

Quality-led care.

Sustainability Report
2016

MD & CEO message

“Our team of over 18,000 employees understand that healthcare is a mix of clinical care, compassion, understanding and safety and are unified in a commitment to deliver high quality healthcare for our patients.”

Across our hospital, international pathology and medical centre businesses we are well placed to deliver profitable growth in the future and we are dedicated to delivering this growth in a responsible, ethical and sustainable manner.

We are proud to play an integral role in our local communities, providing employment opportunities and effectively engaging on a diverse range of initiatives and projects. We look forward to enhancing and strengthening these relationships in the long term. Our sustainability focus includes four key areas:

- **Absolute commitment to patient safety and quality**

Our commitment to patient safety and quality underpins the delivery of our healthcare services.

We embrace the ability to learn, evolve and change and recognise that our patients and doctors are best positioned to provide valuable feedback to facilitate our quality and safety first approach.

In FY16, we built upon our solid base of consumer consultation with the formation of the National Consumer Participation Cluster, whose role is to provide direct insight and feedback to our national quality team in order to ensure overall organisational improvement.

Our strong accreditation record validates the quality of our existing framework however we will continue to develop and enhance our systems and processes via our ongoing improvement programs.

We remain true to our promise of transparent reporting and in FY16, an independent audit concluded that the *MyHealthscope* website had the most comprehensive public health quality indicator reporting in Australia.

We also increased the number of published key clinical indicators from 22 to 25.

In order to recognise and reward service excellence we also continued our STAR values (Service excellence, Teamwork and integrity, Aspiration and Responsibility) staff recognition awards this year.

- **A focus on our people**

As a healthcare service provider our core business is delivered and grown through our workforce of over 18,000 employees.

We believe in fostering the training and development of our people and in FY16 we successfully attracted high quality employees and reduced our attrition rate.

We also achieved our diversity targets, set ourselves new diversity targets for the coming year and undertook an inaugural Australia-wide employee engagement survey.

We remained an employer of choice for graduate nurses and allied health professionals, providing access to approximately 100,000 clinical placement days in FY16.

- **Giving to local communities and making strategic contributions to indigenous health**

Healthscope actively engages with local communities. We are significant employers in local communities, and provide important healthcare services. Our staff regularly support a broad range of initiatives, from supporting national cancer awareness campaigns to providing support for local sporting clubs. We make a difference as an organisation.

In addition, Healthscope drove a number of key indigenous health and education initiatives in FY16 via our partnerships with the Cape York Group and the Institute for Urban Indigenous Health. The foundation of the indigenous healthcare initiatives undertaken in FY16, will continue to be built upon in FY17, to provide healthcare for indigenous communities in Far North Queensland.

- **Accepting responsibility to ensure environmental sustainability**

The Northern Beaches Hospital development is testament to our environmentally sustainable approach to design and operation as it has been confirmed as a 4-star, Green Star rated hospital. This rating rewards and recognises best practice.

In addition, in FY16 we continued our commitment to ensuring a sustainable future with a number of new initiatives to reduce our environmental impact, trialled at our existing hospitals.

I am pleased to present Healthscope's 2016 Corporate Sustainability Report, which provides an overview of our performance and progress in relation to our commitment to sustainability in the way we do business.

Robert Cooke
Managing Director and Chief Executive Officer



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SECTION 1:

Our business



Committed to care

Operations throughout Australia
as well as New Zealand, Malaysia,
Singapore and Vietnam

45

Private hospitals^{1,2}

56

International pathology
laboratories

48

Medical centres³

Victoria

17 private hospitals
12 medical centres

New South Wales

11 private hospitals
9 medical centres
1 specialist breast
diagnostic clinic

ACT

1 private hospital
3 medical centres

Queensland

7 private hospitals
9 medical centres

South Australia

5 private hospitals¹

Western Australia

1 private hospital
10 medical centres
4 skin clinics

Tasmania

2 private hospitals

Northern Territory

1 private hospital

New Zealand

25 pathology laboratories

Malaysia

27 pathology laboratories

Singapore

3 pathology laboratories

Vietnam

1 pathology laboratory

¹ Includes three hospitals under management for the Adelaide Community Healthcare Alliance (ACHA).

² In July 2016, the businesses of Frankston Private Day Surgery and Peninsula Oncology Centre were consolidated and rebranded as Frankston Private Hospital.

³ Medical centres includes four skin clinics and one specialist breast diagnostic clinic.

Map (and related data) as at 15 August 2016.

Vision and values

What we stand for

Our vision is to be a recognised leader of quality private healthcare services.

In delivering our vision, we know that when we provide service excellence for medical professionals and their patients, everything else takes care of itself. Healthscope operates in an environment where safety and quality are paramount, comfortably balanced against our responsibility to shareholders and stakeholders.

Our STAR values



Service excellence

We strive to provide the highest standard of healthcare. We seek ways to improve our care and service and its delivery.



Teamwork & integrity

We respect each other and openly and honestly communicate to allow us to work together to achieve our goals.



Aspiration

Creativity, being forward-looking and continuously learning are integral to our jobs and Healthscope's success.



Responsibility

We take responsibility for our actions and consider their impact on others. We make decisions with a balanced focus on financial security and service excellence.

FY16 highlights

In FY16, Healthscope produced consistent earnings growth, continued to leverage our scale and operational expertise to extract operating efficiencies and invested significant capital in expanding our hospital portfolio to accommodate future demand.

\$2.3_b

FY16 GROUP REVENUE

\$408_m

FY16 GROUP OPERATING EBITDA

\$310_m

FY16 GROUP OPERATING EBIT



Significant capital investment

In excess of \$400m was invested in hospital expansion projects.



Industry leader

Continued delivery of clinical quality excellence and market leadership in transparent reporting of clinical outcomes.



Employees

Invested significant resources in the training and development of our employees and future leaders.

¹ "Operating" results represent statutory results from continuing operations adjusted for items of other income and expense of \$11.8m (net of tax) – refer to Note 2 of the consolidated financial report in Healthscope's 2016 Annual Report (page 59).

Sustainability framework

Our approach to sustainability is summarised in the table below.

Governance	Corporate governance is core to ensuring creation, protection and enhancement of shareholder value at Healthscope. The Board is committed to conducting Healthscope's business in accordance with high standards of corporate governance and with a view to creating and delivering value for Healthscope's shareholders. To this end, the Board has adopted a system of internal controls, risk management processes and corporate governance policies and practices which are designed to support and promote the responsible management and conduct of Healthscope. Healthscope's Corporate Governance Statement sets out the key features of Healthscope's governance framework and reports against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.			
Key focus areas	 Patient safety and quality	 People	 Environment	 Community
Priorities	Clinical governance, consumer involvement, accreditation and transparency	Creating a safe and responsible culture for employees to develop, thrive and innovate	Reducing waste, ensuring efficient use of natural resources and contributing towards a sustainable future	Supporting indigenous health and community initiatives, giving back to our local communities
Healthscope measures	<ul style="list-style-type: none"> • Hospital accreditation • Pathology laboratory accreditation • Medical centre accreditation • National rates of defined clinical indicators and clinical outcomes 	<ul style="list-style-type: none"> • Key workforce statistics • Turnover and recruitment • Diversity targets • Training our future workforce • Career progression • Workplace health and safety – lead and lag indicators 	<ul style="list-style-type: none"> • Energy consumption • Diversion of waste from landfill 	<ul style="list-style-type: none"> • Cape York partnership • Indigenous employment • Site level contributions

More information about Healthscope's material exposure to economic and social sustainability risks, and how we manage those risks, is contained in pages 25 to 27 of the Review of Operations in Healthscope's 2016 Annual Report (see the 'Material Business Risks' section). The Company does not consider it has any material environmental risks (as defined in the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council). Healthscope will continue to monitor any potential economic, environmental and social sustainability risks.

