons (from February 2025).

Membership comprises at least six and up to eight members nominated by the committee chair and approved by the Board to represent the views of the communities served by the Eye and Ear. The Community Advisory Committee advises the Board on consumer and community participation in the development and delivery of services.The committee meets four times annually. All Community Advisory Committee members are independent of management.

Primary Care and Population Health Advisory Committee

The Primary Care and Population Health Advisory Committee membership includes non-executive directors, Mr Simon Brewin (Chair), Dr Susan Sdrinis and Mr Kyle Vander-Kuyp. Mr Mick Shaddock attends as the Community Advisory Committee Nominee approved by the Board.

The committee provides advice to the Board on programs and strategies to collaborate with primary and other healthcare providers and services to improve population eye and ear health. The committee meets at least twice a year. All members are independent of management.

Executive Management

Chief Executive Officer (CEO)
Brendon Gardner BAppSc (HIM) MHA GAICD

The Chief Executive Officer is accountable to the Board for executive leadership and management of operational, policy and strategic goals. These are agreed with the Board and are set in accordance with the Victorian Government Department of Health's funding, planning and regulatory framework.

Executive Director Operations and Chief Nursing Officer
Leanne Turner BHealthSci (Nursing), PostGradDip (Health Administration), MBA, GAICD

The Executive Director of Operations and Chief Nursing Officer is responsible for overseeing all clinical operations for the organisation including surgical and inpatient services, the Emergency Department (ED) and ambulatory service delivery. The role of Chief Nursing Officer also has professional responsibility and leadership for all nursing staff, the clinical competence framework and nurse education.

Executive Director Medical Services and Chief Medical Officer
Dr Birinder Giddey MBBS(Hon), MHLM, FRACMA

The Executive Director Medical Services and Chief Medical Officer is responsible for professional leadership of the medical workforce. The role also has executive responsibility for medical training and education, the hospital's research strategy and quality and improvement initiatives including those related to the redevelopment and introduction of the electronic medical record. The role also provides oversight of the Data Integrity Framework and management of clinical datasets.

Executive Director Finance and Corporate Services
Danny Mennuni B.Bus, CPA
(Retired 2nd August 2024)

Darren O'Connor-Price FCPA FIPA FFA
(Commenced 22 July 2024)

The Executive Director, Corporate Services and Chief Financial Officer is responsible for the management of corporate services, redevelopment project financial reporting, analysis, controls, budgeting and treasury.

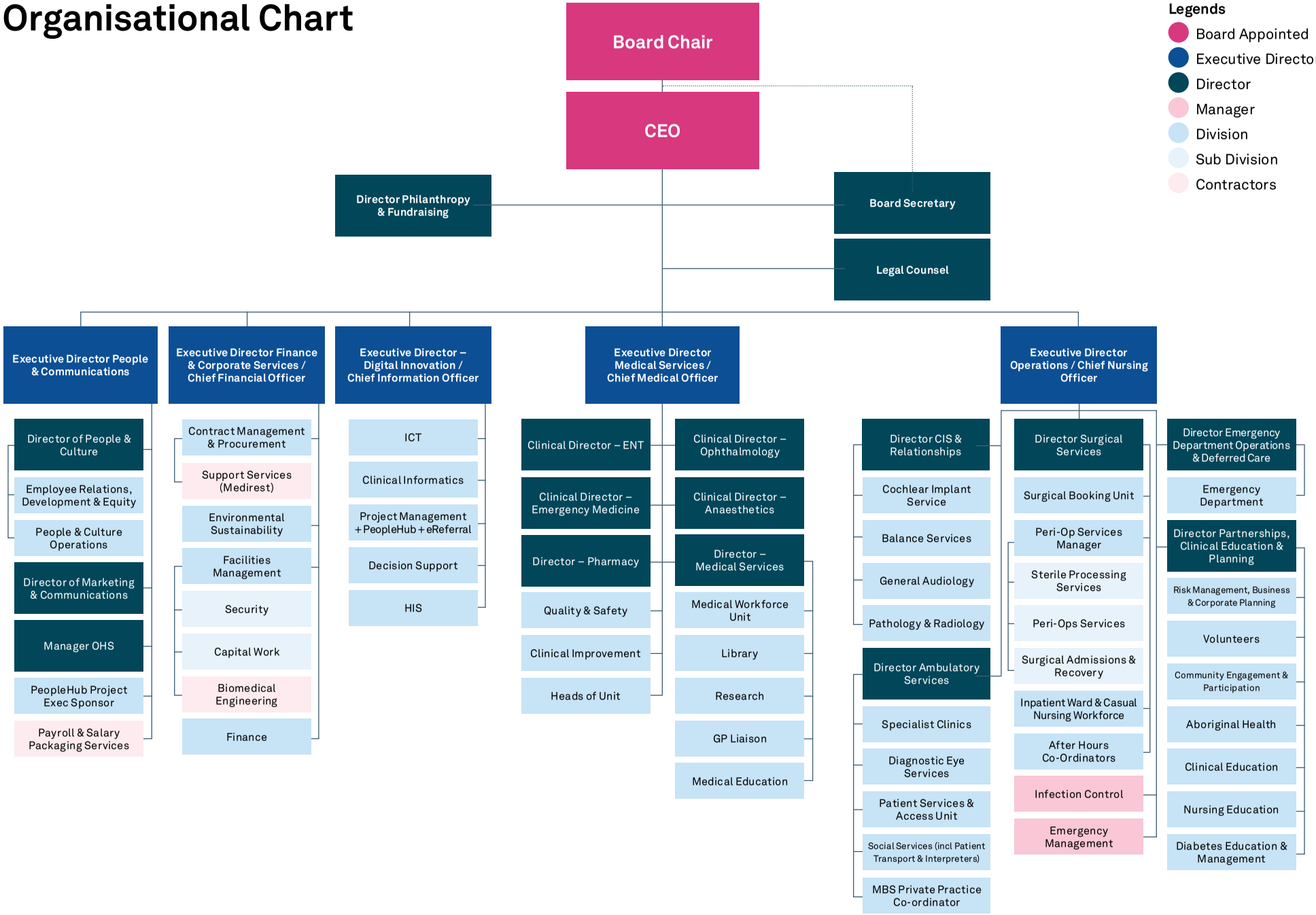
Executive Director People and Communication
Loretta Sheales BSc, MEd(RC), GradDipHRMngt, FAHRI, GAICD
(Resigned: 5 January 2025)

The Executive Director, People and Communication provides leadership and support to functions including People and Culture, Marketing and Communications, Organisational Development, Payroll Services, Employee Support Services, Safety and Wellbeing and Emergency Management.

Executive Director – Digital Innovation and Chief Information Officer
Jayne Barclay BAppSc, MIT, CHIA, FAIDH
(Resigned: 20th September 2024)

The Executive Director, Digital Innovation and Chief Information Officer provides strategic oversight and leadership in the implementation of the Digital Health Strategy, the Master Technology Plan and the Cybersecurity Plan. This is a transformational role that places patients, clinicians and staff at the centre of digital health design to improve the delivery of health care.

Organisational Chart



Donors and Supporters

From our earliest days, The Royal Victorian Eye and Ear Hospital has relied on the generosity of our community. This year, we extend our heartfelt thanks to the individuals, families, philanthropic trusts, foundations and corporate partners whose gifts have made a meaningful impact.

This support allows the Eye and Ear to respond to our most urgent needs, from investing in state-of-the-art medical equipment and upgrading hospital facilities, to enhancing the care of patients and their loved ones, and advancing research to preserve and restore sight and hearing.

We are also sincerely grateful to those who have chosen to leave a gift in their Will for the hospital. These bequests are a powerful legacy, helping to ensure we can continue to deliver world-class care and pioneer new treatments for generations to come.

Major donors

Boo Tsan Khoo

Greg Shalit and Miriam Faine

Dr Robert Webb

Elias Jreissati AM, KJGC, HonLLD

James and Lindsay Mulhall

Judith Stembridge

Kenneth John Stewart

Marjorie Armitage

Michael Halprin

Ruth Crutch

Talpasai and Sridevi Goli

Trevor and Pam Edwards

Trusts and Foundations

Collier Charitable Fund

Danks Trust

Ethel Herman Charitable Trust

Isobel Hill Brown Charitable Trust re Public Hospital Charities

Joe White Bequest

Orloff Family Foundation

The Diana Browne Trust

The Eirene Lucas Foundation

The Muriel and Les Batten Foundation

The Penelope Foster Foundation

Bequests (once-off Gifts in Wills)

Estate of Audrey Elizabeth Thorburn

Estate of David John Oakley

Estate of Elizabeth Anne Miller

Estate of Fay Bathgate

Estate of Inga Thomsen

Estate of Ivan Henry Barker

Estate of James Dunne

Estate of Jelka Rojs

Estate of Keith Bailey

Estate of Maria Kafkias

Estate of Richard Hamilton Gardner

Estate of Robert Smith

Estate of Vera Clarice Adams

Estate of William Patrick Caven

The Harold Muir Charitable Trust

Estates (Gifts in Wills distributed annually in perpetuity)

Estate of the late Alfred Herman William Dehnert

Joseph & Kate Levi Charitable Trust

Rudolph Hally and Pia Martin Memorial Trust

The Elizabeth and Alexander Reddan Memorial Foundation

The Estate of John Alexander Anderson

The Harry Yoffa Charitable Bequest

The William and Mary Ievers & Sons Maintenance Fund

As managed by Equity Trustees:

Arthur Gordon Oldham Charitable Trust
Betty Brenda Spinks Charitable Trust
Donald Ean Ross Bequest
Eliza Wallis Charitable Trust
Ernest & Leticia Wears Memorial Trust
Estate of Heather Sybil Smith
George Thomas and Lockyer Potter Charitable Trust
John Frederick Wright Estate
Joseph Kronheimer Charitable Fund
Louis and Lesley Nelken Trust
The Erica Cromwell Trust
The Ernest and Leticia Wears Memorial Trust Fund
The Mark Ashkenasy Trust
The Martha Miranda Livingstone Fund
The Valda Salton Charitable Trust
William Hall Russell Trust Fund

Sub-funds of State Trustees Australia Foundation:

Bruce Leslie Powell
Jessie Ross

Volunteers

The first official Eye and Ear volunteers were the spouses of the hospital's Committee of Management members who started helping in the hospital in 1922. The first hospital auxiliaries were established and founded by women from Olinda, Sassafras and the Dandenong Ranges.

This was important for the hospital as a rapidly expanding population in the 1920s saw a large growth in patients. The hospital, 100 years later, is home to a dedicated and growing group of volunteers who assist in a range of roles, offer a welcoming smile and help patients as needed. Our volunteers are stationed at both entrances of the hospital and are often the first point of call for our patients and visitors. Volunteers also offer support in our Specialist Clinics, Emergency Department and Surgical Admissions and Recovery Service, along with some administration areas. In May 2025 we celebrated National Volunteer Week by hosting an event to thank our volunteers for their ongoing commitment and everything they do to support our patients, visitors and staff. At the Eye and Ear, the volunteers offer an opportunity for 'connecting communities' and we look forward to growing the diversity of our volunteer and consumer advisor teams.

Consumer Advisors

Among our volunteers is a dedicated group of consumer advisors (previously referred to as consumer representatives). Our consumer advisors partner with us to help improve our services. They participate in committees and working groups, attend focus group activities, review patient information and share their stories in our publications. Often our consumer advisors have lived experience with sensory issues or accessing health services and are motivated to ensure the voices or needs of our patients, carers and families are heard.

Key financial and service performance reporting

Workforce data

Hospitals labour category	June current month FTE		Average monthly FTE	
	2024	2025	2024	2025
Nursing	195	196	190	197
Administration and Clerical	170	166	175	169
Medical Support	58	58	55	58
Hotel and Allied Services	12	12	14	12
Medical Officers	4	5	5	5
Hospital Medical Officers	75	74	67	72
Sessional Clinicians	51	52	49	51
Ancillary Staff (Allied Health)	48	47	46	46
Total	**613**	**610**	**601**	**610**

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

Application of employment and conduct principles

The Eye and Ear is committed to upholding the principles of merit and equity in all aspects of the employment relationship. We have policies and practices to ensure all employment related decisions, including recruitment, promotion, training and development, are based on merit. Any complaints, allegations or incidents involving discrimination, vilification, bullying or harassment are taken seriously and addressed. All staff are provided with education and training on their rights and responsibilities and the necessary resources to ensure that equal opportunity principles are upheld.

People and culture

In 2024-2025, our workforce strategy focused on recruitment, retention and wellbeing. The delivery of the final phase of our Human Resource Information System (HRIS) in the last quarter of 2024, has provided a more efficient approach to recruitment and onboarding and offers improved learning, development and feedback opportunities for staff as well as providing them greater access to edit their personal information through the new self-service functionality.

Employee culture and engagement

Our People Matter Survey (PMS) results from October 2024 reflected a positive trend in Engagement, Manager Leadership and Inclusion. Our results continue to be among the leaders in the sector related to staff engagement, wellbeing and safety criteria. Our Engagement Index remained positive at 73 in addition to an Employee Satisfaction rate of 70 per cent. The rate of work-related stress remained lower than our comparators. Staff reporting that they had experienced discrimination, bullying or violence and aggression has decreased and is lower than our comparator group.

Health and wellbeing initiatives

Our inaugural Health and Safety Month in October 2024 incorporated our annual Employee Benefits Event. We aligned the activities with the five pillars of our wellness@work program, mental health and wellbeing, physical activity, healthy eating, financial wellbeing and cessation or reduction in alcohol and other drugs. There was a particular focus on mental health and well-being. Events included health and wellbeing-focused seminars, executive walks, Employee Assistance Program (EAP) awareness sessions, movement sessions such as Tai Chi focus and a physio disco. During the year, a key focus was to ensure our preparedness for the incoming OHS (Psychological Health) Regulations.

Recruiting and onboarding staff

In 2024-2025, the Eye and Ear workforce comprised 609 FTE staff. We recruited and onboarded 198 new staff who all participated in an orientation program. Our employee separation rate (the percentage of employees who left) was 17 per cent. A supportive and informative onboarding process is imperative for new employees to position themselves for success and ensure they understand their environment and relevant systems and processes to effectively contribute to the organisation. Our onboarding process is delivered via a blend of

online courses and face-to-face, to provide a more flexible general orientation.

Pre-employment credentialing

The organisation has thorough credentialing and pre-employment verification checks to ensure staff are qualified to deliver safe patient care. Most clinical staff are required to hold and maintain current registration with the relevant national board in conjunction with the Australian Health Practitioner Regulation Agency (AHPRA) or equivalent. All staff are required to be vaccinated unless medically exempt, maintain a satisfactory National Criminal Record Check and relevant staff are required to hold a valid Working with Children Check.

Employee reward and recognition

The Eye and Ear Hospital recognises that its current and future success relies on the capacity and engagement of our staff. We support staff with a fair and equitable reward and recognition system that aims to create a climate for excellence at every level for individual and team performance.

Our annual Excellence Awards recognise individuals in each professional discipline and teams that have contributed to achieving organisational excellence. The winners of our 2024 Excellence Awards are listed in our Board Chair and CEO Report on page 7. The following staff were recipients of the Values Award in 2025:

- **Chun Ho (Joey) Kwong** – Acting Manager Social Services
- **Ralph Martinez** – Registered Nurse, Inpatient Ward.

Building a capable workforce

Significant resources have been dedicated to transitioning to the new human resource information system (PeopleHub). This includes a new learning module which required a review of all existing training and education courses including: the course governance; update of content; delivery method to increase learner experience; and training of key stakeholders including course owners.

We are also implementing the Performance and Goals Module where staff development will be a priority as part of the new annual Performance Review and Development process. (PDR). We continue to support staff to have meaningful performance and development discussions with their managers by providing a range of new tools and resources. These critical discussions ensure performance feedback is provided and that work and personal development goals are established for the future. Each year we review individual clinical scope of practice; mandatory training and professional development; expectations about quality and safety responsibilities; and feedback on quality and safety processes.

Our internal communications plan focused on content designed to positively influence and impact the workforce. This included the promotion of Reconciliation Week and Asking the Question, increasing cultural learning opportunities, awareness of the Aboriginal Employment Plan, and a staff education guide to pronouns of sex and gender to help build understanding.

There has been an increase in uptake of internal staff secondments. The promotion and support towards this strategy reinforces our commitment to staff and their career development.

We have continued our partnership with St Vincent's in the Workforce Skills, Capability and Mobility Committee. This included tailoring development and the provision of a training calendar for non-clinical staff.

Employee Assistance Program (EAP)

Confidential counselling and support services provided externally were used at a rate of 9.57 per cent of all staff, higher than the previous year. The EAP is an outsourced counselling service available to staff, their family and immediate family members. The service offers manager support and post incident workplace debriefing and support. The service also provides wellness at work, education and awareness programs, financial coaching, family violence support and nutritional and legal consultation aimed at assisting with personal or work-related issues that impact wellbeing and quality of life.

Occupational Health and Safety (OHS)

The Eye and Ear is committed to providing a safe and healthy workplace. To achieve this, management of our occupational health and safety is based on a continuous improvement model of planning, implementing, monitoring and reviewing health, safety and wellbeing related to prevention, early intervention promotion and response activities. The Eye and Ear approaches health and safety holistically including the work system factors that contribute to and recognise the physical and (psychosocial risks) worker wellbeing and workplace health and safety.

The table below shows highlights of OHS performance. During the year, there were 21 incidents per 100 full-time equivalent employees, representing an increase of 9 per cent compared to the previous year. Despite this rise in incident frequency, both our WorkCover claims and time lost due to injury decreased, indicating improvements in injury management and return to work processes.

Occupational Health and Safety statistics	2022-2023	2023-2024	2024-2025
Incidents/hazards per 100 full-time equivalent staff members	29	19	21
Lost time standard claims per 100 full-time equivalent staff members	0.51	0.66	0.16
The average cost per WorkCover claim for the year ('000)	$22,778	$9,148	$35,276

WorkCover and injury management

During 2024-2025, the Eye and Ear's injury management program continued to deliver positive outcomes, with a strong focus on preventative, proactive early intervention and coordinated support.

Early intervention aims to address issues before they escalate, helping to manage injuries and illnesses effectively. The non-work-related injury management program facilitates staff returning to or remaining at work, providing great benefits to both individuals and their teams.

Our key occupational health and safety incidents and WorkCover claims related to musculoskeletal injury and disorders and psychological wellbeing. The number of WorkCover claims for time lost in 2024-2025 decreased from the previous year, from four to one. During 2024-2025 there were two minor claims lodged that were under threshold, and both are now closed.

Our WorkCover Employer Performance Rating (EPR) remains better than the sector. It was 410 per cent better than the industry average in the 2024-2025 period.

Our strong focus on early intervention actions has continued to reduce the likelihood and severity of injuries.

Injury prevention strategies

During 2024-2025, the Eye and Ear focused on key risks related to occupational violence and aggression, hazardous manual handling and psychological health. To minimise risk and promote staff safety, the following programs, activities and key messages were provided:

- We maintain a zero tolerance for inappropriate workplace behaviour, including bullying, harassment and occupational violence and aggression. To support this, we actively promote awareness of respectful conduct and encourage staff to report concerns through online education and staff forums.
- Raising awareness and promotion of the Manager Support Service.
- Ensuring People and Culture staff can respond and are adequately skilled in conducting workplace investigations to complaints and in the management of workers compensation claims, reporting incidents, hazards and near misses to enable the Eye and Ear to address individual issues promptly and gather data for trend analysis, supporting the development of effective risk controls
- The importance of appropriate consultation between Health and Safety representatives, staff, managers and People and Culture before implementing new work practices, equipment when conducting risk assessments
- Prior to any changes in work practices, procedures, equipment, or the work environment, risk assessments were conducted to identify potential hazards. Based on the findings, a targeted remediation was developed and implemented to mitigate identified risks. In 2024-2025, the Health, Safety and Environment Committee met quarterly to discuss, monitor and agree on remedial action for safety issues. Committee members include management representatives from across the hospital, health and safety representatives, and a consumer representative.

The Laser and Radiation Safety Committee is held quarterly and has management, medical and clinical staff representatives who oversee radiation and laser safety at the Eye and Ear.

The following OHS related training was provided:

- Appropriate workplace behaviours that incorporate the prevention of bullying, discrimination and harassment for all managers
- Responding to occupational violence and aggression for clinical and front-line staff
- Initial and refresher training for health and safety representatives
- Train the trainer manual handling training, and
- Laser and radiation safety training.

Occupational violence

Occupational violence is any incident where an employee is abused, threatened or assaulted in circumstances arising from, or during, their employment.

The Eye and Ear's occupational violence and aggression (OVA) framework includes several preventative and responsive controls including: an Occupational Violence and Aggression Action Plan, code grey and black procedures, code grey and code black response teams, controlled access, signage, duress alarms – fixed and pendant, education and training.

The Health, Safety and Environment Committee has oversight of occupational violence and aggression issues across the organisation. The OVA Action Plan is a standing agenda item at this committee.

In 2024-2025 all staff were encouraged to complete an online occupational violence and aggression training package to increase staff awareness and understanding of OVA. An external training provider facilitated occupational violence and aggression training for clinical and front-line staff as well as Code Grey and Code Black emergency response team members.

The course aims to provide the required practical actions and techniques for recognising and mitigating potential aggression, de-escalating and reducing risk of aggression. To date, the program has trained more than 242 staff through face-to-face sessions, with 42 staff trained in the past year.

The Eye and Ear continued to raise awareness with staff, consumers, patients and their families that violence and aggression is unacceptable and will not be tolerated. Messaging against OVA is also reinforced to patients and visitors via screens throughout patient areas. The table below outlines the comparison in occupational violence incidents with the previous year.

Occupational violence statistics	2023-2024	2024-2025
WorkCover accepted claims with an occupational violence per 100 FTE	0	0.16
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0	1.01
Number of occupational violence incidents reported	53	68
Number of occupational violence incidents reported per 100 FTE	7	11.2
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0	1.47

There was an increase of 28.3 per cent of occupational violence and aggression reported incidents from 53 to 68 in 2024-2025, compared with the previous year. The increase in the number of incidents from the previous year can be partly attributed to increased staff awareness about what constitutes occupational violence and aggression, the importance of reporting incidents and a reflection of what is happening in the wider community.

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 ratings 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 2024-2025.
- **Lost time** – is 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.

Financial information

	2025 $000	2024 $000	2023 $000	2022 $000	2021 $000
Operating result*	**31**	**(15,902)**	**439**	**442**	**96**
Total revenue	167,048	156,188	171,455	156,638	157,785
Total expense	(176,791)	(175,157)	(153,600)	(136,557)	(129,357)
Net result from transactions	**(9,743)**	**(18,969)**	**17,855**	**20,081**	**28,428**
Total other economic flows	1,377	(994)	460	(4,861)	4,784
Net result	**(8,366)**	**(19,963)**	**18,315**	**15,220**	**33,212**
Total assets	373,132	403,230	451,782	410,143	388,452
Total liabilities	(41,914)	(63,646)	(57,595)	(51,693)	(45,222)
Net assets/total equity	**331,218**	**339,584**	**394,187**	**358,450**	**343,230**

* The operating result is the result for which the health service is monitored in its Statement of Priorities

Reconciliation of net result from transactions and operating result

	2024-2025 $000
Net Operating result	**31**
Capital and specific items:	
Capital purpose income	6,841
Specific income	-
COVID-19 State Supply Arrangements:	
– Assets received free of charge or for nil consideration under the State Supply Arrangements	99
– State supply items consumed up to 30 June 2024	(99)
Assets received for free	-
Assets provided for free	-
Expenditure for capital purposes	(831)
Depreciation and amortisation	(15,784)
Impairment of non-financial assets	-
Finance costs	-
Net result from transactions	**(9,743)**

Significant changes in financial position during 2024-2025

There was a significant change (positive) to our financial position during 2024-2025. This change relates to increased activity matched with additional funding and controlling expenditure.

Operational and budgetary objectives and performance against objectives.

The Royal Victorian Eye and Ear Hospital met the budgetary requirements for 2024-2025.

Significant events occurring after balance date.

There were no significant events occurring after the balance date.

Consultancies information FRD 11(e)

Details of consultancies (under $10,000)

In 2024-2025, there were no consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2024-2025 in relation to these consultancies is $0 (excl. GST).

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

In 2024-2025, there were three consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2024-2025 in relation to these consultancies is $307,650 (excl. GST). Details of these consultancies can be viewed below/at www.eyeandear.org.au.

Consultant	Purpose	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2024-2025 (excluding GST)	Future expenditure (excluding GST)
Workwell Consulting	Consultation, Design and Facilitation of a board and executive strategic workshop.	Mar-25	Apr-25	$22,000	$22,000	$0
AABB Health Consulting	To develop in consultation with Eye and Ear stakeholders an Electronic Medical Records (EMR) business case.	Dec-24	Jul-25	$312,000	$216,800	$42,900
Eileen Hamblin Consulting	To develop in consultation with Eye and Ear stakeholders an Electronic Medical Records (EMR) business case.	Dec-24	Jul-25	$148,000	$68,850	$24,300

Information and communication technology (ICT) expenditure

Business as usual (BAU) ICT expenditure	Non-business as usual (non-BAU) ICT expenditure		
Total (excluding GST)	**Total=operational expenditure and capital expenditure (a+b) (excluding GST)**	**Operational expenditure (excluding GST) (a)**	**Capital expenditure (excluding GST) (b)**
$6.7 million	$2.6 million	$1.9 million	$0.7 million

Disclosures required under legislation

Freedom of Information Act 1982

The Victorian *Freedom of Information (FOI) Act 1982* provides members of the public with the right to apply, in writing, to the Eye and Ear for access to information held by the hospital. The hospital provides an annual report of all FOI requests to the Victorian Department of Justice.