SECTION 2:

Absolute commitment to patient safety and quality



Healthscope is committed to providing high quality care to patients, continuously improving, minimising risks, and fostering an environment of excellence in care. Clinical governance is the term used to describe accountability for standards and performance in relation to clinical care.

Sustainability of excellence in clinical governance requires:

- A focus on the patient experience throughout their stay with us;
- Strong leadership and appropriate allocation of resources;
- Clarity of responsibility for managing safety and quality;
- Effective use of data to monitor, report on and improve performance;
- Systems for identifying and managing risk;
- Processes to support continuous improvement; and
- Compliance with legislative and relevant standards, including accreditation.

The Healthscope Safety and Quality Plan and Clinical Governance Framework provides the framework for driving our quality and safety priorities. This Healthscope Safety and Quality Plan focuses on three key pillars and ten focus areas as shown in the diagram below.

Monitoring	1. Accreditation / external audit
	2. Internal audit
	3. Indicators
Reducing risk	4. Incident monitoring
	5. High risk casemix
	6. Prevent adverse outcomes
Continuous improvement	7. Evidence based practice
	8. Staff competence
	9. Documentation
	10. Consumer participation

Scope

Within the Healthscope Safety and Quality Plan there are five key areas that are most related to sustainability of quality and safety in patient care:

1. Accreditation;
2. Patient-centred care;
3. Clinical risk management;
4. Continuous improvement; and
5. Public reporting.

FY16 performance and progress

During FY16, progress has continued in these five key areas which are summarised below.

1. Accreditation

Commitment

Healthscope is committed to achieving external accreditation of all facilities against relevant and required standards.

- **Healthscope hospitals** are accredited to the Australian National Safety and Quality Health Service Standards (National Standards) published by the Australian Commission on Safety and Quality in Healthcare.

Accreditation helps us to measure our performance against the required healthcare standards and assess how we are performing relative to our peers and best practice benchmarks.

The National Standards are rigorous and challenging to achieve and are fully integrated into Healthscope's quality program.

Healthscope is a key partner and advisor for both the Australian Commission on Safety and Quality in Healthcare and the Australian Council on Healthcare Standards (ACHS) in relation to the development of the new National Standards, through participation on various committees, working groups and formal consultation processes.

- **Healthscope pathology laboratories** are accredited by the appropriate local agencies as follows:
 - New Zealand medical testing laboratories are accredited to ISO 15189 and our Veterinary laboratories are accredited to ISO 17025 by IANZ;
 - Malaysian laboratories are accredited to ISO 15189 by Standards Malaysia; and
 - Singapore laboratories are accredited to ISO 15189 by Singapore Accreditation Council (SAC).
- **Medical centres** are accredited to the Royal Australian College of General Practice Standards. The relevant accreditation system nationally is the Royal Australian College of General Practice (RACGP) 4th Edition Standards for General Practices Accreditation Program. Each medical centre must be accredited to the RACGP 4th Edition Standards by the national surveying organisation AGPAL.

- **Healthscope corporate group** is accredited by ACHS against the National Standards, with on-site inspections in accordance with the two-year cycle. In 2015, Healthscope's corporate group received 78 met with merit ratings (39%), compared to a 2% average achievement for Australian healthcare organisations. Healthscope was the first company to be accredited as a corporate group after the introduction of the new National Standards and reaccreditation is scheduled to occur in FY17.

FY16 performance and progress

- In FY16, all Healthscope hospitals that undertook surveys against the National Standards received accreditation. For the most recent accreditation survey conducted in each Healthscope hospital, 4.58% of all criteria rated were awarded a met with merit rating. By comparison, the average national rate across the healthcare sector was 2.03%.
- In FY16, all of Healthscope's pathology laboratories and medical centres scheduled for accreditation achieved accreditation. In addition, in December 2015, Quest Laboratories, our pathology business in Singapore, received accreditation from the College of American Pathologists. This made Quest Laboratories the first full-service private medical laboratory in Singapore to attain dual accreditation.

2. Patient-centred care

Commitment

Healthscope is committed to involving patients and carers in their own care at every contact with our organisation, as well partnering with consumers in service planning, designing care and service evaluation.

FY16 performance and progress

Each of our hospitals is responsible for ensuring that patient-centred care is integral to service delivery. Patient-centred care at Healthscope hospitals includes strategies such as hourly rounding, whiteboards, doctor question sheets and patient-nominated staff excellence awards. On average, patient overall satisfaction ratings of 9 or 10 out of 10 increased by 16% from baseline to the time of re-survey.

In FY15, our Patient-Centred Care Education package, including competency questions, was delivered to our staff, focusing on the provision of superior customer service in clinical care. In FY16, this package was updated with new best practice information and patient-initiated examples sourced from patient focus groups.

Healthscope actively encourages the participation of consumers/patients in decision making and has established

a National Consumer Participation Cluster to improve our consumer engagement. As part of this program, all Healthscope hospitals now have consumer representatives in place and a panel of consumer consultants is also available at a national level. Consumer representatives and consultants provide valuable feedback and suggestions on how our organisation can improve our service delivery and assist with our consumer strategies. An example of a consumer strategy introduced in FY16 is the addition of Consumer Approved Publication (CAP) stamps to all publications given to patients which have been reviewed by a group of consumers for readability and ease of understanding.

In FY16, Healthscope's international pathology business developed and implemented an application to enable the fast and secure delivery of test results to patients, where requested, through encrypted email. In addition, the New Zealand pathology business developed an in-house collection management system to provide a more efficient home visit booking experience for patients, better co-ordination of tests and improved ability to process orders electronically.

Healthscope medical centres participate in pre-accreditation impression surveys (PAIS) every three years using an Australian Government approved surveying company. In FY16, 26 sites received their PAIS results and, pleasingly, 85% of sites had equalled or improved their scores for patients' rating for 'overall satisfaction'.

3. Clinical risk management

Commitment

Healthscope is committed to ensuring that the healthcare services we deliver are safe, errors and incidents are minimised, learnings from adverse events are shared and future similar incidents are prevented and/or mitigated.

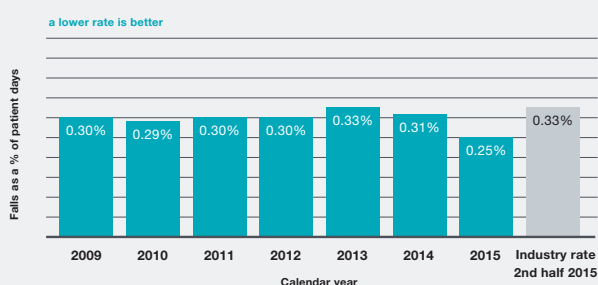
Across all businesses, Healthscope has a formal approach to investigating incidents, near misses and undertakes root cause analysis for serious incidents and sentinel events. Key learnings are identified and shared across the network on a quarterly basis and are formally reflected in applicable policies and procedures. In addition, key learnings are discussed via the Healthscope Clinical Governance Committee structure and, where applicable, through Healthscope medical centres' state and territory practice meetings.

Our clinical risks are formally reported and recorded in our Integrated Risk Register, along with controls. We have mapped our clinical risks back to the National Standards where applicable. Our Integrated Risk Register is in line with the Australian Standard AS/NZS ISO 31000 Risk Management – Principles and Guidelines.

FY16 performance and progress

Key adverse event indicators are measured by all Healthscope hospitals, monitored over time, and reported publicly on the *MyHealthscope* website (www.myhealthscope.com.au). Across the group, our approach and commitment to clinical risk management in FY16 has led to a reduction in a range of key adverse events, including our patient falls rate as evidenced by the chart below.

Patient falls rate Healthscope 2009-2015



4. Continuous improvement

Commitment

Healthscope is committed to the continuous improvement of clinical care and service, beyond the minimum standards to be met in healthcare.

A key to continuous improvement is measurement of key indicators across all of our businesses. Healthscope has a comprehensive suite of quality and safety indicators which are monitored quarterly, and benchmarked against industry performance.

Each hospital has a quality plan, in line with the Healthscope Safety and Quality Plan, that guides improvement and monitoring of activities. A comprehensive policy and procedure system is updated on an ongoing basis in line with best practice. An extensive audit program identifies areas for improvement, with a large number of national audit tools used by Healthscope hospitals to check that quality processes are being followed.

Continuous improvement is a key focus for each Healthscope hospital facility, and the broader network often benefits from site-initiated quality improvement activities as the Quality and Clinical Cluster system facilitates group-wide improvements. The clusters represent clinical areas such as mental health, obstetrics, rehabilitation, medication safety, falls prevention and infection control. Key experts from across the group communicate regularly in support of benchmarking and the identification of best practice. The clusters provide leadership and support to ensure there is an ongoing commitment to monitoring and improving

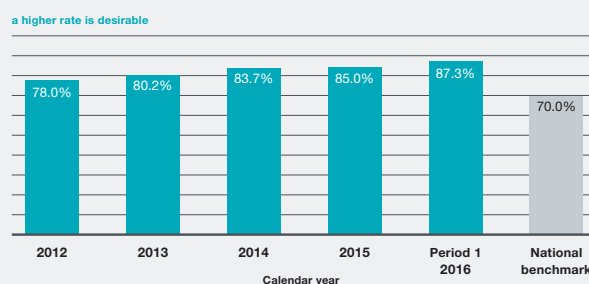
performance, reducing clinical risks at all facilities, and to developing a central repository of information, shared learnings and tools to assist Quality Managers and other hospital staff.

Healthscope international pathology laboratories and medical centres collect a range of key performance indicators quarterly. These indicators are collated centrally and distributed back to each site for benchmarking and identification of improvement opportunities. They also provide consistent monitoring of expected compliance to the relevant industry standards. This monitoring and reporting of results ensures that a number of the elements required for accreditation are embedded into routine practice.

FY16 performance and progress

An example of an ongoing improvement project which has been successful across our hospitals is enhancing hand hygiene (hand washing) compliance. The extensive auditing, staff education and various other strategies implemented by the infection control cluster have continued to successfully improve hand hygiene across Healthscope facilities to the current rate of 87.3%, compared with the national benchmark of 70%, as highlighted in the chart below.

Hand hygiene compliance Healthscope 2012-2016



In FY16, a number of other continuous improvement initiatives were undertaken by the hospital division including:

- A two-day auditor education workshop for quality managers to improve auditing techniques and ensure best practice is implemented;
- A pilot of our new Med+Safe interactive online eLearning program which is specifically aimed at reducing medication errors and improving clinical practice; and
- The implementation of iMatis Electronic Leave Registers at all mental health sites to record and manage patient leave, ensuring prompt follow up of any patients who do not return to the hospital as planned.

Healthscope's commitment to ensuring ongoing continuous improvement in its hospitals and medical centres is also evidenced by the way the network is embracing the Australian Government's My Health Record initiative. My Health Record is a digital medical record that contains a patient's key health information and can be shared, following patient consent, with other health professionals. Whilst this is an evolving program, systems integration between Healthscope and the Australian Government have been completed and ongoing staff and patient education programs are in place to drive further adoption across the network.

5. Public reporting

Commitment

Healthscope is committed to transparency in reporting key indicators of quality and safety in our hospitals to the general public.

Clinical quality can be defined and measured in many ways and, at Healthscope, it is not a single, simple measure – it is a comprehensive assessment of the many aspects of a patient's experience.

We help patients to make informed decisions by publishing indicators that reflect the quality and safety of our hospitals. We support transparent public reporting of healthcare quality data and were proud to be the first private hospital group in Australia to publish our clinical performance and health outcome results on our *MyHealthscope* website.

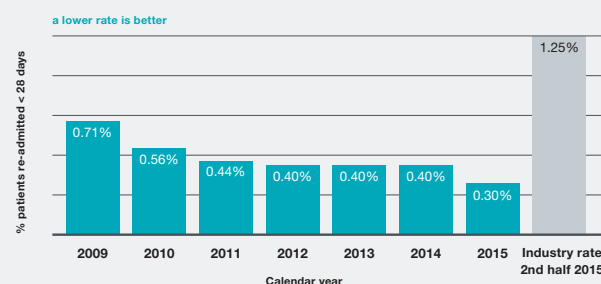
The key features of *MyHealthscope* include:

- Publication of Healthscope's national rates of quality indicators, as well as individual hospital rates;
- Each indicator is presented with a trend over time (i.e. several years);
- For every indicator, a national benchmark, average or target rate is displayed, so patients can compare Healthscope's performance to this rate;
- Patients and consumer representatives have been consulted about the indicator choice and how the website is presented;
- Information is provided about how the indicators are collected – a reference page lists the source information and definitions, if further details are required;
- Resources are provided on the web pages for patients/families (i.e. how to wash your hands); and
- Healthscope enhances and adds new indicators, where appropriate, to *MyHealthscope* on an annual basis.

MyHealthscope has received broad commendation across the healthcare industry, both nationally and internationally, and from public and private healthcare leaders. No other private Australian healthcare group provides the same level of detail and volume of quality information to the general public.

As an example, an unplanned return to hospital is a broad indicator of quality. A high rate always requires investigation as it may indicate a wide array of possible problems in care, such as post-surgical infection, poor discharge planning, problems with medication or inadequate communication with family members. Healthscope publishes this indicator for every hospital on *MyHealthscope*.

Unplanned hospital readmissions Healthscope 2009-2015



FY16 performance and progress

In FY16, Healthscope increased the number of indicators published for its hospitals business on *MyHealthscope* from 22 to 25 indicators, including unplanned admission to the intensive care unit, babies transferred to the intensive care unit and unplanned overnight stays for day patients. It was pleasing that 100% of the 25 Healthscope-wide indicators showed good performance against benchmark (equal or better) and at an individual hospital level, 90% of the 645 data points met or exceeded benchmark.

External evaluation of *MyHealthscope* conducted by the Australian Centre for Health Research, included consumer workshops, staff feedback and a best practice research review. The Australian Centres for Health Research concluded that Healthscope has the most comprehensive public health quality indicator reporting in Australia, when compared with both private and public hospitals. As part of this review, over 50 consumers were consulted about the layout, information and presentation of *MyHealthscope*. We expect to further enhance *MyHealthscope* over the next 12 months, based on this review.

SECTION 3:

A focus on our people



Healthscope recognises that managing our employees responsibly and respectfully is fundamental to our clinical quality care outcomes, innovation and business success. We are committed to providing a safe, inclusive and engaging work environment for our employees and are also focussed on ensuring that our workforce is well positioned to meet our current and future needs.

Scope

Our main areas of focus in this area are:

1. Sustainable workforce strategy;
2. Engaging our people and nurturing talent;
3. Managing our people responsibly; and
4. Workplace health and safety.

This section sets out our FY16 progress in each of these areas.

1. Sustainable workforce strategy

Commitment

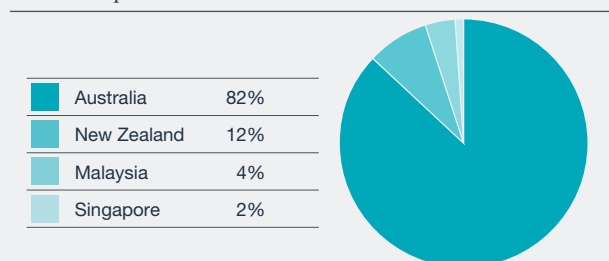
Healthscope aims to attract and retain a diverse workforce of talented employees with the appropriate skills, experience and qualifications required to deliver the high quality services to our patients and doctors.

The development of professional relationships underpins the success of our business, and as a result, retention of highly motivated and engaged staff is important.

FY16 performance and progress

Healthscope employs a workforce of over 18,000. Of this total, Healthscope's international pathology division employs over 2,500 people, with 76% of these employees located in New Zealand.