During 2024-2025, the Eye and Ear received 282 FOI applications. Of these requests, 77 were from the public, 138 from lawyers, 65 from insurers and two from other persons such as a GP and nursing homes.

The Eye and Ear made 233 FOI decisions during the 12 months to 30 June 2025. All these decisions were made within the statutory timeframe. No requests were subject to review by the Office of the Victorian Information Commissioner or the Victorian Civil and Administrative Tribunal (VCAT).

All requests for Freedom of Information should be made in writing via the FOI application form on the website and emailed to FOI@eyeandear.org.au. Applications should be accompanied by the appropriate patient authority, identification, and application fee. The application fee is $33.60 for the 2025-2026 year ($32.70 for 2024-2025).

Costs of FOI Requests 2024-2025	
Application fee	$32.70
Secure digital release	$0
Hardcopy search and retrieval fee	$5.00
Photocopying/printing (black and white)	$0.20
Colour copies	$1 per page
Supervised viewing	$27 per 1/4 hour ($85.20 max.)

Freedom of Information applications 2024–2025	
Total requests	282
Fully granted	233
Cancelled	19
Pending	29
Completed	233

Requestors	No. of requests
General public	77
Lawyers and insurance companies	203
Other	2
Total	**282**

All FOI requests should:

- be in writing
- identify as clearly as possible which document is being requested
- be accompanied by the appropriate application fee.

The FOI officer for the Eye and Ear is Executive Director Medical Services/Chief Medical Officer.

Building Act 1993

During the financial year, the Eye and Ear applied for a single building permit during the 2024-25 period. This permit pertained to the fit-out of Level 7 in the Smorgon Family Wing.

Registered building practitioners are engaged for all building projects including new or major refurbishments. Ongoing maintenance programs ensure buildings are maintained in safe and functional condition.

There is a requirement under the *Building Act 1993* (Building Regulations 2006, r. 1209, 1215) for the hospital to establish comprehensive Management of the Essential Safety Measures (ESM). In 2024-2025, The Royal Victorian Eye and Ear Hospital at 32 Gisborne St, East Melbourne, achieved 100 per cent compliance with mandatory ESM inspections, testing, maintenance and documentation for building safety. The hospital established comprehensive management of Essential Safety Measures (ESM). All ESM are annually audited and identified on the Certificate of Occupancy issued by the building surveyor, with each ESM maintained as per certified maintenance agreements at specified time intervals. The ESM compliance certificates are on display at the hospital's main entrance.

Privacy

Privacy is a core component of the Eye and Ear's commitment to patient-centred care and responsible information management. The hospital complies with both the *Health Records Act 2001* and the *Privacy and Data Protection Act 2014*. All staff are regularly made aware of their obligations under these laws through education, policies, and procedures.

The Eye and Ear's Privacy Officer is the Executive Director Medical Services/Chief Medical Officer.

Public Interest Disclosures Act 2012 (Vic)

The Royal Victorian Eye and Ear Hospital has policies and procedures in place to support mandatory notification of suspected corruption, in accordance with the Directions pursuant to section 57A of the *Independent Broad-based Anti-Corruption Commission Act 2011* and the *Public Interest Disclosures Act 2012 (Vic)*.

Under the Act, certain disclosures about serious misconduct or corruption involving a public health service must be made directly to the Independent Broad-based Anti-Corruption Commission (IBAC) to be protected. The Eye and Ear encourages individuals to make any disclosures that may qualify as protected disclosures under the Act directly to IBAC.

The hospital has established procedures to protect individuals who make disclosures, and to ensure, where possible, that no detrimental action is taken against any person in connection with a protected disclosure. Further information, including a link to the Eye and Ear's Protected Disclosure Policy, is available on the hospital's website.

No disclosures were notified to the Independent Broad-based Anti-Corruption Commission (IBAC) under section 21(2) of the *Public Interest Disclosures Act 2012* during the 2024–2025 financial year.

DataVIC Access Policy

Making datasets freely available to the public is the state's default position and where possible agencies must make datasets available with minimum restrictions including the proactive removal of cost barriers. The Eye and Ear complies with this policy in all relevant business activities.

National Competition Policy

In accordance with the Competition Principles Agreement (CPA), Victoria remains committed to applying competitive neutrality policy and principles to all significant business activities undertaken by government agencies and local authorities. The Victorian Government's competitive neutrality policy commits public health services to apply this policy to all dealings. This includes the adoption of pricing principles to take account of the full cost attribution for net competitive advantages conferred by government ownership.

The policy directs that where the government's business activities involve it in competition with private sector business activities, the net advantages that accrue to a government business are offset.

We acknowledge that the Neutrality Policy Victoria 2000 was revitalised under new intergovernmental agreements signed in late 2024. These changes apply at the state level and introduce updated performance requirements and reform planning obligations for Victoria.

The Eye and Ear continues to comply with this policy in all relevant business activities. We also confirm that no complaints have been received regarding competitive neutrality since our previous statement.

Carers Recognition Act 2012

The Carers Recognition Act 2012 recognises, promotes and values the role of carers. The Eye and Ear understands the different needs of carers and the value they provide to the community and has taken all practical measures to comply with its obligations under the Act, including considering the care relationships principles set out in the Act when setting policies and providing services.

As part of our commitment to patient and family-centred care, we involve carers, with the patient's consent, in individual care decisions. At a governance-level, consumers are involved in the planning, design, delivery, and evaluation of services.

The Safe Patient Care Act

The Eye and Ear takes all practicable measures to ensure compliance with the *Safe Patient Care Act 2015*. The hospital has no matters to report in relation to its obligations under section 40 of the Act.

Environmental performance

In 2024–2025, the Eye and Ear made significant strides in embedding environmental sustainability further into its operations and culture. A cornerstone of this progress was the re-establishment of a dedicated Sustainability Committee, chaired by ophthalmologist Dr Michael Loughnan and reporting directly to the Executive Director Corporate Services and Chief Financial Officer. This multidisciplinary committee includes representatives from all operational areas and has become a central forum for driving and coordinating sustainability efforts across the organisation.

To better understand staff perspectives and identify opportunities for improvement, the hospital launched its first annual staff sustainability survey. The survey provided a baseline dataset on employee attitudes and ideas, with 109 responses. The results demonstrated that staff care about environmental issues and want positive change.

Anchoring our activities around World Environment Day (5 June), the hospital initiated a two-month

lead-up campaign that included a declutter of physical and electronic waste. This effort resulted in the removal of 20 square meters of waste for recycling or responsible disposal. The campaign inspired action across every department.

A major operational improvement was the rollout of new recycling bins throughout the hospital, supported by a staff education on recycling. This included posters, newsletters and a dedicated staff forum to ensure consistent messaging and encourage behavioural change. The initiative was complemented by the removal of under-desk bins in administrative areas to promote shared waste stations and reduce contamination.

Other key sustainability initiatives implemented or revitalised this year included:

- Reintroduction of recycling streams for PVC, IV fluid bags, theatre wrap, warming blankets, batteries and foam
- Participation in the Monash Sustainable Development Institute's Transition to Sustainable Health Systems consortium, contributing to the national guide *Accelerating Towards Net Zero*.
- Reduction in the use of Desflurane, a high-impact anaesthetic gas, by the Department of Anaesthesia, cutting usage from 20 to 6 units over six months, without compromising patient care
- Ongoing professional development, including completion of the Monash University Sustainability Healthcare Fundamentals course by a Sustainability Committee member

These efforts reflect a growing organisational commitment to sustainability, supported by strong leadership, engaged staff, and a clear strategic direction. The hospital remains focused on continuous improvement, with plans to expand data capture, enhance reporting, and explore further emissions reduction opportunities in the year ahead.

Greenhouse Gas Emissions	2024-2025	2023-2024	2022-2023
G1 Total Scope 1 (direct) greenhouse gas emissions (CO2-e(t))			
Carbon Dioxide	1,537.21	2,283.66	2,515.56
Methane	2.98	4.43	4.89
Nitrous Oxide	0.95	1.38	1.47
Total	**1,541.14**	**2,289.47**	**2,521.92**
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) (CO2-e(t))	**1,534.63**	**2,282.60**	**2,521.92**
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) (CO2-e(t))	**6.51**	**6.87**	**N/A**
Medical/Refrigerant gases			
Desflurane	2.59	22.86	N/A
Sevoflurane	8.48	4.88	N/A
Total Scope 1 (direct) greenhouse gas emissions (CO2-e(t))	**1,552.21**	**2,317.21**	**2,521.92**
G2 Total Scope 2 (indirect electricity) greenhouse gas emissions (CO2-e(t))			
Electricity	7,551.87	7,955.91	8,076.64
Total Scope 2 (indirect electricity) greenhouse gas emissions (CO2-e(t))	**7,551.87**	**7,955.91**	**8,076.64**
G3 Total Scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (CO2-e(t))			
Commercial air travel	25.92	14.96	
Waste emissions (WR5)	525.33	436.51	573.59
Indirect emissions from Stationary Energy	1,145.15	1,159.79	1,236.37
Indirect emissions from Transport Energy	27.52	16.65	
Paper emissions			
Water emissions	21.84	46.45	60.45
Any other Scope 3 emissions			
Total Scope 3 greenhouse gas emissions (CO2-e(t))	**1,723.93**	**1,674.42**	**1,870.40**
G(Opt) Net greenhouse gas emissions (CO2-e(t))			
Gross greenhouse gas emissions (G1 + G2 + G3) (CO2-e(t))	**10,826**	**12,061.29**	**12,468.97**
Total gross reported greenhouse gas emissions per bed-day (t CO2-e/OBD)	0.56	0.67	0.76
Any Reduction Measures Offsets purchased (EL4-related)			
Any Offsets purchased			
Net greenhouse gas emissions (CO2-e(t))	**10,826**	**12,061.29**	**12,468.97**

Electricity Use	2024-2025	2023-2024	2022-2023
EL1 Total electricity consumption segmented by source (MWh)			
Purchased	11,452.69	12,096.20	11,757.21
Self-generated	-	-	-
EL1 Total electricity consumption (MWh)	**11,452.69**	**12,096.20**	**11,757.21**
EL2 On site-electricity generated [MWh] segmented by:			
Consumption behind-the-meter	N/A	N/A	N/A
Solar Electricity	N/A	N/A	N/A
Total Consumption behind-the-meter [MWh]	N/A	N/A	N/A
Exports	N/A	N/A	N/A
EL2 Total On site-electricity generated [MWh]	N/A	N/A	N/A
*N/A - The Organisation does not have Solar Electricity			
EL3 On-site installed generation capacity [kW converted to MW] segmented by:			
Diesel Generator	1.65	1.65	1.65
EL3 Total On-site installed generation capacity (MW)	**1.65**	**1.65**	**1.65**
EL4 Total electricity offsets segmented by offset type (MWh)			
RPP (Renewable Power Percentage in the grid)	2,097.34	2,274.08	2,210.36
EL4 Total electricity offsets (MWh)	**2,097.34**	**2,274.08**	**2,210.36**

Stationary Energy	2024-2025	2023-2024	2022-2023
F1 Total fuels used in buildings and machinery segmented by fuel type (MJ)			
Natural gas	29,728,720.30	44,243,891.00	48,940,903.20
Diesel	38,600.00	38,661.80	
F1 Total fuels used in buildings (MJ)	**29,767,320.30**	**44,282,552.80**	**48,940,903.20**
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (CO2-e(t))			
Natural gas	1,531.92	2,279.00	2,521.92
Diesel	2.71	2.71	
F2 Greenhouse gas emissions from stationary fuel consumption (CO2-e(t))	**1,534.63**	**2,281.72**	**2,521.92**

Transportation Energy	2024-2025	2023-2024	2022-2023
T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type (MJ)			
Executive fleet - Gasoline	1,368.00	3,440.50	
Petrol	**1,368.00**	**3,440.50**	
Non-emergency transport (Contracted) - Diesel	91,088.00	94,287.90	
Diesel	**91,088.00**	**94,287.90**	
Total energy used in transportation (vehicle fleet) (MJ)	**92,456.00**	**97,728.40**	
T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category	One passenger (petrol) vehicle used for business purposes only. This vehicle was disposed of in May 2025.	One passenger (petrol) vehicle used for business purposes only.	