Employees in each country



Healthscope has a stable workforce with an average length of service across the group of approximately seven years. In addition to our employees, Healthscope also manages over 2,200 people on behalf of the Adelaide Community Healthcare Alliance (ACHA). ACHA employees are located at Flinders Private Hospital, The Memorial Hospital and Ashford Hospital.

Nurses are Healthscope's largest group of employees, accounting for 52% of our total workforce and 55% of our hospital division workforce.

Turnover and recruitment

In FY16, our turnover rate in Australia was 8.0% across the business and 7.9% in our hospital division. Pleasingly, the group turnover rate across the business was below the FY15 rate and the hospital turnover rate remained steady. Both of these measurements were well below our internal company benchmarks. These results reflect the positive outcomes of a range of workforce stabilisation initiatives that have been in place since 2010. As with other hospital operators, we continue to experience some workforce shortages in a small number of specialised areas, however we are addressing these shortages by supporting further education and growth of our existing employee cohort.

Diversity

Healthscope enables diversity in our workforce through flexible work arrangements. 67% of our total workforce is permanent part time or casual, facilitating work-life balance whilst also allowing Healthscope to flex our workforce in accordance with demand. We have a range of flexible work practices in place to support a balance between work and other responsibilities. The average age of an Australian-based Healthscope employee is 43 years and 33% of our workforce is aged over 50 years.

Healthscope was assessed as compliant with the Workplace Gender Equality Act (2012) in 2016¹ in acknowledgement of its wide range of supportive policies, practices and employment conditions that help achieve gender equality in the workplace. Female representation across management groups remained steady at 80%. During the year, Healthscope introduced a family violence leave clause in various enterprise agreements, allowing up to five days per year of paid leave.

In the 2016 reporting period we also made positive progress in relation to the diversity gender targets set by the Board last year. Significant achievements included:

- Improved gender balance of the Board, with female Non Executive Director representation increasing to 30%;
- 52% of all candidates interviewed for FY16 senior executive positions were female, exceeding our target of 50%; and
- 85% of Healthscope's key leadership program participants in FY16 were female, exceeding our target of 50%.

A copy of our Workplace Gender Equality Agency report is available in the sustainability section of Healthscope's website.

¹ For the period 1 April 2015 to 31 March 2016.

The results of Healthscope's inaugural employee engagement survey show that our current diversity initiatives are being well received by our workforce. Pleasingly, over 85% of survey respondents reported that their manager genuinely supported equality between genders in the workplace and over 90% responded positively to the statement that gender based harassment is not tolerated in their workplace.

Building our future workforce

Many of Healthscope's hospitals are located in high growth corridors and are expanding to accommodate the future increase in patient demand. In addition to undertaking expansion projects at a number of our existing hospitals, in the coming two years, we will open the 147 bed Holmesglen Private Hospital in Victoria as well as the 450 bed Northern Beaches Hospital in New South Wales. We need to ensure that we have the workforce to accommodate this demand and we are focused on securing high quality clinicians, nurses and allied health practitioners for these hospitals. Our key workforce planning tenet is to retain and grow our own staff and in FY16 we successfully staffed our new Gold Coast Private Hospital in addition to hospital expansions at six of our hospitals. We also managed the effective staffing of our new pathology laboratory in Wellington, New Zealand over this period.

In terms of attracting our future workforce and growing our own staff, Healthscope has formal agreements in place with all major Australian universities for nursing and allied health student clinical placements. Our comprehensive graduate education program allows us to identify and recruit high quality graduates from these programs into our workplaces.

In FY16, we provided around 100,000 clinical placement days for nursing and allied health students, which represents an increase of approximately 67% on the prior year. We also introduced Clinical Chair positions at La Trobe Private and Holmesglen Private. These professors have a joint role across Healthscope and their respective universities to further enhance and promote our research capabilities, as well as facilitating educational improvements to lift our capability platform. Healthscope also has fellowship arrangements in place with key higher education providers in several Australian states and our international pathology division has agreements with the three New Zealand universities which train medical laboratory scientists.

2. Engaging our people and nurturing talent

Commitment

Healthscope is committed to leading a values based culture and equipping our people with the right skills to perform their roles. We know that a culture that allows our employees to engage, develop and thrive has a profound impact on our patients, our doctors and our business.

FY16 performance and progress

Training and development

We support our people to deliver better quality patient care and customer service, in line with our organisational strategies, through a wide range of development initiatives and opportunities. Our hospitals have dedicated clinical educators to ensure that our nurses are appropriately trained, mentored and upskilled in respect to the appropriate clinical competencies. All training and development initiatives (on-boarding, eLearning, professional development, career progression) detailed in our 2015 Sustainability Report continued in FY16.

Healthscope also continued to invest in training and education in FY16. This included the funding of training positions, clinical placements and direct clinical training costs in addition to providing financial support for other ongoing professional education. Training was focussed in the areas of safety, quality, infrastructure and equipment. Leadership training also remained a priority and we continued to see strong retention and promotion rates among participants in our key leadership programs.

Our international pathology division has tailored Healthscope's very successful Leadership Foundations program specifically to the pathology environment, and in FY16 middle managers from New Zealand, Singapore and Malaysia commenced the six-month program. This initiative is intended to bolster key leadership competencies, as well as providing a formal succession planning mechanism for the international pathology division.

Succession planning

Succession planning across the group was further developed and progressed in FY16 with the introduction of an organisation-wide leadership competency framework. Specific training around this framework was rolled out over the course of the year, strengthening the breadth and depth of our talent.

Employee engagement

In FY16, Healthscope adopted a model of sustainable employee engagement, defined by how well our employees are:

- engaged - rational, emotional and behavioural attachment to the company;
- enabled - local work environments support productivity and performance; and
- energised - individual physical, interpersonal and emotional wellbeing at work.



THE NUMBER OF
HEALTHSCOPE EMPLOYEES
WHO ARE **HIGHLY ENGAGED**
IS GREATER THAN THE
NATIONAL AVERAGE

In March 2016 Healthscope undertook its first Australia-wide employee engagement survey – “Your voice counts”- in order to assess the level of employee engagement across the organisation. All Australian Healthscope and ACHA employees were invited to participate.

A statistically reliable response rate was achieved for this inaugural national survey and the results highlighted our organisational strengths as well as areas for improvements at national, state and site levels.

At the time of writing this report, results are being analysed and action plans for improvement are being developed and consolidated. We look forward to reporting on key areas of focus in our 2017 report.

STAR awards

Healthscope



Our STAR value awards celebrate and reward the outstanding efforts of individual staff and teams across Healthscope. Recipients demonstrate extraordinary dedication and commitment to our STAR values and in 2015

were recognised for a range of initiatives including, but not limited to:

- The development of a new and improved childhood immunisation protocol, providing vaccination and disease information in our medical centres division;
- The establishment of cardiac services at Newcastle Private Hospital;
- Championing blood and blood products protocols;
- Concierge services designed around the needs of patients and their families;
- Successfully amalgamating 20+ instruments into one computer interface, allowing an automated efficient and robust process for critical results at Southern Community Laboratories in New Zealand;
- The development of a software solution for the tracking of loan instruments and implants in theatres;
- The development of a best practice model for consumer consultation and participation; and
- Green Group recycling programs.

3. Managing our people responsibly

Commitment

Healthscope recognises that the provision of quality healthcare to our patients and doctors draws upon the skills and commitment of our diverse workforce. Integral to Healthscope’s attraction and retention strategies is the development of appropriate conditions of employment as well as adherence to our Code of Conduct.

Healthscope’s Code of Conduct promotes a high level of professionalism and a healthy, respectful and positive workplace and environment. The Code of Conduct outlines how Healthscope expects its employees to behave and conduct business in the workplace, in compliance with law and Healthscope’s ethical standards.

FY16 performance and progress

In Australia, Healthscope operates across every state and territory. Terms and conditions of employment for over 85% of our workforce are regulated by enterprise agreements with the balance of staff engaged under modern awards or contractual arrangements.

Healthscope has just under 30 active enterprise agreements across our Australian hospital and medical centre businesses. Our enterprise agreements regulate employment conditions in various states and territories. In FY16, six enterprise agreements were successfully renegotiated, covering 25% of our Australian workforce.

Healthscope’s New Zealand pathology business has nine collective employment agreements in place which set out the standard terms and conditions for staff. Of these collective employment agreements, four were negotiated in FY16.

Healthscope has long-standing relationships with relevant stakeholders and in FY16 there was no protected industrial action in our business.

During FY16 we completed the rollout of Healthscope’s electronic time and attendance system across our hospital division. The implementation of this system has improved the governance around our previously manual rostering and attendance system.

4. Workplace health and safety

Commitment

At Healthscope, health, safety and wellbeing continue to be a key focus. Having our people return home safely without being injured at work is a fundamental objective. This commitment is supported by our continued focus on driving a positive and productive workplace health and safety culture, improving injury prevention and injury management.

FY16 performance and progress

During FY16, we continued to invest resources to improve our workplace health and safety data management and reporting systems. This resulted in an improved reporting culture and, therefore, increased incident reporting. This cultural enhancement was evidenced by an increase of approximately 6% in the number of workplace health and safety incidents reported, primarily from improved reporting of near miss and hazard incidents.

This increased incident reporting has improved the quality and transparency of our workplace health and safety data, enabling us to undertake better informed risk-profiling and hence, awareness and implementation of mitigation initiatives.

Our commitment to publish our key lead indicators, in line with Australian Standards, for workplace health and safety publicly and invest in our workplace health and safety systems, demonstrates that Healthscope continues to strive to be a leader in this space.

Benefits of Healthscope's improved workplace health and safety systems and reporting culture include:

- ✓ Dashboard reporting with easy access to a suite of workplace health and safety performance indicators, both lead and lag;
- ✓ Simple 'click and choose' functionality allowing users to cross reference and analyse data extensively;

- ✓ Ability to analyse and interpret workplace health and safety data at a state, divisional or business unit level;
- ✓ Enhanced premium management scorecards and tools that forecast premium impacts at a business unit level; and
- ✓ An increase in the quality of available workplace health and safety data, enabling better informed risk-profiling activities.

InjuryINDEX

The InjuryINDEX³ was introduced in FY16 as an internal measure for workplace health and safety performance. It enables improved visibility over total reported incidents, including those incidents involving a near miss. The InjuryINDEX also encourages a positive culture in relation to hazard and risk management reporting.

For FY16, we set ourselves a goal to achieve a 15% reduction in our FY15 InjuryINDEX score of 35%. It is pleasing to report that, as at 30 June 2016, our InjuryINDEX decreased to 25%, outperforming our FY16 target of 30%.

Lost time and total recordable injury frequency rate

Healthscope's definitions for lost time injury frequency rate (LTIFR)⁴ and total recordable injury frequency rate (TRIFR)⁵ align with Australian Standard 1885. 1-1990.

As at 30 June 2016, our group LTIFR was 10.1 per million hours worked and our group TRIFR was 25.4 per million hours worked.

There were zero work-related fatalities recorded during the financial year.

National health and wellbeing

As part of our ongoing commitment to health and wellbeing, Healthscope's employees have access to an Employee Assistance Program (EAP). This work-based intervention program is designed to enhance the emotional, mental and general psychological wellbeing of all employees.

³ The InjuryINDEX measures the total recorded workplace health and safety incidents that result in some form of injury to a person (i.e. first aid, medical treatment, or lost time) divided by total recorded workplace health and safety reports (including near misses and hazard reports, FAI, MTL, and LTIs). This number is multiplied by 100 to provide an InjuryINDEX score (%). This InjuryINDEX is measured over a rolling 12 month period. The data includes all Healthscope's corporate and operational departments (including Australia and International). Data includes ACHA employees. Data includes contractor injuries.

⁴ A Loss Time Injury (LTI) includes an occurrence that resulted in a fatality, permanent disability or time lost from work of one day/shift or more. This includes estimates for future absences. The time lost is not necessarily continuous, and may occur over a number of separate periods for the same injury. The LTI must involve an injury/illness/disease where work is a significant contributing factor. LTI includes cases that result in sick leave for a work related injury. LTI is not dependent on the lodgement or acceptance of a workers' compensation claim. The lost time excludes injuries that occurred during travel while not on duty or during a recess period. The frequency rate is the number of lost time occurrences for each one million hours worked. The data includes all Healthscope's corporate and operational departments (including Australia and International). Data excludes ACHA employees. Data includes contractor injuries.

⁵ A Total Recordable Injury (TRI) involves an event or circumstance which led to unintended and/or unnecessary harm to a person. The classification of harm is measured in terms of lost time or medical treatment. TRI excludes administration of first aid or no adverse outcome (near miss). TRI includes cases that result in sick leave for a work related injury. TRI is not dependent on the lodgement or acceptance of a workers' compensation claim. The TRI includes injuries that occurred during travel while not on duty or during a recess period. The frequency rate is the number of lost time occurrences for each one million hours worked. The data includes all Healthscope's corporate and operational departments (including Australia and International). Data excludes ACHA employees. Data includes contractor injuries.

Our EAP provides preventive and proactive interventions for the early detection, identification and/or resolution of both work and personal problems that may adversely affect performance and wellbeing. Initiatives undertaken as part of this program include flu vaccinations, an employee assistance program and site-based initiatives including mindfulness programs and exercise classes. We recently partnered with a specialist external provider to review our current program and assess how we can make further enhancements. This review will be conducted in FY17.

Manual handling

Sprains and strains from manual handling continue to be the primary cause of injury within Healthscope. During FY16, to improve our approach to this risk, we engaged an industry expert to review our systems and processes by critically examining the factors contributing to our manual handling related injuries. This review led to a new multi-disciplinary working group, comprising academics and external industry experts, enabling us to identify industry best practice and improve our manual handling processes, with the aim of reducing this risk. We look forward to reporting the results of this process in our 2017 report.

Reducing workplace violence and aggression

Healthscope is focussed on reducing instances of workplace violence and aggression sustained in the provision of patient care. In FY16 our partnership and collaboration with the safety regulator and an industry expert resulted in further improvements in the way we manage this issue in our workplace. One such collaboration was our partnership with WorkSafe Victoria where we worked together to develop a risk assessment tool for workplace violence and aggression. This project had the following three stages:

1. Designing a tool to guide nurse unit managers in hospitals to undertake more effective investigations for workplace violence and aggression incidents;
2. Piloting the tool to assess the effectiveness and better understand the implementation opportunities and challenges; and
3. Evaluating the pilot and using the findings to refine the tool.

Healthscope has also partnered with an external provider to improve and enhance our current workplace, aggression, violence and education (WAVE) program. The enhanced WAVE program was rolled out across the business in FY16 and aims to improve our management of workplace violence and aggression.

Radiation and chemical management program

Following a review of our radiation and laser safety processes and procedures, Healthscope implemented an improved radiation management database to enhance the governance of radiation and laser safety across the business.

Healthscope also commenced the rollout of an upgraded chemical management database in FY16. This database has further streamlined the management of chemical records and it is expected that the rollout of this database to all sites will be completed in FY17.



SECTION 4: Giving to our local communities



Scope

Healthscope empowers our individual hospitals, pathology laboratories and medical centres to work within their communities to provide bespoke support, guidance and assistance. We believe our local teams are best placed to guide our charitable efforts for the greatest impact.

At a corporate level, Healthscope's focus is on making strategic contributions to indigenous health and education by providing healthcare provisions, medical assistance and education opportunities to indigenous communities.

Commitment to support our local communities

Our sites understand the important role they play as a healthcare provider in their individual communities. They also recognise that they do not do this alone and they are part of a much bigger, broader and complex healthcare system that requires support, recognition and response to ensure quality health outcomes in all forms of care.