T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type (CO2-e(t))			
Executive fleet - Gasoline	0.09	0.23	
Petrol	**0.09**	**0.23**	
Non-emergency transport (Contracted) - Diesel	6.41	6.64	
Diesel	**6.41**	**6.64**	
Total Greenhouse gas emissions from transportation (vehicle fleet) (CO2-e(t))	**6.51**	**6.87**	

T4 Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)			
Total distance travelled by commercial air travel	130,759.00	75,167.00	

T(opt1) Total vehicle travel associated with entity operations (1,000 km)			
Total vehicle travel associated with entity operations (1,000 km)	N/A	N/A	N/A

T(opt2) Greenhouse gas emissions from vehicle fleet (CO2-e(t) per 1,000 km)			
CO2-e(t) per 1,000 km	N/A	N/A	N/A

Total Energy Use	2024-2025	2023-2024	2022-2023
E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)			
Total energy usage from stationary fuels (F1) (MJ)	29,767,320.30	44,282,552.80	48,940,903.20
Total energy usage from transport (T1) (MJ)	92,456.00	97,728.40	
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)	**29,859,776.30**	**44,380,281.20**	**48,940,903.20**

E2 Total energy usage from electricity (MJ)			
Total energy usage from electricity (MJ)	41,229,667.71	43,546,306.02	42,325,963.94

E3 Total energy usage segmented by renewable and non-renewable sources (MJ)			
Renewable	7,550,432.97	8,169,265.09	7,957,281.21
Non-renewable (E1 + E2 - E3 Renewable)	63,539,011.04	79,739,881.75	83,309,585.93

E4 Units of Stationary Energy used normalised: (F1+E2)/ normaliser			
Energy per unit of LOS (MJ/LOS)	3,712.26	4,897.34	5,610.21
Energy per unit of bed-day (LOS+Aged Care OBD) (MJ/OBD)	3,712.26	4,897.34	5,610.21
Energy per unit of Separations (MJ/Separations)	4,226.01	5,597.40	6,371.16
Energy per unit of floor space (MJ/m2)	931.87	1,152.79	1,197.92

Sustainable Buildings And Infrastructure	2024-2025	2023-2024	2022-2023
B1 Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings	N/A Major redevelopment was completed in the previous financial year, and ESD initiatives associated with that project were reported in the FY2023–24 Annual Report.	The organisation has: Motorised blinds in public areas controlled by the staff. Facade incorporates various 'sun hoods' to the east and west glazing which will provide shade to the occupants from direct sunlight. • Installed time controls on all boiling water units in kitchens and activity rooms. • Installed showers with maximum flow rate of 7.5/9 litres (3* WELS rating). • Installed dual flush toilets with capacity of 3/4.5 litres (4* WELS rating). • Installed tapware with maximum flow rate of 4.5 litres (6* WELS rating) in all ensuites and general amenity areas. • Variable speed drives for all 3 phase HVAC system motors above 5kW. • Implemented Building Management System energy saving software program • Incorporated C-Bus System lighting control • Window tinting • Solar lighting roof gantry walkaways	N/A
B2 Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule	N/A	N/A	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)	N/A	N/A	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	N/A	Hospital Redeveloped Buildings did not achieve 4-stars. During the redevelopment program, a comprehensive assessment was conducted. The environmentally sustainable development (ESD) identified that the green star rating was affected by other aging infrastructure and complex site challenges.	N/A
NABERS Energy			
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	N/A	N/A	N/A
Rating scheme			

Sustainable Procurement	2024-2025	2023-2024	2022-2023
Water Use			
W1 Total units of metered water consumed by water source (kL)			
Potable water (kL)	13,352.49	27,678.20	35,684.77
Total units of water consumed (kL)	**13,352.49**	**27,678.20**	**35,684.77**
W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity			
Water per unit of LOS (kL/LOS)	0.70	1.54	2.19
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.70	1.54	2.19
Water per unit of Separations (kL/Separations)	0.79	1.76	2.49
Water per unit of floor space (kL/m2)	0.18	0.36	0.47

Waste And Recycling	2024-2025	2023-2024	2022-2023
WR1 Total units of waste disposed of by waste stream and disposal method (kg)			
Landfill (total)			
General waste - bins	377,176.00	319,166.40	417,974.40
Offsite treatment			
Clinical waste - incinerated	3,567.40	2,131.77	3,754.60
Clinical waste - treated	24,515.30	15,167.79	20,706.00
Recycling/recovery (disposal)			
Batteries	82.00		
Cardboard	32,028.00	21,279.00	26,035.00
Commingled	5,741.66	8,759.52	26,025.12
E-waste	3,409.00	2,660.00	
Paper (confidential)	6,456.00	10,878.34	13,887.92
Polystyrene foam	960.00		
Reused Beds and Furniture		4,290.00	
Sterilisation wraps	88.00		
Toner & print cartridges	142.41		
Total units of waste disposed (kg)	**454,165.77**	**384,332.82**	**508,383.04**
WR1 Total units of waste disposed of by waste stream and disposal method (%)			
Landfill (total)			
General waste	83.05%	83.04%	82.22%
Offsite treatment			
Clinical waste - incinerated	0.79%	0.55%	0.74%
Clinical waste - treated	5.40%	3.95%	4.07%
Recycling/recovery (disposal)			
Batteries	0.02%		
Cardboard	7.05%	5.54%	5.12%
Commingled	1.26%	2.28%	5.12%
E-waste	0.75%	0.69%	
Paper (confidential)	1.42%	2.83%	2.73%
Polystyrene foam	0.21%		
Reused Beds and Furniture		1.12%	
Sterilisation wraps	0.02%		
Toner & print cartridges	0.03%		

WR2 Percentage of office sites covered by dedicated collection services for each waste stream			
Printer cartridges	N/A	N/A	N/A
Batteries	N/A	N/A	N/A
E-waste	N/A	N/A	N/A
Soft plastics	N/A	N/A	N/A

WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method			
Total waste to landfill per patient treated ((kg general waste)/ PPT)	4.64	4.08	5.73
Total waste to offsite treatment per patient treated ((kg offsite treatment)/PPT)	0.35	0.22	0.34
Total waste recycled and reused per patient treated ((kg recycled and reused)/PPT)	0.60	0.61	0.90

WR4 Recycling rate (%)			
Weight of recyclable and organic materials (kg)	48,907.07	47,866.86	65,948.04
Weight of total waste (kg)	454,165.77	384,332.82	508,383.04
Recycling rate (%)	**10.77%**	**12.45%**	**12.97%**

WR5 Greenhouse gas emissions associated with waste disposal (CO2-e(t))			
CO2-e(t)	525.33	436.51	573.59

Normalisation Factors	**2024-2025**	**2023-2024**	**2022-2023**
1000km (Corporate)	N/A	N/A	N/A
1000km (Non-emergency)	N/A	N/A	N/A
Aged Care OBD	N/A	N/A	N/A
ED Departures	45,332.00	44,647.00	42,339.00
FTE	615.00	601.00	590.00
LOS	19,125.00	17,934.00	16,268.00
OBD	19,125.00	17,934.00	16,268.00
PPT	81,257.00	78,272.00	72,932.00
Separations	16,800.00	15,691.00	14,325.00
TotalAreaM2	76,188.00	76,188.00	76,188.00

NOTE: All data was accurate at the time of reporting. Indicators are not reported where data is unavailable or an indicator is not relevant to the organisation's operations. Any variances in previous data are a result of manual data collection.

Social Procurement Activities And Commitments

Reporting Period 2024-2025
Reporting entity The Royal Victorian Eye and Ear Hospital

Overall Social Procurement Activities

Number of social benefit suppliers engaged during the reporting period: 4
Total amount spent with social benefit suppliers (direct spend) during the reporting period ($ GST exclusive): $83,680.03

SPF Objective	Outcome	Metric	Unit of Measure	2024-25 Spend
Opportunities for Victorian Aboriginal people	Employment of Victorian Aboriginal people by suppliers to the Victorian Government	Total number of Victorian Aboriginal people employed by Victorian Government suppliers on Victorian Government contracts	Number	4
	Purchasing from Victorian Aboriginal businesses	Total spend with Victorian Aboriginal businesses	$ (GST exclusive)	$18,351
		Number of Victorian Aboriginal businesses engaged	Number	4
Sustainable Victorian social enterprises and Aboriginal business sectors	Purchasing from Victorian social enterprises and Aboriginal businesses	Number of Victorian Aboriginal businesses engaged	Number	4
		Total spend with other Victorian social enterprises	$ thousands (GST exclusive)	$65,328
		Number of other Victorian social enterprises engaged	Number	1

Disability Action Plan

The Eye and Ear is committed to fostering an inclusive and accessible environment for all staff, patients and visitors, particularly people with disability. Following the completion of the *Disability Action Plan (DAP) 2020-2023*, which was incorporated into the *Partnering with Consumers and Community Plan 2020-2023*, in December 2023, our new *Disability Action Plan 2024-2028* extends the work implemented in the previous DAP and presents the key priority areas and desired outcomes the organisation commits to progressing over the next five years.

The DAP reflects the vision and strategic priorities of the Eye and Ear and is aligned with the *Inclusive Victoria: State Disability Plan 2022-2026*.

Local Jobs First Act 2003

No projects undertaken by the Eye and Ear during 2024-2025 met the threshold for Local Jobs First policy application. As such, no Local Industry Development Plans were required or submitted.

Gender Equality Act 2020

We strive to be a workplace where we:

- Welcome and celebrate all genders, cultural backgrounds and identities to provide a rich opportunity for success for all employees.
- Foster an equitable workplace where all employees feel motivated to actively contribute.
- Promote inclusive and respectful behaviours that enhance a safe and supportive environment.

In 2024-2025 the Public Sector Gender Equality Commissioner visited the Eye and Ear Hospital to discuss our submission and how we could further embed the work being done across the sector. We continued to improve our systems and processes to meet our obligations under the Act. This included revamping our tools, so staff are better equipped to undertake Gender Impact Assessments. Work is underway to complete the upcoming Gender Audit and new Gender Equality Action Plan.

Additional Information Available on Request (FRD 22 Appendix)

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:
Office of the CEO
Email:ceo@eyeandear.org.au

Attestations

Financial management compliance attestation

I, Bruce Ryan, on behalf of the Board, certify that The Royal Victorian Eye and Ear Hospital has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

Mr Bruce Ryan
Board Member and Chair, Audit Committee
2 October 2025

Data Integrity

I Brendon Gardner certify that The Royal Victorian Eye and Ear Hospital has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. The Royal Victorian Eye and Ear Hospital has critically reviewed these controls and processes during the year

Brendon Gardner
Chief Executive Officer
The Royal Victorian Eye and Ear Hospital
2 October 2025

Conflict of Interest

I, Brendon Gardner, certify that The Royal Victorian Eye and Ear Hospital 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 The Royal Victorian Eye and Ear Hospital 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.

Brendon Gardner
Chief Executive Officer
The Royal Victorian Eye and Ear Hospital
2 October 2025

Integrity, fraud and corruption

I, Brendon Gardner certify that The Royal Victorian Eye and Ear Hospital has put in place appropriate internal controls and processes to ensure that Integrity, fraud, and corruption risks have been reviewed and addressed at The Royal Victorian Eye and Ear Hospital during the year.

Brendon Gardner
Chief Executive Officer
The Royal Victorian Eye and Ear Hospital
2 October 2025

Compliance with Health Share Victoria (HSV) Purchasing Policies

No compliance issues
I, Brendon Gardner, certify that The Royal Victorian Eye and Ear Hospital has put in place appropriate internal controls and processes to ensure that it has materially complied with all requirements set out in the HSV Purchasing Policies including mandatory HSV collective agreements as required by the *Health Services Act 1988 (Vic)* and has critically reviewed these controls and processes during the year.