Committed to playing an active role in our communities, the focus across the broader Healthscope group in FY16 was to further explore opportunities to add value. These contributions included the formation of a number of new partnerships in addition to providing health screenings at community events, raising funds for important research programs, visiting schools to educate students on healthy behaviours and donating time and resources to various community initiatives.

Some specific examples of our contributions to local communities in FY16 include:

- **Supporting the broader picture:** As a dedicated provider of cancer healthcare services, Ringwood Private Hospital provided support to a range of cancer charities throughout the year by way of event sponsorships and staff celebrations such as morning and afternoon teas.

Ringwood Private Hospital was awarded the Cancer Patients Foundation 'Look Good, Feel Better State Venue of the Year' for Victoria and Tasmania in recognition of their commitment and ongoing dedication to helping women, men and teens manage the appearance-related side-effects caused by chemotherapy and radiation treatment with confidence.

- **In Memoriam:** Remembering a long term, dedicated colleague, The Melbourne Clinic contributed to The Isaac Schweitzer Travelling Fellowship Scholarship for students at the Faculty of Medicine, Dentistry and Health Sciences at The University of Melbourne.

- **Dedicated to research:** It is not only a co-location that Melbourne Private Hospital shares with Royal Melbourne Hospital, but also a dedicated commitment to clinical research. This year Melbourne Private Hospital again sponsored the Royal Melbourne Hospital's Research Gala that celebrated the outstanding achievements made in clinical research.
- **The sky's the limit:** Labtests Auckland has, over the last five years, supported the Auckland Rescue Helicopter Trust, an essential community service for the region. The primary aim of the Trust is to provide and develop a highly efficient aero medical service for the benefit of the community at large.
- **Life changing surgery:** Mount Hospital, in partnership with local plastic and reconstructive surgeons, donated their services to the John Fawcett Foundation to facilitate the reconstructive surgery of two Indonesian teenagers who sustained horrific burns in kerosene lamp accidents.
- **Cultural togetherness:** Māori Language Week is an annual campaign to promote the language in New Zealand. This year Labtests Auckland provided traditional food for staff and hosted Kapa Haka, a local college, whose students performed speech, song and action in Māori. Labtests Auckland is one of a few organisations who observes "Te reo o tewiki" and this is much appreciated by the broader Māori community.
- **Cycling for a cause:** Gribbles Veterinary in New Zealand supports Sands Manawatu Horowhenua - a voluntary, parent-run, non-profit organisation set up to support parents and families who have experienced the death of a baby at any stage during pregnancy or post birth - during their annual 'Miles in Memory' event. This is a 24 hour cycle marathon and one of the charity's main fundraisers.
- **Gold coin donations:** At the heart of each Healthscope site is a dedicated team committed to the delivery of quality healthcare for their patients. Their passion for care is further evidenced by their passion to support causes close to their collective hearts such as their local communities or charities.

Throughout the year, our sites have also raised donations to support various charities through other activities such as team marathon walks in local parks, growing moustaches for Movember, supporting The Smith Family Christmas Appeal, all done with a focus on providing and caring for others.



Strategic contributions to indigenous health

Cape York Group – partnering together in the commitment to quality indigenous health

With a reputation that precedes their organisation, the Cape York Group have had considerable success in reforming the welfare and education sectors in the Cape and, in 2014, they approached Healthscope as they were interested in implementing a healthcare program for individuals identified as most at risk.

What started as an initial conversation set in motion an agreement for Healthscope to undertake its largest clinical assistance program in remote Australia. Acknowledging that none of Healthscope's 45 hospitals would share, fully, the unique healthcare issues faced in Cape York, there was a learning opportunity to understand how best to utilise Healthscope's wide-ranging clinical expertise.

The objectives of the partnership were met and formalised, with the development of a structure that would provide a range of clinical healthcare services to the Cape York community as well as education and government liaison assistance.

Partnership in place, in FY16, Healthscope and Cape York mobilised their respective teams to implement the first component, focused on youth healthcare.

Located south of Cairns is Djarragun College in Gordonvale, a dedicated Prep to Year 12 co-educational boarding school for Aboriginal and Torres Strait Islander students.

Many of the college's 250 students suffer from cognitive and other learning disabilities and have limited access to clinical intervention by way of medical specialists.

Healthscope's team of eight clinical psychologists and two speech pathologists flew to Gordonvale in October 2015 to undertake a two week clinical assessment of over 90 children.

Far removed from their city-based hospitals with all required pathology tools, devices and clinical facilities, the team faced a steep, but heavily rewarding learning curve.

Given the cultural diversity of the students, who speak many different indigenous languages, culturally fair tests were selected for the assessments to limit language requirements and minimise over-identification of students and prevent institutional racism.

Post clinical testing, the Healthscope team's objective was to identify the students that would be eligible for the Queensland Government's Educational Assistance Program that would provide additional funding and resources to support their learning goals.



Upon completion of this highly successful program, Healthscope identified a number of additional opportunities to further support the youth in the Cape, most specifically with The Cape York Girl Academy.

In FY16, Healthscope also supported The Cape York Girl Academy, Australia's first boarding school for young mothers and their babies. The Cape York Girl Academy believes that, with education, girls can change their world and the world around them.

Recognising that many young mothers were at risk of not returning to school post the birth of their children, The Cape York Girl Academy provides the opportunity for them to be both mother and student concurrently. They live and learn together whilst being supported by staff, their family and friends.

In February 2016, a team of Healthscope clinicians travelled back to Cape York to carry out psychological and language assessments for 14 students of The Cape York Girl Academy.

Healthscope's clinicians helped to identify any underlying clinical issues that these students may have and what additional support they might need. They then worked with the teachers from The Cape York Girl Academy to develop individual clinical treatment plans that would help the students to further their education.

The Cape York Girl Academy is a much needed resource in the Cape and is undertaking important work. Healthscope was delighted to be able to provide clinical assistance and to be involved in this project.

Institute for Urban Indigenous Health partnership

In FY16 Healthscope partnered with the Institute for Urban Indigenous Health (IUIH) to provide vital cataract surgery to Aboriginal and Torres Strait Islanders from across South East Queensland.

The loss of vision due to cataracts can be debilitating for patients and their family, having a huge impact upon their quality of life.

Cataract surgery is quick, safe and highly successful in restoring clear vision almost immediately however public cataract surgery wait lists are long, and the barriers to accessing these public surgical services for many indigenous patients can be significant.

Under the partnership, patients accessing eye health services in IUIH clinics across South East Queensland were prioritised for surgery based on extent of vision loss and factors affecting the impact of vision loss such as co-morbidities, social circumstances and other physical and mental health considerations.

Healthscope's Peninsula Private Hospital provided an IUIH ophthalmologist with access to surgical facilities, resulting in the restoration of vision for 45 indigenous Australians.

Peninsula Private Hospital also provided IUIH with access to surgical facilities to undertake ear, nose and throat surgeries for indigenous children in February 2016. These surgeries mainly comprised grommets, myringoplasties and adenoids.

Indigenous employment

Healthscope is a signatory to the Australian Employment Covenant's (AEC) industry-led initiative which aims to break the cycle of unemployment and poverty among indigenous Australians through meaningful and sustainable employment. To support our commitment to the AEC we have developed an indigenous employment program that sets the framework and actions to build employment opportunities and to ensure successful outcomes and support for indigenous employees in our business.