Brendon Gardner
Chief Executive Officer
The Royal Victorian Eye and Ear Hospital
2 October 2025

Financial and service performance

Reporting against the Statement of Priorities Part A: Strategic priorities

In 2024-2025, The Royal Victorian Eye and Ear Hospital will contribute to the achievement of the Victorian Government's commitments by:

Goals	Health Service Deliverables	Achievements/Outcomes
Excellence in clinical governance *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.*		
MA2 Strengthen all clinical governance systems, as per the Victorian Clinical Governance Framework, to ensure safe, high-quality care, with a specific focus on building and maintaining a strong safety culture, identifying, reporting, and learning from adverse events, and early, accurate recognition and management of clinical risk to and deterioration of all patients.	MA2 Improve paediatric patient outcomes by implementing the "ViCTOR track and trigger" observation chart and escalation system whenever children have observations taken.	**Achieved** ViCTOR track and trigger observation chart and escalation systems are implemented in ED, Perioperative Suite and the Inpatient ward.
MA4 Identify and develop clinical service models where face to face consultations can be substituted by virtual care wherever possible (using telehealth, remote monitoring), while ensuring strong clinical governance, safety surveillance and patient choice.	MA4 Adopt the Department of Health 'Virtual Care Operational Framework' and formulate governance and procedures to align with those outlined within the Framework.	**Achieved / Ongoing** The DH Virtual Care Operational Framework is adopted for use at the Eye and Ear. A gap analysis was completed with follow up actions in progress.
MA6 Improve access to timely emergency care by implementing strategies that improve whole of system patient flow to reduce emergency department wait times and improve ambulance to health service handover times.	MA6 Participate in the Emergency Department Collaborative to improve 4 hour treat in time compliance	**Achieved / Ongoing** The Timely Emergency Care (TEC2) project is in progress. The average ED non-admitted length of stay improved to 227 minutes, below the KPI target of 240 minutes for FY25.
MA9 Maintain a commitment to delivering equitable access to planned surgery and drive reform in alignment with the Planned Surgery Reform Blueprint.	MA9 Decrease surgical waiting list numbers and decrease long waiting patient numbers.	**Achieved / Ongoing** Since June 2024: • 26% decrease in Cat 2 overdue patients • 28% decrease in Cat 3 overdue patients Planned Surgery Waiting List reduced by 482 patients, from 4,067 on 1 July 2024 to 3,585 as of 30 June 2025 (11.9% reduction).
Operate within budget *Ensure prudent and responsible use of available resources to achieve optimum outcomes.*		
MB1 Develop and implement a health service Budget Action Plan (BAP) in partnership with the Department to manage cost growth effectively to ensure the efficient operation of the health service.	MB1 Deliver on the key initiatives as outlined in the Budget Action Plan.	**Achieved** Key deliverables achieved and assisted in reaching a break-even financial result for 2024/2025.
	MB1 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/Ongoing** A variety of internal data is used across the organisation to improve performance with examples in our emergency care, specialist clinics and particularly in surgery. We are actively working with Hospitals Victoria as part of the Benchmarking Group to review and refine data that can further inform our practices.

Goals	Health Service Deliverables	Achievements/Outcomes
Improving equitable access to healthcare and wellbeing *Ensure that Aboriginal people have access to a health, wellbeing and care system that is holistic, culturally safe, accessible, and empowering. Ensure that communities in rural and regional areas have equitable health outcomes irrespective of locality.*		
MC2,MC3 Enhance the provision of appropriate and culturally safe services, programs, and clinical trials for and as determined by Aboriginal people, embedding the principles of self-determination.	MC2,MC3 - Continue to progress initiatives over the next 2 years (and beyond), both internally and in collaboration with the Eye and Ear's external partners working in the Aboriginal Health space, to ensure Aboriginal patients have access to culturally safe patient centred care in the location that best suits their needs.	**Achieved/Ongoing** • Longstanding partnership with Victorian Aboriginal Health Service (VAHS) to run two outreach clinics – Healthy Ears and Ophthalmology. • Partnership with Bendigo & District Aboriginal Co-op (BDAC) to deliver Audiology outreach services. Service contract renewed for FY2026. Many strategies are in place to create a welcoming environment including: The Welcome Space Garden has a large Aboriginal art mural on the hospital wall above it. • Aboriginal artwork displayed publicly. • The Aboriginal Health Team is called the Mirring Ba Wirring Team which means eyes and ears in 3 of the 4 Kulin Nation languages. • Welcome plaques are displayed at entrances. • Aboriginal and Torres Strait Islander flags are displayed on reception desks and the foyer wall opposite the main reception. • Posters are displayed to encourage patients to identify. • The *Innovate RAP 2.0* is published on the hospital website. • The *Aboriginal Employment Plan* is available on the hospital's website. • Job advertisements encourage applications from Aboriginal and/or Torres Strait Islander people. • Acknowledgement of Country is spoken at the beginning of many meetings and at all significant events. • A Welcome to Country and a smoking ceremony are performed at significant events. • Wathaurong Glass panels are publicly displayed. • Development of a possum skin cloak through design workshops facilitated by Elder Aunty Gina Bundle and the AHLOs. The cloak is publicly displayed in the hospital's foyer. • 26% reduction in long waiting planned surgery for our Aboriginal and Torres Strait Islander patients. • 38% reduction in long waiting planned surgery for our Aboriginal and Torres Strait Islander patients under the age of 18.

Goals	Health Service Deliverables	Achievements/Outcomes
MC4 Expand the delivery of high-quality cultural safety training for all staff to align with the Aboriginal and Torres Strait Islander cultural safety framework. This training should be delivered by independent, expert, community-controlled organisations or a Kinaway or Supply Nation certified Aboriginal business.	MC4 Implement mandatory cultural safety training and assessment for all staff in alignment with the Aboriginal and Torres Strait Islander cultural safety framework, and developed and/or delivered by independent, expert, and community-controlled organisations, Kinaway or Supply Nation certified Aboriginal businesses.	**Achieved/Ongoing** • Aboriginal Cultural Awareness e-learning training is mandatory for all staff to complete. As of 26 November 2024, the frequency for completion of this e-learning was revised and required to be completed by all staff annually. • Face-to-face Cultural Awareness training is also conducted for the Board, Executive, senior leaders, and staff who are engaged in delivering patient care. All staff who attend the two VAHS clinics have completed Aboriginal Cultural Awareness training.
A stronger workforce *There is an increased supply of critical roles that support safe, high-quality care. Victoria is a world leader in employee experience, with a focus on future roles, capabilities, and professional development. The workforce is regenerative and sustainable, bringing a diversity of skills and experiences that reflect the people and communities it serves. As a result of a stronger workforce, Victorians receive the right care at the right time, closer to home.*		
MD2 Explore new and contemporary models of care and practice, including future roles and capabilities.	MD2 Develop and implement new advanced practice roles in Nursing and Allied Health.	**Achieved/Ongoing** • Advanced Practice Orthoptists roles established in the Acute Ophthalmology Service Clinic • Diabetes Nurse Practitioner (NP) Candidate currently working towards |NP endorsement Upskilling program delivered for Emergency Department nurses with nurses performing OCT procedures and improving patient flow.
Moving from competition to collaboration *Share knowledge, information and resources with partner health and wellbeing services and care providers. This will allow patients to experience one health, wellbeing and care system through connected digital health information, evidence, and data flows, enabled by advanced interoperable platforms.*		
ME1 Partner with other organisations (e.g., community health, ACCHOs, PHNs, General Practice, and private health) to drive further collaboration and build a more integrated system.	ME1 Strengthen, expand and grow the Eye and Ear's Primary Care & Population Health Advisory Committee over the next 1 – 2 years to enable the development of collaborative relationships with more primary care organisations within the organisation's local area network.	**Achieved** A review of the Committee's membership was undertaken with a view of broadening membership to assist in delivery of the Committee's workplan. New members include: • Hearing Australia • CERA • North Western Melbourne PHN • Vision 2020 Australia The Hospital will retain this Committee moving forward but we will also participate in the newly expanded Parkville LHSN Primary Care & Population Health Committee.

Part B: Key performance measures**

High quality and safe care

Key performance measure	Target	2024-2025 result
Infection prevention and control		
Percentage of healthcare workers immunised for influenza	94%	97%
Patient experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	97%
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	NA	NA
Aboriginal Health		
The gap between the number of Aboriginal patients who discharged against medical advice compared to non-Aboriginal patients	0%	Achieved (actual result 0%*)
The gap between the number of Aboriginal patients who 'did not wait' presenting to hospital emergency departments non-Aboriginal patients	0%	3%

* Results will not be reported for services where the numerator is less than two or the denominator is less than 10.

Strong governance, leadership and culture

Key performance measure	Target	2024-2025 result
Organisational culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	80%	77%

Timely access to care

Key Performance Measure	Target	2024-2025 result
Elective 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%	84.2%
Number of patients admitted from the planned surgery waiting list	10,965	10,695
Percentage of patients on the waiting list who waited longer than clinically recommended times for their triage category	27.3%	26.7%
Emergency Care		
Percentage of ambulance patients transferred from ambulance to emergency department within 40 minutes	80%	100%
Number of patients with a length of stay in the ED greater than 24 hours	0	0
Mean ED length of stay (admitted) in minutes	306 minutes	268 minutes
Mean ED length of stay (non-admitted) in minutes	240 minutes	229 minutes
Inpatient length of stay in minutes	2,749 minutes	2,517 minutes
Specialist clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days the recommended timeframe	95%	68.3%

Effective financial management

Key Performance Measure	Target	2024-2025 result
Operating result ($m)	(0.00)	0.03
Adjusted current asset ratio	0.70	1.8
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	5% movement in forecast revenue and expenditure forecasts	Not achieved

Part C: Activity and funding

Funding type	2024-2025 activity achievement**
Consolidated activity funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU (national weighted activity unit)	22,289
Acute admitted	
Acute admitted DVA	20
Acute admitted TAC	0
Other	

* Acute admitted NWAU includes ED Short Stay Unit (EDSSU). Emergency NWAU excludes EDSSU

** The data included in this annual report was accurate at the time of publication and is subject to validation by official sources from the Department of Health.

Disclosure index

The annual report of The Royal Victorian Eye and Ear Hospital is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department of Health's compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
Ministerial directions report of operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	2
FRD 22	Purpose, functions, powers and duties	2
FRD 22	Nature and range of services provided	2
FRD 22	Activities, programs and achievements for the reporting period	3-7
FRD 22	Significant changes in key initiatives and expectations for the future	3-7
Management and structure		
FRD 22	Organisational structure	13
FRD 22	Workforce data/ employment and conduct principles	16-19
FRD 22	Occupational Health and Safety	17-19
Financial information		
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FRD 22	Significant changes in financial position during the year	20
FRD 22	Operational and budgetary objectives and performance against objectives	20
FRD 22	Subsequent events	20
FRD 22	Details of consultancies under $10,000	21
FRD 22	Details of consultancies over $10,000	21
FRD 22	Disclosure of ICT expenditure	21
FRD 22	Disclosure of social procurement activities under the Social Procurement Framework	31
FRD 22	Disclosure of procurement complaints	NA
FRD 22	Application and operation of Freedom of Information Act 1982	22
FRD 22	Compliance with building and maintenance provisions of Building Act 1993	22
FRD 22	Application and operation of Public Interest Disclosure Act 2012	23
FRD 22	Statement on National Competition Policy	23
FRD 22	Application and operation of Carers Recognition Act 2012	23
FRD 22	Additional Information available on request	32
FRD 24	Environmental data reporting	23-30
FRD 25	Local Jobs First Act 2003 disclosures	32
Compliance attestation and declaration		
SD 5.1.4	Financial Management Compliance attestation	33
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	Attestation on Data Integrity	33
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Legislation	Requirement	Page reference
Financial Statements		
Declaration		
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SD 5.2.1(a)	Compliance with Standing Directions	51
SD 5.2.1(b)	Compliance with Model Financial Report	NA
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FRD 11	Disclosure of Ex gratia Expenses	74
FRD 103	Non-Financial Physical Assets	59
FRD 110	Cash Flow Statements	49
FRD 112	Defined Benefit Superannuation Obligations	56
FRD 114	Financial Instruments – general government entities and public non-financial corporations	69
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	Building Act 1993	22
	Public Interest Disclosures Act 2012	23
	Carers Recognition Act 2012	23
	Local Jobs Act 2003	32
	Financial Management Act 1994 (b)	43

Notes: (a) (b) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure. Refer to the Model financial statements section (Part two) for further details

Financial Statements

2024–2025

Financial Statements

Financial Year ended 30 June 2025

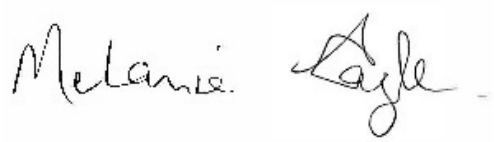
Board Member's, Accountable Officer's, and Chief Finance & Accounting Officer's Declaration

The attached financial statements for *The Royal Victorian Eye and Ear Hospital* 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 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 2025 and the financial position of *The Royal Victorian Eye and Ear Hospital* at 30 June 2025.

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 October 2025.



Melanie Eagle
Chair, Board of Directors
2 October 2025

Brendon Gardner
Chief Executive Officer
2 October 2025

Darren O'Connor-Price
Chief Finance and Accounting Officer
2 October 2025

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of The Royal Victorian Eye and Ear Hospital

Opinion

I have audited the financial report of The Royal Victorian Eye and Ear Hospital (the health service) which comprises the:

- balance sheet as at 30 June 2025
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including material accounting policy information
- board chair's, chief executive officer's and chief finance officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2025 and its 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 Australian Accounting Standards - simplified Disclosures.

Basis for Opinion

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

My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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.

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

Other information	The Board is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report, (but does not include the financial report and our auditor's report thereon). Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
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 - Simplified Disclosures and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.
Auditor's responsibilities for the audit of the financial report	As required by the Audit Act 1994, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

Auditor's responsibilities for the audit of the financial report continued

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

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

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

MELBOURNE
3 October 2025

Simone Bohan
as delegate for the Auditor-General of Victoria

The Royal Victorian Eye and Ear Hospital
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2025

	Note	2025 $'000	2024 $'000
Revenue and Income from Transactions:			
Revenue from Contracts with Customers	2.1	138,286	101,140
Other Sources of Income	2.1	24,796	51,700
Non-Operating Activities		3,966	3,348
Total Revenue and Income from Transactions		**167,048**	**156,188**
Expenses from Transactions:			
Employee Expenses	3.1	(108,432)	(104,342)
Depreciation and Amortisation	4.1(a), 4.2	(15,783)	(13,878)
Other Operating Expenses	3.1	(52,576)	(56,937)
Total Expenses from Transactions		**(176,791)**	**(175,157)**
Net Result from Transactions - Net Operating Balance		**(9,743)**	**(18,969)**
Other Economic Flows Included In Net Result:			
Net Gain/(Loss) on Non-Financial Assets		(194)	(3,479)
Net Gain/(Loss) on Financial Instruments		1,571	2,443
Other Gain/(Loss) from Other Economic Flows		-	42
Total Other Economic Flows Included In Net Result		**1,377**	**(994)**
Net Result		**(8,366)**	**(19,963)**
Other Economic Flows - Other Comprehensive Income:			
Items that Will Not Be Reclassified to Net Result			
Changes in Property, Plant and Equipment Revaluation Surplus		-	(34,640)
Total Other Comprehensive Income		**-**	**(34,640)**
Comprehensive Result		**(8,366)**	**(54,603)**

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

The Royal Victorian Eye and Ear Hospital
Balance Sheet
As at 30 June 2025

	Note	2025 $'000	2024 $'000
Financial Assets			
Cash and Cash Equivalents	6.2	11,823	27,665
Receivables	5.1	9,712	8,773
Contract Assets	5.2	1,470	558
Investments and Other Financial Assets	5.3	39,539	43,908
Total Financial Assets		**62,544**	**80,904**
Non-Financial Assets			
Prepayments		1,731	1,064
Inventories	5.5	268	286
Property, Plant and Equipment	4.1	294,600	305,907
Intangible Assets	4.2	5,412	6,319
Investment Properties	4.4	8,577	8,750
Total Non-Financial Assets		**310,588**	**322,326**
Total Assets		**373,132**	**403,230**
Liabilities			
Payables	5.6	11,680	33,416
Contract Liabilities		37	40
Borrowings	6.1	-	1,736
Employee Benefits	3.1(b)	30,197	28,454
Total Liabilities		**41,914**	**63,646**
Net Assets		**331,218**	**339,584**
Equity			
Reserves		76,928	75,085
Contributed Capital		51,568	51,568
Accumulated Surplus/(Deficit)		202,722	212,931
Total Equity		**331,218**	**339,584**

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

The Royal Victorian Eye and Ear Hospital
Cash Flow Statement
For the Financial Year Ended 30 June 2025

	Note	2025 $'000	2024 $'000
Cash Flows From Operating Activities:			
Operating Grants from State Government		114,840	122,657
Operating Grants from Commonwealth Government		3,425	3,066
Capital Grants from State Government		3,687	7,346
Commercial Activity Revenue Received		4,457	4,343
Donations and Bequests Received		2,251	2,444
GST Received from ATO		4,161	5,121
Interest and Investment Income Received		3,834	3,049
Other Receipts		8,433	7,887
Total Receipts		**145,088**	**155,913**
Payments for Employee Expenses		(107,803)	(103,918)
Payments for Supplies and Consumables		(35,872)	(32,041)
GST Paid to ATO		(310)	(281)
Payments for Administration Expenses		(14,892)	(16,200)
Other Payments		(5,507)	(7,021)
Total Payments		**(164,384)**	**(159,461)**
Net Cash Flows From/(Used In) Operating Activities		**(19,296)**	**(3,548)**
Cash Flows From Investing Activities:			
Proceeds from Sale of Financial Assets		6,000	-
Purchase of Non-Financial Assets		(2,050)	(6,219)
Capital Donations and Bequests Received		1,240	848
Net Cash Flow From/(Used In) Investing Activities		**5,190**	**(5,371)**
Cash Flows From Financing Activities:			
Repayment of Borrowings		(1,736)	(1,736)
Net Cash Flow From/(Used In) Financing Activities		**(1,736)**	**(1,736)**
Net Increase/(Decrease) In Cash And Cash Equivalents Held		**(15,842)**	**(10,655)**
Cash and Cash Equivalents at Beginning of Year		27,665	38,320
Cash and Cash Equivalents at End of Year	6.2	**11,823**	**27,665**

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

The Royal Victorian Eye and Ear Hospital
Statement of Changes in Equity
For the Financial Year Ended 30 June 2025

	Property, Plant and Equipment Revaluation Surplus	General Purpose Reserve	Restricted Specific Purpose Reserve	Contributed Capital	Accumulated Surplus/ (Deficit)	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2023	**84,850**	**232**	**31,424**	**51,568**	**226,113**	**394,187**
Net Result for the Year	-	-	-	-	(19,963)	(19,963)
Other Comprehensive Income for the Year	(34,640)	-	-	-	-	(34,640)
Transfer to/(from) Accumulated Surplus/(Deficit)	-	59	(6,840)	-	6,781	-
Balance at 30 June 2024	**50,210**	**291**	**24,584**	**51,568**	**212,931**	**339,584**
Net Result for the Year	-	-	-	-	(8,366)	(8,366)
Transfer to/(from) Accumulated Surplus/(Deficit)	-	100	1,743	-	(1,843)	-
Balance at 30 June 2025	**50,210**	**391**	**26,327**	**51,568**	**202,722**	**331,218**

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

Note 1: About this Report

These financial statements represent the financial statements of The Royal Victorian Eye and Ear Hospital ("the hospital") for the period ending 30 June 2025.

The Royal Victorian Eye and Ear Hospital is a not-for-profit entity established as a public agency under the *Health Services Act 1998 (Vic)*. A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

This section explains the basis of preparing the financial statements.

Structure:

1.1 Basis of Preparation

1.2 Material Accounting Estimates and Judgements

1.3 Reporting Entity

1.4 Economic Dependency

Note 1.1: Basis of Preparation

These financial statements are general purpose financial statements which have been prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards* (FRD 101).

The Royal Victorian Eye and Ear Hospital is a Tier 2 entity in accordance with FRD 101. These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. The hospital's prior year financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards (Tier 1). As the hospital is not a 'significant entity' as defined in FRD 101, it was required to change from Tier 1 to Tier 2 reporting effective from 1 July 2024.

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 the hospital.

The financial statements are prepared on a going concern basis (refer Note 1.4 Economic Dependency).

The financial statements are in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of The Royal Victorian Eye and Ear Hospital on 2 October 2025.

Note 1.2: Material Accounting Estimates and Judgements

Management make estimates and judgements when preparing the financial statements.

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

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

The material accounting judgements and estimates used, and any changes thereto, are disclosed within the relevant accounting policy.

Note 1.3: Reporting Entity

The financial statements include all the controlled activities of The Royal Victorian Eye and Ear Hospital.

The hospital's principal address is: 32 Gisborne Street, East Melbourne, Victoria 3002.

Note 1.4: Economic Dependency

The Royal Victorian Eye and Ear Hospital 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. The hospital provides essential services and is predominantly 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 The Royal Victorian Eye and Ear Hospital operations and on that basis, the financial statements have been prepared on a going concern basis.

Note 2: Funding the Delivery of Services

The hospital's overall objective is to provide quality health services that support and enhance the wellbeing of all Victorians.

The hospital is predominantly funded by grant funding for the provision of outputs. The hospital also receives income from the supply of goods and services.

Structure:
2.1 Revenue and Income from Transactions

Note 2.1: Revenue and Income from Transactions

	Note	2025 $'000	2024 $'000
Revenue from Contracts with Customers	2.1(a)	138,286	101,140
Other Sources of Income	2.1(b)	24,796	51,700
Total Revenue and Income from Transactions		**163,082**	**152,840**

Note 2.1(a) Revenue from Contracts with Customers

	2025 $'000	2024 $'000
Government Grants (State) - Operating	129,919	93,371
Government Grants (Commonwealth) - Operating	3,424	3,011
Patient Fees	2,195	2,041
Private Practice Fees	1,467	1,562
Commercial Activities	1,281	1,155
Total Revenue from Contracts With Customers	**138,286**	**101,140**

How We Recognise Revenue from Contracts With Customers

Government 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.

In contracts with customers, the 'customer' is the funding body, who is the party that promises funding in exchange for the hospital's goods or services. Hospital 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 the hospital's revenue streams, with information detailed below relating to the hospital's significant revenue streams:

Government Grant	Performance Obligation
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	NWAU is a measure of health service activity expressed as a common unit against which the Victorian efficient price (VEP) 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 (PBS) Funding	The performance obligations for PBS funding are recognised as defined pharmaceutical prescriptions or orders are processed that satisfy and are completed in accordance with the Commonwealth PBS guidelines. Revenue is recognised at a point in time, which is when a patient prescription is processed and is in accordance with the criteria set out in the PBS regulations.

Patient Fees

Patient fees are charges incurred by patients for services they receive. Patient fees are recognised under AASB 15 at a point in time when the performance obligation, the provision of services, is satisfied.

Note 2.1(b) Other Sources of Income

	Note	2025 $'000	2024 $'000
Government Grants (State) - Operating		7,070	28,513
Government Grants (State) - Capital		5,601	12,378
Assets Received Free of Charge or for Nominal Consideration	2.1(c)	1,339	864
Other Revenue from Operating Activities		10,786	9,945
Total Other Sources of Income		**24,796**	**51,700**

How We Recognise Other Sources of Income

Government Grants

The hospital recognises income of not-for-profit entities under AASB 1058 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 the hospital has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, the hospital recognises any related contributions by owners, increases in liabilities, decreases in assets or revenue (related amounts) in accordance with other Australian Accounting Standards. 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
- a lease liability in accordance with AASB 16 *Leases*
- a financial instrument, in accordance with AASB 9 *Financial Instruments*
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*

Capital Grants

Where the hospital receives a capital grant it recognises a liability, equal to the financial asset received less amounts recognised under other Australian Accounting Standards.

Income is recognised in accordance with AASB 1058 progressively as the asset is constructed or procured which aligns with the hospital's obligation to construct or procure 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(c) Fair Value of Assets Received Free Of Charge or For Nominal Consideration

	2025 $'000	2024 $'000
Cash Donations and Gifts	1,240	848
Personal Protective Equipment and Other Consumables	99	16
Total Fair Value of Assets Received Free of Charge or For Nominal Consideration	**1,339**	**864**

How We Recognise the Fair Value of Assets Received Free of Charge or For Nominal Consideration

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

Non-Cash Contributions from the Department of Health

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

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for the hospital 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 Health Building Authority	The Department of Health made payments to the Victorian Health Building Authority to fund the hospital redevelopment project during the year ended 30 June 2025, on behalf of the hospital.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements with the Department of Health.

Note 3: The Cost of Delivering Services

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

Note 3.1: Expenses Incurred in the Delivery of Services

	Note	2025 $'000	2024 $'000
Employee Expenses	3.1(a)	108,432	104,342
Other Operating Expenses	3.1(c)	52,576	56,937
Total Expenses Incurred in the Delivery of Services		**161,008**	**161,279**

Note 3.1(a) Employee Expenses

	2025 $'000	2024 $'000
Salaries and Wages	94,654	91,133
Defined Contribution Superannuation Expense	9,811	8,857
Defined Benefit Superannuation Expense	1	54
Agency and Contract Staff Expenses	2,572	2,924
Fee for Service Medical Officer Expenses	1,394	1,374
Total Employee Expenses	**108,432**	**104,342**

How We Recognise Employee Expenses

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

The amount recognised in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The defined benefit plan(s) provides benefits based on year of service and final average salary. The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans. The hospital does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead the hospital accounts for contributions to these plans as if they were defined contribution plans.

The Department of Treasury and Finance discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability.

Note 3.1(b) Employee Related Provisions

	2025 $'000	2024 $'000
Current Provisions for Employee Benefits		
Accrued Days Off	267	271
Annual Leave	8,946	8,489
Long Service Leave	15,562	14,770
Provision for On-Costs	3,205	2,991
Total Current Provisions for Employee Benefits	27,980	26,521
Non-Current Provisions for Employee Benefits		
Long Service Leave	1,960	1,709
Provision for On-Costs	257	224
Total Non-Current Provisions for Employee Benefits	2,217	1,933
Total Provisions for Employee Benefits	**30,197**	**28,454**

How We Recognise Employee Related Provisions

Employee related provisions 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 sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised as sick leave is taken.

Annual Leave and Accrued Days Off

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

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

- Nominal value – if the hospital expects to wholly settle within 12 months; or
- Present value – if the hospital does not expect to wholly settle within 12 months.

Long Service Leave

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 hospital 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 the hospital expects to wholly settle within 12 months; or
- Present value – if the hospital does not expect to wholly settle within 12 months.