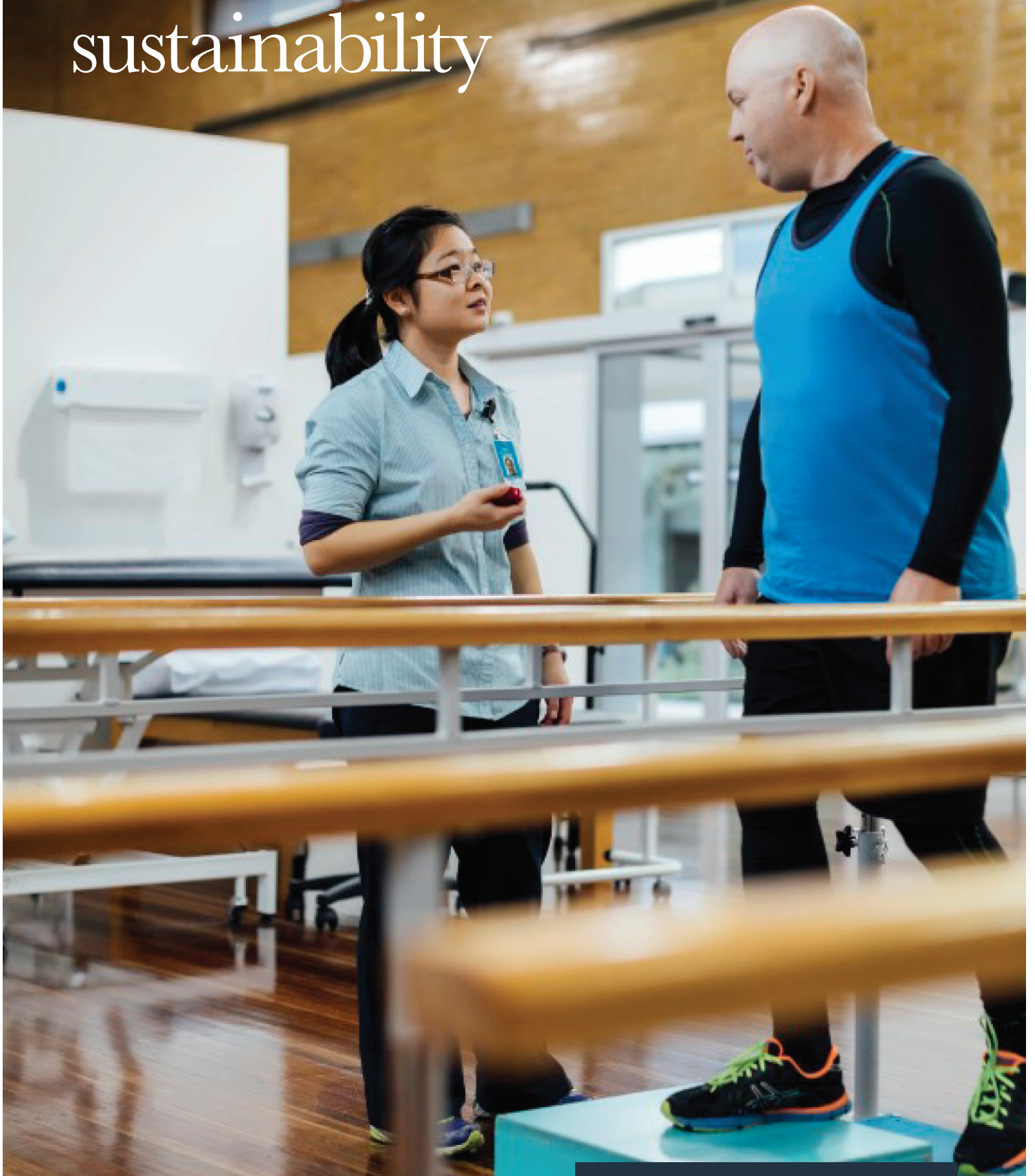
Our commitment to the AEC is underpinned by our broader aim to attract, recruit and retain a diverse workforce and to create a work environment that values and utilises the contribution of its staff from diverse backgrounds and experiences. We recognise that as a leading employer in the healthcare industry with a national footprint, we are well positioned to make a positive contribution to improving social and economic outcomes for indigenous Australians through employment.

The program is in its formative stage in a number of our hospitals in New South Wales and at Darwin Private Hospital. Employment opportunities offered include entry level positions in support services and administration and we are also exploring opportunities for Assistants in Nursing and Enrolled Nurses.

Our next step is to support indigenous employees in employment with Healthscope through our new employee's induction and orientation programs, on the job training and ongoing support with workplace mentors at each site of employment.

SECTION 5:

Accepting responsibility to ensure environmental sustainability



Healthscope recognises that environmental sustainability is an important issue for our global community and we understand the importance of maintaining a high standard of environmental care in conducting our business activities.

From the provision of best practice healthcare to the design and operation of our facilities, as an organisation, we are committed to reducing waste, ensuring efficient use of resources and contributing towards a sustainable future.

The Healthscope hospital portfolio is a growing business and our environmental impact is most influenced by the buildings we occupy and the technology and equipment we use within them. This report covers areas including energy saving initiatives, waste management, recycling equipment, as well as new building design.

We are committed to managing our operations in compliance with applicable laws, legislation, regulations, standards and codes of practice that minimise any adverse impact on the environment. Healthscope complied with all relevant environmental legal obligations in FY16 and regularly review our policies and procedures to ensure we continue to deliver improvements in our environmental practices.

Scope

As outlined in our Environmental Management Policy, Healthscope has several key areas of focus, including those set out below:

1. Conserving energy and effective use of natural resources;
2. Waste minimisation and prevention; and
3. Sustainable development.

This section sets out our FY16 progress in each of these key areas.

1. Conserving energy and effective use of natural resources

Commitment

Healthscope is committed to effectively managing and reducing our energy consumption and carbon emissions, as well as ensuring business practices focused on conserving water.

In addition to the Environmental Management Policy, Healthscope has a specific policy on energy management which provides direction for organisational strategies in this area.

FY16 performance and progress

In FY16, Healthscope continued to integrate environmentally sustainable practices in the way we do business.

This included improving the way we manage and monitor energy consumption across all divisions of the business.

A key focus for FY16 was implementing the necessary systems required to improve our ability to monitor our energy consumption on a site-by-site basis. These systems have enhanced the transparency of energy consumption patterns at each site, improved internal peer benchmarking and have resulted in the development and implementation of site-specific energy-saving initiatives. These systems will also enable greater visibility and regular reporting of our group energy consumption.

In FY15, Healthscope engaged energy experts to assist in the co-ordination of our electrical and gas consumption and associated costs, and to assist in identifying additional opportunities to reduce consumption. This resulted in the installation of Power Factor Correction (PFC) units at seven hospital sites in FY16, reducing chargeable electricity demand and maximising the outputs of electrical consumption. It is expected that these PFC units will reduce energy consumption by approximately 2 – 7% at these sites.⁶

Healthscope continues to assess and implement energy efficient products and projects in order to further reduce overall energy consumption. Specific initiatives implemented at site level during FY16 included:

- Continued introduction of building controls and sensor lighting;
- Continued upgrading existing energy-inefficient lighting to LED lighting;
- Upgrading of air conditioning units to units with improved energy efficiency at selected sites;
- Deployment of new energy-efficient computers, as part of the three-year cycle, to replace traditional desktop computers. The new computers are up to 40% more energy efficient than the prior generation platform; and
- Recycling and/or securely and environmentally destroying all redundant computer equipment via our supplier.

In addition, each of Healthscope's sites is responsible for compliance with the Healthscope Environmental and Energy Policies. In FY16, our hospital Green Groups continued to consider, assess and implement initiatives to:

- Minimise waste and energy consumption;
- Segregate products for recycling;
- Convert to biodegradable products and substances to reduce landfill; and
- Work with our suppliers to introduce more sustainable products.

⁶ Based on an estimated reduction in annual energy spend.

Hospitals are typically large users of water due to the need to maintain the highest standards of hygiene and sterile environments. Healthscope, therefore, does not use recycled water within the hospital environment for hygiene reasons, and our focus is instead on conserving water usage. As a result of the industry expert review conducted in FY15, Healthscope developed and implemented a number of new water saving initiatives in FY16 including recycling rainwater capacity for landscape management.

In addition, Healthscope continued to implement and rollout existing water saving initiatives such as transitioning old devices to water efficient devices, including shower heads, flush toilets and pan flush systems and installing water flow devices on basins.