Conditional LSL is measured at present value and is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

Provision for On-Costs Related to Employee Benefits

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) Other Operating Expenses

	2025 $'000	2024 $'000
Drug Supplies	5,180	6,461
Medical and Surgical Supplies (including Prostheses)	20,028	18,848
Diagnostic and Radiology Supplies and Services	2,575	1,698
Other Supplies and Consumables	5,846	5,806
Fuel, Light, Power and Water	1,319	1,264
Repairs and Maintenance	408	446
Maintenance Contracts	1,220	1,356
Medical Indemnity Insurance	1,769	1,493
Administration Expenses	13,140	17,139
Other Expenses	1,091	2,426
Total Other Operating Expenses	**52,576**	**56,937**

How We Recognise Other Operating Expenses

Expense Recognition

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

Supplies and Consumables

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

Other Operating Expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

The Department of Health also makes certain payments on behalf of the hospital. These amounts have been brought to account in determining the operating result for the year, by recording them as revenue (refer Note 2.1(c)) and recording a corresponding expense.

Note 4: Key Assets to Support Service Delivery

The hospital controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the hospital to be utilised for delivery of services.

Structure:

4.1 Property, Plant and Equipment

4.2 Intangible Assets

4.3 Depreciation and Amortisation

4.4 Investment Properties

Note 4.1: Property, Plant and Equipment

	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Land at Fair Value - Crown	10,098	10,098	-	-	10,098	10,098
Land at Fair Value - Freehold	47,443	47,443	-	-	47,443	47,443
Buildings at Fair Value	232,774	231,093	(11,605)	-	221,169	231,093
Plant and Equipment at Fair Value	6,974	8,919	(4,293)	(5,670)	2,681	3,249
Medical Equipment at Fair Value	31,896	31,896	(19,090)	(18,370)	12,806	13,526
Works In Progress at Cost	403	498	-	-	403	498
Total Property, Plant and Equipment	**329,588**	**329,947**	**(34,988)**	**(24,040)**	**294,600**	**305,907**

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.

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.

Note 4.1 (a) Reconciliation of the Carrying Amount by Class of Asset

	Land	Buildings	Plant & Equipment	Medical Equipment	Works In Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 30 June 2024	**57,541**	**231,093**	**3,249**	**13,526**	**498**	**305,907**
Additions	-	1,597	157	1,701	385	3,840
Disposals	-	-	(1)	(290)	-	(291)
Net Transfers from Intangible Assets	-	52	-	-	-	52
Net Transfers between Classes	-	32	145	303	(480)	-
Depreciation	-	(11,605)	(869)	(2,434)	-	(14,908)
Balance at 30 June 2025	**57,541**	**221,169**	**2,681**	**12,806**	**403**	**294,600**

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. In accordance with FRD 103, the hospital has elected to apply the practical expedient in FRD 103 *Non-Financial Physical Assets* and has therefore not applied the amendments to AASB 13 *Fair Value Measurement*. The amendments to AASB 13 will be applied at the next independent revaluation, which is planned to be undertaken in 2029, in accordance with hospital's revaluation cycle, or earlier if an interim revaluation is required.

Note 4.1(b) Impairment of Property, Plant and Equipment

The recoverable amount of the primarily non-financial physical assets of the hospital, 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.

Note 4.2: Intangible Assets

	Computer Software 2025 $'000	Work in Progress 2025 $'000	Total 2025 $'000
Gross Carrying Amount			
Opening Balance	11,379	127	11,506
Additions	23	-	23
Disposals	(1,457)	-	(1,457)
Assets Written Back and Transferred to Expense	-	(3)	(3)
Net Transfers to Property, Plant and Equipment	-	(52)	(52)
Closing Balance	**9,945**	**72**	**10,017**
Accumulated Amortisation and Impairment			
Opening Balance	(5,187)	-	(5,187)
Amortisation	(875)	-	(875)
Disposals	1,457	-	1,457
Closing Balance	**(4,605)**	**-**	**(4,605)**
Net Carrying Value at the End of the Financial Year	**5,340**	**72**	**5,412**

How We Recognise Intangible Assets

Initial Recognition

Purchased intangible assets are initially recognised at cost.

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

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

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

Subsequent Measurement

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

Impairment

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

Note 4.3: Depreciation and Amortisation

How We Recognise Depreciation

All buildings, plant and equipment and other non-financial physical assets (excluding 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.

How We Recognise Amortisation

Amortisation is the systematic allocation of the depreciable amount of an intangible 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:

	2025	2024
Buildings		
- Structure Shell Building Fabric	7 to 56 years	7 to 56 years
- Site Engineering Services and Central Plant	7 to 40 years	7 to 11 years
- Other Buildings	5 to 60 years	10 to 60 years
Central Plant		
- Fit Out	7 to 40 years	7 to 21 years
- Trunk Reticulated Building Systems	7 to 40 years	7 to 26 years
Plant & Equipment		
- Information and Communication Technology Equipment	3 to 40 years	2 to 40 years
- Furniture and Fittings	3 to 15 years	3 to 15 years
- Non-Medical Equipment	4 to 20 years	4 to 20 years
- Cultural Assets	99 years	99 years
Medical Equipment	2 to 20 years	2 to 20 years
Intangible Assets	3 to 15 years	2 to 15 years

Note 4.4: Investment Properties

	2025 $'000	2024 $'000
Investment Properties at Fair Value	8,577	8,750
Total Investment Properties at Fair Value	**8,577**	**8,750**
Balance at Beginning of Period	8,750	12,674
Transfers to Property, Plant and Equipment	-	(5,828)
Net Gain/(Loss) from Fair Value Adjustments	(173)	1,904
Balance at End of Period	**8,577**	**8,750**

How We Recognise Investment Properties

Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet the service delivery objectives of the hospital.

Initial Recognition

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

Subsequent Measurement

Subsequently investment properties are measured at fair value, determined annually by independent valuers and/or reference to Valuer-General Victoria indices. Fair values are determined based on a market comparable approach that reflects recent transaction prices for similar properties. Investment properties are neither depreciated nor tested for impairment.

For investment properties measured at fair value, the current use of the asset is considered the highest and best use.

The fair value of the hospital's investment properties at 30 June 2024 were arrived at on the basis of an independent valuation carried out by the Valuer-General Victoria. The valuation was determined with reference to market evidence of properties including location, condition and lease terms. The fair value of the hospital's investment properties at 30 June 2025 are based on the 30 June 2024 valuation adjusted by the Valuer-General Victoria land and building indexation factors for the subsequent financial year.

Further information regarding fair value measurement is disclosed in Note 7.3.

Note 5: Other Assets and Liabilities

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

Structure:
5.1 Receivables
5.2 Contract Assets
5.3 Investments and Other Financial Assets
5.4 Impairment of Financial Assets
5.5 Inventories
5.6 Payables

Note 5.1: Receivables

	Note	2025 $'000	2024 $'000
Current			
Contractual			
Inter Hospital Debtors		159	457
Trade Receivables		1,043	928
Patient Fees		183	278
Allowance for Impairment Losses	5.4	(111)	(102)
Accrued Investment Income		11	-
Total Current Contractual Receivables		**1,285**	**1,561**
Statutory			
GST Receivable		372	340
Total Current Statutory Receivables		**372**	**340**
Total Current Receivables		**1,657**	**1,901**
Non-Current			
Contractual			
Long Service Leave - Department of Health		8,055	6,872
Total Non-Current Receivables		**8,055**	**6,872**
Total Receivables		**9,712**	**8,773**

	Note	2025 $'000	2024 $'000
Financial Assets Classified as Receivables			
Total Receivables		9,712	8,773
GST Receivable		(372)	(340)
Total Financial Assets Classified as Receivables	7.1	**9,340**	**8,433**

How We Recognise Receivables

Receivables consist of:

- **Contractual Receivables:** including debtors that relate to 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 hospital holds the 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:** including 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 hospital applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction costs.

Note 5.2 Contract Assets

	2025 $'000	2024 $'000
Current		
Contract Assets	1,470	558
Total Contract Assets	**1,470**	**558**

How We Recognise Contract Assets

Contract assets relate to the hospital's right to consideration in exchange for goods transferred to customers or for services provided, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional and at this 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

	2025 $'000	2024 $'000
Current		
Financial Assets at Fair Valure through Net Result		
Managed Investment Schemes	-	8,000
Total Current Financial Assets	-	8,000
Non-Current		
Financial Assets at Fair Valure through Net Result		
Managed Investment Schemes	39,539	35,908
Total Non-Current Financial Assets	39,539	35,908
Total Investments and Other Financial Assets	**39,539**	**43,908**
Represented by:		
Hospital Investments	39,539	43,908
Total Investments and Other Financial Assets	**39,539**	**43,908**

How We Recognise Investments and Other Financial Assets

The hospital's investments and other financial assets are made in accordance with Standing Direction 3.7.2 - Treasury Management, including the Central Banking System.

The hospital manages its investments and other financial assets in accordance with an investment policy approved by the Board.

Investments are recognised when the hospital enters into a contract to either purchase or sell the investment (i.e. when it becomes a party to the contractual provisions to the investment). Investments are initially measured at fair value, net of transaction costs.

The hospital classifies its investments and 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.

All financial assets, except those measured at fair value through net result are subject to annual review for impairment, in accordance with Note 5.4.

Note 5.4: Impairment of Financial Assets

	2025 $'000	2024 $'000
Impairment Loss on Contractual Receivables:		
In Other Economic Flows	(111)	(102)
	(111)	**(102)**

How We Recognise Impairment of Financial Assets

The hospital records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's expected credit loss approach. The hospital's contractual receivables and statutory receivables are subject to this impairment assessment. Contract assets recognised are also subject to the impairment requirement of AASB 9.

The hospital applies the simplified approach, which requires the loss allowances to always be measured at an amount equal to lifetime expected credit losses. The loss allowance is based on assumptions about risk of default and expected loss rates.

Contractual receivables at amortised cost

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

The expected credit loss rates applied at 30 June 2025 vary from 1.6% for current contractual receivables that are not overdue to 88.0% for current contractual receivables that are more than 90 days past due; weighted average 8.0% (30 June 2024: from 1.6% to 85.6%; weighted average 6.1%).

Statutory receivables at amortised cost

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months of expected credit losses. No loss allowance has been recognised.

Note 5.5: Inventories

	2025 $'000	2024 $'000
Pharmaceuticals at Cost	268	286
Total Inventories	**268**	**286**

How We Recognise Inventories

Inventories include goods and other property held either for sale, consumption or for distribution at no or nominal cost in the ordinary course of business operations; it excludes depreciable assets.

Inventories are measured at the lower of cost and net realisable value.

Note 5.6: Payables

	2025 $'000	2024 $'000
Current		
Contractual		
Trade Creditors	3,142	3,610
Accrued Expenses	6,085	5,873
Accrued Salaries and Wages	1,720	1,417
Amounts Payable to Department of Health	601	22,406
Superannuation	132	110
Total Current Contractual Payables	**11,680**	**33,416**
Total Current Payables	**11,680**	**33,416**
Total Payables	**11,680**	**33,416**

	Note	2025 $'000	2024 $'000
Financial Liabilities Classified as Payables			
Total Payables		11,680	33,416
Total Financial Liabilities Classified as Payables	7.1	**11,680**	**33,416**

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 hospital 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 30 days from the date of invoice.

Note 6: Operational Financing

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

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note: 7.1 provides additional, specific financial instrument disclosures.

Structure:

6.1 Borrowings

6.2 Cash and Cash Equivalents

6.3 Commitments for Expenditure

Note 6.1: Borrowings

	Note	2025 $'000	2024 $'000
Current Borrowings			
Department of Health Loan [(i)]		-	1,736
Total Current Borrowings		**-**	**1,736**
Total Borrowings	7.1	**-**	**1,736**

[(i)] Unsecured loan which bears no interest.

How We Recognise Borrowings

Borrowings refer to interesting bearing liabilities mainly raised from advances from the Treasury Corporation of Victoria (TCV) and other funds raised through lease liabilities, service concession arrangements 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 directly attributable to transaction costs and subsequently measured at amortised cost using the effective interest method.

Terms and Conditions of Borrowings

					Maturity Dates
	Note	Weighted Average Interest Rate %	Carrying Amount $'000	Nominal Amount $'000	1-3 Months $'000
30 June 2024					
Advances From Government	6.1	-	1,736	1,736	1,736
Total Financial Liabilities			**1,736**	**1,736**	**1,736**

Note 6.2: Cash and Cash Equivalents

	Note	2025 $'000	2024 $'000
Cash on Hand		1	1
Cash at Bank		11,822	27,664
Total Cash and Cash Equivalents	7.1	**11,823**	**27,665**

Note 6.3: Commitments for Expenditure

	Less than 1 Year $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
30 June 2025				
Capital Expenditure Commitments	577	-	-	577
Operating Expenditure Commitments	9,128	4,329	-	13,457
Total Commitments (inclusive of GST)	**9,705**	**4,329**	**-**	**14,034**
less GST Recoverable	(861)	(386)	-	(1,247)
Total Commitments (exclusive of GST)	**8,844**	**3,943**	**-**	**12,787**

	Less than 1 Year $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
30 June 2024				
Capital Expenditure Commitments	239	-	-	239
Operating Expenditure Commitments	8,341	6,757	-	15,098
Total Commitments (inclusive of GST)	**8,580**	**6,757**	**-**	**15,337**
less GST Recoverable	(593)	(397)	-	(990)
Total Commitments (exclusive of GST)	**7,987**	**6,360**	**-**	**14,347**

How We Disclose Commitments

Our commitments relate to expenditure.