Provided below are Healthscope's FY16 energy consumption, carbon emission and water usage metrics.

Period	Type	Energy Consumed GJ	MJ/ PD	CO ₂ e Tonnes	KgCO ₂ e/ PD	Water kL	kL PD
FY16	Hospitals	604,821	384	96,803	61	738,488	0.47
FY15		598,599	390	95,405	62	728,547	0.47
FY16	Other operations	14,069		3,497			
FY15 ¹		78,052		13,141			

PD = Patient Day

¹ Includes the Australian Pathology operations which were divested on 6 July 2015.

2. Waste minimisation and prevention

Commitment

We aim to use natural resources efficiently, minimise the production of waste, harmful air emissions and water discharges and recycle or reuse where possible to reduce the impact of our operations on the environment.

FY16 performance and progress

Hospitals generally have a lower recycling diversion rate compared to other industries because, for safety reasons, clinical waste (which makes up a large proportion of our waste) cannot be recycled. All of our chemical and biomedical waste is removed by licensed contractors who are required to comply with Environment Protection Authority regulations. Healthscope's hospitals continued their commitment to reducing waste in FY16, successfully increasing the amount of waste diverted from landfill to 18.22% (compared with 17.71% in FY15). This was achieved by improving our waste-minimisation and recycling initiatives.

Healthscope recycles cardboard, paper, comingled materials (aluminium, PET plastic and glass), food organics, confidential documents, printer cartridges and e-waste.

From an office supply perspective, we continue to purchase a range of recycled paper products and recycled toner

cartridges and we assess and implement digitisation processes on a regular basis, reducing the need for paper forms and printouts.

In FY16, the following initiatives were undertaken in order to minimise waste across the group:

- Commenced rollout of eAdmission and eReferral systems across the hospital network to replace existing paper-based processes;
- Implemented new recycling streams for the recycling of fluorescent tubes, batteries and stainless steel. This new initiative was rolled out to all sites over the course of the year;
- Reviewed older model mobile phones, iPhones or iPads on a quarterly basis to determine whether they could be reused within the business. If individual devices were not deemed suitable for reuse, they were sent to a third party for recycling;
- Continued to participate in a print cartridge recycling program at a site level through Planet Ark;
- Continued to recycle clinical consumables, where appropriate at a site level. For example, Healthscope's supplier of deep vein thrombosis sleeves provides special bins and sites are encouraged to recycle these sleeves, reducing landfill and avoiding CO₂ emissions. In FY16, the number of sleeves recycled across the hospital network increased 34% compared with the prior year;
- Implemented a new technology solution at Gold Coast Private Hospital in order to reduce paper usage. This involved an initial phase of consolidating the number of print devices on site and a soon to be introduced secure swipe card/PIN printing system which is expected to reduce print usage by 12-15% per annum. It is expected that this solution will be rolled out across all Healthscope hospitals over the coming 18 months;
- Introduced a food management system at Brisbane Private Hospital to enable electronic ordering of patient meals. This has resulted in a reduction in paper usage of approximately 80,000 pieces per year at site. This system will be implemented at selected sites in FY17;
- Knox Private Hospital partnered with a leading recycled plastic manufacturer to collect Kanguard, a sterile wrap used extensively throughout hospitals, and recycle the material to produce items such as park benches and walkways.



Global Green and Health Hospitals (GGHH)

Prince of Wales Private Hospital joined the Global Green and Healthy Hospitals (GGHH), a 15,000 strong global network of hospitals and health centres working together to reduce their environmental footprint and contribute to improved public health, in April 2016.

In association with the Climate and Health Alliance (CAHA), the regional partner and co-ordinator of GGHH, Prince of Wales Private Hospital undertook a number of waste-minimising and environmental initiatives in FY16.

A number of the Environment Committee's achievements are highlighted below.



3. Sustainable development

Commitment

Healthscope is committed to appropriately integrating environmental sustainability principles into the planning and design of its hospitals and other health facilities.

FY16 performance and progress

During FY16, Healthscope continued to apply best practice standards to the design and operation of its building portfolio. All brownfield developments are compliant with the Building Code of Australia, including Section J requirements for environmentally sustainable design.

Details in relation our largest development project, the Northern Beaches Hospital, are included in the case study overleaf.





Northern Beaches Hospital – building a world class sustainable hospital facility

Healthscope's largest project is the landmark Northern Beaches Hospital in Sydney and we are excited to be partnering with the New South Wales Government to deliver this world class facility to the community of the Northern Beaches. The hospital will provide health services to both public and private patients and will include 450 overnight beds and 20 operating theatres. Construction commenced in March 2015 and is scheduled for completion in December 2018.

Healthscope undertook an environmentally sustainable approach to the design of the hospital, resulting in a holistic and integrated design. We are proud that this design will balance flexibility, reliability, environmental, operational and health benefit factors. In order to achieve this, the Northern Beaches Hospital will incorporate operational and design innovations in addition to digital hospital technologies. Testament to this approach, and evidencing Healthscope's commitment to sustainability, is the 4-star rating outcome received from Green Star who evaluate the green attributes of healthcare building projects against key criteria including energy and water efficiency, indoor environment quality and resource conservation. A 4-star Green Star rating rewards and recognises best practice.

To ensure the Northern Beaches Hospital development targets the most efficient areas in the design and construction phase, Healthscope collaborated with the Independent Commissioning Agent (Umow Lai) and the construction contractor (CPB) on key sustainability and environmental focus areas. These included, but were not limited to, energy conservation, efficiency of natural resource usage, waste minimisation and innovation. Specific examples of the resulting sustainability initiatives which may be implemented at the Northern Beaches Hospital are provided below.

Energy conservation initiatives

- Reducing the peak electricity demand through a co-generation plant which is a gas fired electricity generator;
- Individually switched lighting zones;
- Ensuring all external lighting (excluding emergency lighting) is to have a light source efficiency of at least 65 lumens/watt, and at least 95% of all external lights are to be connected to daylight sensors;
- Fitting of blinds or screens on all glazing, eliminating 95% of all direct sunlight penetration; and
- Ensuring that the building is tested for air tightness.



Natural resource efficiency initiatives

- Meeting pre-determined ratings for potable water efficiency by installing water-efficient showerheads, toilets and bathroom taps;
- Reducing potable water consumption for landscape irrigation by 90% through rainwater harvesting and storage and/or a landscape garden;
- Installing water meters for all major water uses including bathrooms, evaporative heat rejection systems, fire system water, irrigation systems, laundry facilities, rainwater supply, recycled water supply, hot water, kitchen facilities and renal dialysis; and
- Ensuring all ceilings, wall and partitions used in the hospital achieve an acceptable Green Star product score.

Waste minimisation initiatives

- Recycling or re-using 80% of the waste (by mass) generated during the demolition and construction activities; and
- Reducing portland cement content, majority of mix water to be captured or reclaimed water with a minimum 25% of aggregates to be recycled.

Other sustainability initiatives

- Sourcing at least 95% of all steel used in the building structure from a responsible steel maker;
- Supplying secure bike lockers for both staff and visitors, including secure lockers to accommodate work clothing;
- Ensuring all joinery is modular and easily dissembled for future re-use, and manufactured from sustainable timber and/or re-used products;
- Undertaking onsite training of core concepts of global warming climate change and health impacts of building practices, site-specific training that highlights sustainable solutions of the project; and
- Ensuring all refrigerants and thermal insulation have an Ozone Depletion Potential of zero.

From the start of the design phase, the progress of these initiatives has been tracked and monitored by a dedicated team to ensure the design response fulfils our sustainability commitments. Once the hospital construction is completed, tuning of the building management systems will take place during the commissioning phase. Frequent metering and monitoring of energy and water consumption will then be undertaken to ensure resource usage is understood and future usage is reduced. Healthscope is committed to the ongoing verification of the building performance and will strive to maintain the 4-star Green Star rating going forward.