Expenditure Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the Balance Sheet.

Note 7: Financial Instruments, Contingencies and Valuation Judgements

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

Structure:

7.1 Financial Instruments

7.2 Contingent Assets and Contingent Liabilities

7.3 Fair Value Determination

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 the hospital's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation.*

	Note	Carrying Amount	Net Gain/(Loss)	Total Interest Income/ (Expense)	Impairment Loss
		$'000	$'000	$'000	$'000
30 June 2025					
Financial Assets at Amortised Cost					
Cash and Cash Equivalents	6.2	11,823	-	1,258	-
Receivables	5.1	9,340	-	-	-
Financial Assets at Fair Value through Net Result					
Investments and Other Financial Assets	5.3	39,539	1,631	-	-
Total Financial Assets [(i)]		**60,702**	**1,631**	**1,258**	**-**
Financial Liabilities at Amortised Cost					
Payables	5.6	11,680	-	-	-
Total Financial Liabilities [(i)]		**11,680**	**-**	**-**	**-**
30 June 2024					
Financial Assets at Amortised Cost					
Cash and Cash Equivalents	6.2	27,665	-	1,756	-
Receivables	5.1	8,433	-	-	-
Financial Assets at Fair Value through Net Result					
Investments and Other Financial Assets	5.3	43,908	2,518	-	-
Total Financial Assets [(i)]		**80,006**	**2,518**	**1,756**	**-**
Financial Liabilities at Amortised Cost					
Payables	5.6	33,416	-	-	-
Borrowings	6.1	1,736	-	-	-
Total Financial Liabilities [(i)]		**35,152**	**-**	**-**	**-**

[(i)] The carrying amount excludes statutory receivables (ie. GST receivable) and statutory payables (ie. GST payable and contract liabilities).

How We Categorise Financial Instruments

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 the hospital soley 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.

The hospital recognises the following assets in this category:

- Cash and Cash Equivalents; and
- Receivables (excluding statutory receivables).

Financial Assets at Fair Value through Net Result

The hospital initially designates a financial instrument as measured at fair value through net result if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or recognising the gains and losses on them, on a different basis;
- it is in accordance with the documented risk management or investment strategy and information about the groupings as documented appropriately, so the performance of the financial asset can be managed and evaluated consistently on a fair value basis; or
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measured at fair value through net result is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

The hospital has designated all of its managed investment schemes as fair value through net result.

Categories of Financial Liabilities:

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 the 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.

The hospital recognises the following liabilities in this category:

- Payables (excluding statutory payables and contract liabilities); and
- Borrowings.

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
- the hospital 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
- the hospital 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 the hospital has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the hospital'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, the hospital'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: Contingent Assets and Contingent Liabilities

At balance date, the hospital's Board is not aware of any contingent assets or liabilities.

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 hospital.

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 hospital; 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 7.3: 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 at fair value through net result
- Property, plant and equipment
- Investment properties

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.

The hospital 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.

The hospital 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 the hospital's independent valuation agency for property, plant and equipment.

Fair Value Determination: Managed Investment Schemes

The hospital invests in managed funds, which are not quoted in an active market and which may be subject to restrictions on redemptions.

The hospital considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investment, to ensure they are reasonable and appropriate. The net asset value of these funds is used as an input into measuring their fair value, and is adjusted as necessary, to reflect restrictions and redemptions, future commitments and other specific factors of the fund.

The hospital classifies these funds as Level 2.

Fair Value Determination: Non-Financial Physical Assets

AASB 2010-10 *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 principals in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable to 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 process (whichever is earlier).

The last scheduled full independent valuation of all of the hospital's non-financial physical assets was performed by VGV on 30 June 2024. The annual fair value assessment for 30 June 2025 using VGV indices does not identify material changes in value. In accordance with FRD 103, the hospital will reflect Appendix F in its next scheduled formal revaluation on 30 June 2029 or interim revaluation process (whichever is earlier). All annual fair value assessments thereafter will continue compliance with Appendix F.

For all assets measured at fair value, the hospital considers the current use as its highest and best use.

Non-Specialised Land, Non-Specialised Buildings and Investment Properties

Non-specialised land, non-specialised buildings and investment properties are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value. From this analysis, an appropriate rate per square metre has been applied to the asset.

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, the hospital 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.

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.

For the hospital, the current replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation.

Furniture, Fittings, Plant and Equipment

Furniture, fittings, plant and equipment (including medical equipment, information and communication technology equipment) is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold, fair value is determined using the current replacement cost method.

Significant Assumptions

Description of significant assumptions applied to fair value measurement:

Asset Class	Likely Valuation Approach	Significant Inputs (Level 3 only)
Specialised Land	Market approach	Community Service Obligations adjustment [(i)]
Specialised Buildings	Current replacement cost approach	Cost per unit Useful life
Furniture, Fittings, Plant and Equipment	Current replacement cost approach	Cost per unit Useful life

[(i)] CSO adjustments ranging from 0% to 30% were applied to reduce the market approach value for the hospital's specialised land, with the weighted average 22% reduction applied.

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 Ex-Gratia Expenses

8.2 Responsible Persons Disclosure

8.3 Remuneration of Executives

8.4 Related Parties

8.5 Remuneration of Auditors

8.6 Events Occurring After the Balance Sheet Date

Note 8.1: Ex-Gratia Expenses

	2025 $'000	2024 $'000
Forgiveness or Waiver of Debt	-	9
Total Ex-Gratia Expenses	**-**	**9**

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 (eg. 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 8.2: Responsible Persons Disclosure

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994* , the following disclosures are made regarding responsible persons for the reporting period.

	Period
Relevant Minister:	
The Honourable Mary-Anne Thomas MP:	
Minister for Health	27 Jun 2022 - 30 Jun 2025
Minister for Health Infrastructure	5 Dec 2022 - 19 Dec 2024
Governing Board:	
Dr Sherene Devanesen (Chair of the Board)	1 Jul 2024 - 30 Jun 2025
Mr David Anderson	13 Aug 2024 - 30 Jun 2025
Mr Simon Brewin	1 Jul 2024 - 30 Jun 2025
Ms Janice Brown	20 Feb 2025 - 30 Jun 2025
Ms Chris McLoughlin	1 Jul 2024 - 30 Jun 2025
Mr Bruce Mildenhall	1 Jul 2024 - 30 Jun 2025
Mr Bruce Ryan	1 Jul 2024 - 30 Jun 2025
Dr Susan Sdrinis	1 Jul 2024 - 30 Jun 2025
Mr Kyle Vander-Kuyp	1 Jul 2024 - 30 Jun 2025
Accountable Officer:	
Mr Brendon Gardner (Chief Executive Officer)	1 Jul 2024 - 30 Jun 2025

Remuneration of Responsible Persons

The number of Responsible Persons is shown in their relevant income bands:

Income Band	2025 Number	2024 Number
$0 - $9,999	1	-
$10,000 - $19,999	1	2
$20,000 - $29,999	6	6
$50,000 - $59,999	1	1
$420,000 - $429,999	-	1
$450,000 - $459,999	1	-
Total Numbers	**10**	**10**

	2025 $'000	2024 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**685**	**675**

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.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis.

Remuneration of Executives (including Key Management Personnel disclosed in Note 8.4)	2025 $'000	2024 $'000
Total Remuneration	1,424	1,365
Total Number of Executives [(i)]	7	5
Total Annualised Employee Equivalent [(ii)]	4.02	4.47

[(i)] The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the hospital under AASB 124 Related Party Disclosures and are also reported within Note 8.4.
[(ii)] Annualised Employee Equivalent is based on working 38 ordinary hours per week over the reporting period.

Note 8.4: Related Parties

The hospital is a wholly owned and controlled entity of the State of Victoria. Related parties of the hospital include:

- All Key Management Personnel (KMP) and their close family members and personal business interests;
- Cabinet ministers (where applicable) and their close family members; and
- All health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

Significant Transactions with Government Related Entities

The hospital received funding from the Department of Health in 2025 of $139.1 million (2024: $128.2 million) and indirect contributions of $3.4 million (2024: $6.0 million). Balances outstanding at 30 June 2025 are $8.1 million receivable (2024: $6.9 million) and $0.6 million payable (2024: $22.4 million).

Expenses incurred by the hospital 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 under the *Financial Management Act 1994* require the hospital 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 Victorian unless an exemption has been approved by the Minister for Health and the Treasurer.

Key Management Personnel (KMP)

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of the hospital, directly or indirectly.

The Board of Directors and the Executive Directors of the hospital are deemed to be KMPs.

Key Management Personnel of the hospital:

- Dr Sherene Devanesen, Chair Board of Directors
- Mr David Anderson, Non-Executive Director
- Mr Simon Brewin, Non-Executive Director
- Ms Janice Brown, Non-Executive Director
- Ms Chris McLoughlin, Non-Executive Director
- Mr Bruce Mildenhall, Non-Executive Director
- Mr Bruce Ryan, Non-Executive Director
- Dr Susan Sdrinis, Non-Executive Director
- Mr Kyle Vander-Kuyp, Non-Executive Director
- Mr Brendon Gardner, Chief Executive Officer and Accountable Officer
- Dr Birinder Giddey, Executive Director Medical Services and Chief Medical Officer
- Ms Leanne Turner, Executive Director Operations and Chief Nursing Officer
- Mr Danny Mennuni, Executive Director Finance and Corporate Services and Chief Finance and Accounting Officer (1 Jul 2024 to 2 Aug 2024)
- Mr Darren O'Connor-Price, Executive Director Finance and Corporate Services and Chief Finance and Accounting Officer (29 Jul 2024 to 30 Jun 2025)
- Ms Loretta Sheales, Executive Director People and Communications (1 Jul 2024 to 6 Jan 2025)
- Ms Heather Dawson, Interim Executive Director People and Communications (9 Jan 2025 to 30 Jun 2025)
- Ms Jayne Barclay, Executive Director Digital Innovation and Chief Information Officer (1 Jul 2024 to 4 Oct 2024)

Remuneration of Key Management Personnel

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Report.

	2025 $'000	2024 $'000
Total compensation - KMPs [(i)]	2,109	2,040

[(i)] KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Transactions with Key Management Personnel and Other Related Parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public, eg. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the HealthShare Victoria and Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with the hospital, 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 2025 (2024: none).

There were no related party transactions required to be disclosed for the hospital Board of Directors, Chief Executive Officer and Executive Directors in 2025 (2024: none).

Note 8.5: Remuneration of Auditors

	2025 $'000	2024 $'000
Victorian Auditor-General's Office		
Audit of the Financial Statements	71	67
Total Remuneration of Auditors	**71**	**67**

Note 8.6: Events Occurring After the Balance Sheet Date

No events have occurred after the balance sheet date that would require adjustment to, or disclosure in, the financial statements.

Affiliations and Memberships

The Royal Victorian Eye and Ear Hospital is affiliated with:

- Australian College of Optometry
- Bionic Vision Technologies
- The Bionics Institute
- The Centre for Eye Research Australia
- HEARnet
- The Lions Eye Donation Service Melbourne
- The University of Melbourne
- Victorian Aboriginal Health Service (VAHS)
- The Royal Australian and New Zealand College of Ophthalmologists (RANZCO)
- Australasian College for Emergency Medicine
- Royal Australasian College of Surgeons
- Australian and New Zealand College of Anesthetists (ANZCA)
- Monash Consortium for Climate Change
- Guide Dogs Victoria
- Vision 2020 Australia
- Cochlear
- Hearing Australia
- Bendigo and District Aboriginal Cooperative (BDAC)
- Rural Workforce Agency Victoria (RWAV)

Universities

- University of Melbourne
- Swinburne University of Technology
- Australian Catholic University
- RMIT University
- Victoria University
- La Trobe University
- Monash University

TAFES

- Victoria University
- Holmesglen
- RMIT

The Royal Victorian Eye and Ear Hospital is a member of:

The World Association of Eye Hospitals

Victorian Healthcare Association

Melbourne Academic Centre for Health

North East Metro Health Service Partnership

North East Metro Health Service Partnership
Austin Health; St Vincent's Hospital Melbourne; Eastern Health; Northern Health; Mercy Hospital for Women, (Heidelberg); Forensicare; Eastern Melbourne Primary Health Network; North Western Melbourne Primary Health Network

Parkville Local Health Service Network

Vision 2020 Australia

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